

IRSL:STEXCH:2022-23:
30th June 2022

Corporate Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Bandra - Kurla Complex,
Bandra (E), Mumbai - 400 051.
Thru.: **NEAPS**
Stock Code NSE: **INDORAMA**

Corporate Relations Department
BSE Limited
Floor 25, P. J. Towers,
Dalal Street,
Mumbai - 400 001.
Thru.: **BSE Listing Centre**
Stock Code BSE: **500207**

ISIN: INE156A01020

Indo Rama Synthetics (India) Limited - CIN L17124MH1986PLC166615

Sub.: Regulations 30 and 34-Submission of Notice of the 36th Annual General Meeting ("AGM") and Annual Report of the Company for the year ended 31st March 2022

Dear Sir/Madam,

This is furtherance to our letters dated 28th April 2022 and 14th June 2022, wherein the Company has informed that the AGM of the Company is scheduled to be held on Monday, 25th July 2022, at 11:30 AM IST, through VC/OAVM facility, in compliance with the applicable provisions of the Companies Act, 2013 and Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with General Circular Nos. 14/2020, 17/2020, 20/2020, 33/2020, 39/2020, 02/2021, 19/2021 and 02/2022, dated 8th April 2020, 13th April 2020, 5th May 2020, 28th September 2020, 31st December 2020, 13th January 2021, 8th December 2021 and 5th May 2022, respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January 2021 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May 2022, issued by the Securities and Exchange Board of India ("SEBI Circulars"), without the physical presence of the Members at the AGM Venue.

Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 19th July 2022 to Monday, 25th July 2022 (both the days inclusive).

The soft copy of Annual Report of the Company for the financial year 2021-22 and Notice of 36th AGM have been sent on 30th June 2022, through email to all the Members whose Email IDs are registered with the Company/Depository Participants.

In terms of the requirements of Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Notice of the ensuing 36th AGM and the Annual Report of the Company, for the financial year ended 31st March 2022.

The said Notice and Annual Report are also placed on the Company's website, http://www.indoramaindia.com/annual_reports.php.

INDO RAMA SYNTHETICS (INDIA) LTD.



Brief details of the 36th AGM of the Company are as below:

Date and Time of AGM	Monday, 25 th July 2022, 11:30 AM IST
Mode	Video Conference ("VC") / Other Audio-Visual Means ("OAVM")
Cut-off Date for e-Voting	Monday, 18 th July 2022
Remote e-Voting start date and time	Friday, 22 nd July 2022, 9:00 AM IST
Remote e-Voting end date and time	Sunday, 24 th July 2022, 5:00 PM IST
e-Voting Website	https://www.evoting.nsd.com

You are requested to kindly take the same on record.

Yours faithfully,
for Indo Rama Synthetics (India) Limited

Pawan Kumar Thakur

Pawan Kumar Thakur
Company Secretary and Compliance Officer



Encl.: As above

Copy to:

- 1) National Securities Depository Ltd.
4th Floor, 'A' Wing, Trade World,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai-400013
- 2) Central Depository Services (India) Ltd.
16th Floor, P J Towers
Dalal Street, Fort
Mumbai - 400 001
- 3) MCS Share Transfer Agent Limited
F-65, First Floor,
Okhla Industrial Area, Phase-1
New Delhi-110 020

Annual Report
2021-22

INDO RAMA
Synthetics (India) Limited

**SHAPING
A NEW
GROWTH ERA**

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Forward-looking Statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This Report and other statements-written and oral-that we periodically make contain forward-looking statements that set out anticipated results based on the Management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.



Read more online
www.indoramaindia.com



Corporate Information

Board of Directors

Om Prakash Lohia

Chairman and Managing Director

Vishal Lohia

Whole-time Director

Hemant Balkrishna Bal

Whole-time Director

Dilip Kumar Agarwal

Non-Executive Non-Independent Director

Suman Jyoti Khaitan

Non-Executive Independent Director

Ranjana Agarwal

(Woman Director)

Non-Executive Independent Director

Dhanendra Kumar

Non-Executive Independent Director

Dharmpal Agarwal

Non-Executive Independent Director

(w.e.f. November 25, 2021)

Dr. Arvind Pandalai

Non-Executive Independent Director

(upto August 30, 2021)

Corporate Executives

M. N. Sudhindra Rao

Chief Executive Officer

Umesh Kumar Agrawal

Chief Commercial and Financial Officer

Pawan Kumar Thakur

Company Secretary

Auditors

Walker Chandiok & Co LLP

Bankers

Standard Chartered Bank

Sumitomo Mitsui Banking Corporation

The Hongkong and Shanghai Banking Corporation Limited

Australia and New Zealand Banking Group Limited

Our Identity

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

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



Our Mission

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



Relevant Facts

31+

Years of robust industry expertise and experience

610,050 TPA

Cumulative production capacity at our Butibori plant

1,400+

Members in Team Indo Rama

45

Countries across five continents mark our presence



Our offerings

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



Wide-ranging product applications

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



Our key raw materials

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



Our Awards and Accolades

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

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



Our technology alliances

Technology from the following best global technology suppliers:

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

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



Our accreditations

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

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

Chairman and Managing Director's Message

Sustaining growth momentum



“ In FY 2022, Revenue from operations grew by 92.86% to ₹3,901.13 crores, while EBITDA increased by 172.45% to ₹308.69 crores. ”

Dear Shareholders,

I am pleased to report that the financial year 2021-22 was one of the best years in the history of the Company. We witnessed strong growth in terms of revenue and profitability due to consistent improvement in operational parameters and improved market sentiments supported by the strong economic recovery.

Financial and operational performance

In FY 2022, Revenue from operations grew by 92.86% to ₹3,901.13 crores, while EBITDA increased by 172.45% to ₹308.69 crores. Profit before tax increased to ₹218.11 crores as against ₹2.73 crores in previous year.

On the operational front, the capacity utilization for downstream products increased to 70% in FY 2022 from 49% in FY 2021 absorbing fixed costs more effectively. We were able to increase productivity, enhance product quality, reduce wastage, and lower cost per ton of production by managing resources effectively and optimizing overall operations. Consequently, India Ratings and Research (Ind-Ra) upgraded our credit ratings two times during the year to “IND A-/Stable”, reflecting our swift turnaround.

Trends shaping the industry

Man-Made Fibre (MMF) demand has been rising in recent years due to the increased consumption of nonwovens and technical textiles. Demand is also being driven by the rapid shift in fashion trends and increased brand consciousness. Apart from industry trends, government initiatives like the PLI Scheme and National Technical Textile Mission are supporting the textile industry quite significantly.

Strategic priorities

Building on the strong performance of FY 2022, we are now in a comfortable position to capitalise on the emerging opportunities with the ongoing growth Capex plan of ₹600 crores. We have prioritized expanding and revamping our facilities, enhancing the product portfolio with high-value products, and improving operation efficiency through optimum utilization of resources.

Nurturing our people

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



With various initiatives, we also focus on our people's health and well-being. We strive to maintain the highest standard of safety through a systemic approach to safety and the activation of programmes engaging people. Our Butibori plant features a full-fledged health centre with well-trained doctors and nurses, as well as an ambulance and other medical facilities, which give medical help to employees, their families, contractors, and the public in common.

Promoting inclusive growth

As responsible corporate citizens, we endeavour to engage in community development activities and support in the areas of healthcare, education, water, and energy conservation.

Reducing environmental impact

We are cognizant of the impact our operations have on the environment. Hence, we adopt several measures for ecological balance in and around production facilities. We are also focusing on effective energy utilisation, which helps to conserve energy and reduce the cost of operations. Moreover, the Company continues to innovate and employ efficient technologies to reduce the environmental impact of all its products, which include Polyester Staple Fibre, Polyester Filament Yarn, Draw Texturised Yarn, and Polyester Chips.

In addition, our Company has undertaken the following environmental initiatives:

- Installation of Waste Heat Recovery;
- Initiated Rainwater harvesting in an additional area;
- Controlled usage and avoidance of wastage of all utilities;
- Switch to Grid power instead of Captive thermal power thereby reducing the incremental environmental impacts.

Way forward

As we enter yet another exciting year, I am optimistic that we will drive growth by capitalising on the emerging opportunities with a focus on our strategic priorities.

Finally, on behalf of the Board of Directors and the whole Indo Rama team, I would like to express my heartfelt gratitude to all key stakeholders, including customers, employees, vendors, partners, banks, and government officials, for their continued trust and support. With your ongoing encouragement, we are confident that we will be able to maintain our growth momentum in the future.

Best regards,

Om Prakash Lohia

Chairman and Managing Director

INDO RAMA SYNTHETICS (INDIA) LIMITED

CIN: L17124MH1986PLC166615

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

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

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

NOTICE is hereby given that the Thirty-sixth Annual General Meeting of the Members of Indo Rama Synthetics (India) Limited will be held on Monday, the 25th day of July 2022, at 11:30 AM Indian Standard Time ("IST"), through Video Conferencing/ Other Audio-Visual Means, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:

- a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022, together with the Directors' Report and the Auditors' Report thereon; and
- b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, together with the Auditors' Report thereon.

2. To appoint a director in place of Mr. Hemant Balkrishna Bal (DIN: 08818797) who retires by rotation at this meeting, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. To enter into Related Party Transactions

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

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 (the "Act") read with Rules made thereunder, including the Companies (Meetings of Board and its Powers) Rules, 2014 and any statutory modification(s) or re-enactments thereof for the time being in force and pursuant to provisions of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and such other approvals, permissions and sanctions as may be required, consent of the Members be and is hereby accorded to the Board of Directors of the Company (the "Board") for the following material related party transaction(s), for the financial year 2022-23 with Indorama Petrochem Limited, Thailand, a related party of the Company within the meaning of Section 2(76) of the Act and Regulations 2(1)(zb) of SEBI Listing Regulations, which may exceed 10% of the audited annual consolidated turnover of the Company, i.e., financial year ended March 31, 2022:

Type, material terms and particulars of the proposed transaction	Name of Related Party and its relationship with the listed entity or its subsidiary	Tenure of the proposed transaction	Value of proposed transaction	The percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year	Justification as to why the RPT is in the interest of the listed entity	A copy of the valuation or other external party report, if any such report has been relied upon
Purchase of Purified Terephthalic Acid ("PTA")	Indorama Petrochem Limited, Thailand, (a Group Company of Indorama Ventures Public Company Limited, a Promoter Group Company)	Financial Year 2022-23	₹1000 Crores	₹404.44 Crores (10% of ₹4044.41 Crores)	To support the availability of prime raw material for desired production levels by supplementing the non-availability of domestic PTA adequately.	Not applicable. Since the transaction has been carried out at Arm's length basis and is also in the ordinary course of business of the Company

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform all such acts, deeds, and matters, as may be necessary, including finalizing the terms and conditions, methods and modes in respect thereof and finalizing and executing necessary documents including contracts, agreements and such other documents and deal with any other matters, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution and to settle any question that may arise in this regards and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Member shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**4. Ratification of the remuneration of Cost Auditor**

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 including any amendment(s), statutory modification(s) or re-enactment(s) thereof, for the time being in force, consent of the Members of the Company be and is hereby accorded to the ratification of the remuneration of Mr. R. Krishnan, Cost Accountant (Membership No. 7799), appointed as Cost Auditor by the Board of Directors of the Company (“the Board”) for the financial year ending March 31, 2023, to conduct cost audit relating to cost records of the Company and that the said Cost Auditor be paid a remuneration of ₹1,80,000/- (Indian Rupees One Lakh Eighty Thousand only) plus applicable taxes;

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

By Order of the Board

Registered Office:

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

Pawan Kumar Thakur
Company Secretary
(FCS No. 6474)

Place: Gurugram
Date: April 28, 2022

Notes:

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

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

- a) i) In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its General Circular Nos. 14/2020, 17/2020, 22/2020, 33/2020, 39/2020, 10/2021, and 20/2021 dated April 8, 2020, April 13, 2020, June 15, 2020, September 28, 2020, December 31, 2020, June 23, 2021, and December 8, 2021, respectively, in relation to "clarification on the passing of ordinary and special resolutions by the Companies under the Act, and the rules made thereunder on account of the threat posed by Covid-19", and General Circular Nos. 20/2020, 02/2021, 19/2021, and 21/2021 dated May 5, 2020, January 13, 2021, December 8, 2021, and December 14, 2021, respectively, in relation to "clarification on holding of AGM through VC or OAVM" (collectively referred to as "MCA Circulars") and the Securities and Exchange Board of India ("SEBI"), vide its Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Covid-19 pandemic" and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to Covid-19 pandemic" (collectively referred to as "SEBI Circulars") and all other relevant circulars issued from time to time, permitted for holding of AGM through VC/ OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, AGM of the Members of the Company is being held through VC/ OAVM. The Registered Office of the Company shall be deemed to be the venue for the AGM.
- ii) VC/ OAVM – Major Guidelines:
- a) Members are requested to join the AGM through VC/ OAVM mode not later than 11:15 AM IST by following the procedures mentioned later in these Notes (Refer to Note No. 30). The facility for joining the VC/ OAVM shall be kept open for the Members from 11:00 AM IST and may be closed at 11:45 AM IST or thereafter.
- b) Members may note that the VC/ OAVM Facility, provided by National Securities Depository Limited ("NSDL"), allows the participation of 1,000 Members on a first-come-first-served basis. The

large shareholders (i.e., shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc., can attend the Thirty-sixth AGM without any restriction on account of first-come-first-served principle.

- c) (i) Members are requested to express their views/ send their queries in advance mentioning their name, DP ID and Client ID Number/ Folio No., email ID, and Mobile Number at investor-relations@indorama-ind.com till 4:00 PM IST on Thursday, July 21, 2022.
- (ii) Members who would like to ask questions during the Thirty-sixth AGM of the Company need to register themselves as a speaker by sending their requests preferably along with their questions mentioning their name, DP ID and Client ID Number/ Folio Number, email ID, Mobile Number, to reach the Company's email address at corp@indorama-ind.com latest by 4:00 PM IST on Thursday, July 21, 2022.
- d) When a pre-registered speaker is invited to speak at the meeting, but s/he does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video camera along with good internet speed.
- e) The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.
- b) Pursuant to Circular No.14/2020 dated April 8, 2020, issued by MCA, the facility to appoint a proxy to attend and cast vote for the members is not available for this AGM. Accordingly, the facility of appointment of proxies by members under Section 105 of the Act will not be available for the Thirty-sixth AGM. However, in pursuance of Section 113 of the Act, the Body Corporates are entitled to appoint their authorized representatives to attend the AGM through VC/ OAVM and participate thereat and cast their votes through e-Voting during the Thirty-sixth AGM of the Company.
- c) In line with the MCA Circulars and SEBI Circulars, the Notice of the Thirty-sixth AGM of the Company has been uploaded on the Company's website, www.indoramaindia.com. Notice can also be accessed on the websites of the Stock Exchanges, viz.; National Stock Exchange of India Limited ("NSE") at www.nseindia.com and BSE Limited ("BSE") at www.bseindia.com and NSDL (Agency for providing the Remote e-Voting facility) at www.evoting.nsdl.com.
- d) Since the AGM will be held through VC/ OAVM Facility, the Route Map is not annexed to this Notice.



- e) NSDL will be providing a facility for voting through remote e-Voting, for participation in the Thirty-sixth AGM through VC/ OAVM facility, and e-Voting during the Thirty-sixth AGM.
- f) The attendance of the Members attending the AGM through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- g) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (“ICSI”) and Regulation 44 of SEBI Listing Regulations read with MCA Circulars and SEBI Circulars, the Company is providing remote e-voting facility to its members in respect of the business to be transacted at the Thirty-sixth AGM and facility for those Members participating in the said AGM to cast vote through e-Voting system during the Thirty-sixth AGM. For this purpose, the Company has entered into an agreement with NSDL as the authorized agency for facilitating voting through electronic means. The facility of casting votes by a member using a remote e-Voting system as well as e-Voting on the date of the AGM will also be provided by NSDL.
- h) The Thirty-sixth AGM of the Company is being convened through VC/ OAVM in compliance with the applicable provisions of the Act read with all applicable MCA Circulars and SEBI Circulars.
3. The business set out in the Notice will be transacted through a remote electronic voting system and the Company is providing a facility for voting by remote electronic means. Instructions and other information relating to e-Voting are given in the Notice under Note No. 30 hereunder.
4. Pursuant to the MCA Circulars and SEBI Circulars, in view of the prevailing pandemic situation, owing to the difficulties involved in dispatching the physical copies of the Notice of the Thirty-sixth AGM and the Annual Report of the Company for the financial year ended March 31, 2022, including therein the Audited Financial Statements for the financial year 2021-22, the aforementioned documents are being sent only by email to the Members. Therefore, Members whose email addresses are not registered with the Company or with their Registrar and Share Transfer Agent (“RTA”) or with their respective Depository Participant/s (“DPs”) and who wish to receive the Notice of the Thirty-sixth AGM of the Company along with the Annual Report for the financial year 2021-22 and all other communications from time to time, can get their email addresses registered by following the steps as mentioned herein below: -
- For Members holding shares in physical form, please send a scanned copy of the signed request letter mentioning the Folio Number, Name of Shareholder, complete address, Mobile Number, and email address to be registered along with a scanned self-attested copy of the PAN and any document (such as Driving License, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the RTA’s email address at helpdeskdelhi@mcsregistrars.com.
- For the Members holding shares in Demat form, please update your email address through your respective DPs.
5. In line with the MCA Circular No. 17/2020 dated April 13, 2020, Notice of the Thirty-sixth AGM of the Company and the Annual Report for the financial year 2021-22, inter-alia, indicating the process and manner of e-Voting will be available on the Company’s website at www.indoramaindia.com, the websites of the Stock Exchanges, viz.; NSE at www.nseindia.com and BSE at www.bseindia.com and also on the website of NSDL at www.evoting.nsdl.com for their download.
- Taking into account the COVID-19 scenario, it is encouraged by the Company for its Members to view the full version of the AGM Notice along with the Annual Report of the Company for the financial year 2021-22 in electronic mode in the “Investor Relations” segment on the Company’s website, www.indoramaindia.com.
6. The Register of Members and the Share Transfer Books of the Company shall remain closed from Tuesday, July 19, 2022, to Monday, July 25, 2022 (both days inclusive) for annual closing.
7. The dividend/s, if any, approved by the Members or declared by the Company’s Board of Directors, from time to time, will be paid as per the mandate registered with the Company or with their respective DPs. Further, in order to receive dividend/s in a timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means (“Electronic Bank Mandate”), can register their Electronic Bank Mandate to receive dividends directly into their bank account electronically or any other means, by sending a scanned copy of the following details/ documents by email to the RTA’s email address at helpdeskdelhi@mcsregistrars.com or the Company’s email address at corp@indorama-ind.com;
- i) signed request letter mentioning your name, folio number, complete address, and the following details relating to the bank account in which the dividend is to be received:
- Name and Branch of Bank and Bank Account type; Bank Account Number allotted by your Bank after implementation of Core Banking Solutions; 11-digit IFSC Code;
 - self-attested scanned copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
 - self-attested scanned copy of the PAN Card; and
 - self-attested scanned copy of any document (such as AADHAR Card, Driving License, Election Identity Card, Passport) in support of the address of the Member, as registered with the Company.

For the Members holding shares in Demat form, please update your Electronic Bank Mandate through your DPs.

8. In the event the Company is unable to pay the dividend to any Member directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the Bankers' cheques/ Demand Draft to such Member, as soon as possible.
9. In the case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
10. A resident individual shareholder with PAN who is not liable to pay Income Tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to the RTA's email address at helpdeskdelhi@mcsregistrars.com or to the Company's email address at corp@indorama-ind.com. Further, no tax shall be deducted on the dividend payable to a resident individual shareholder if the total amount of dividend to be received from the Company during the financial year does not exceed ₹5,000/- . Shareholders may note that in case, PAN is not updated with the DPs/ RTA of the Company, the tax will be deducted at a higher rate of 20%.
11. Non-resident shareholders can avail of beneficial tax rates under the Double Tax Avoidance Agreement [DTAA], i.e., a tax treaty between India and their country of residence.
12. Members holding shares in electronic form are hereby informed that the bank's particulars registered against their respective depository accounts will be used by the Company for payment of dividends as and when declared. The Company or its RTA, M/s MCS Share Transfer Agent Limited, cannot act on any request received directly from the Members holding shares in electronic form for any change of bank's particulars or bank's mandates. Such changes are to be advised only to the respective DPs of the Members. Members holding shares in physical form and desirous of either registering bank's particulars or changing bank's particulars already registered against their respective folios for payment of dividend/s are requested to write to the Company.
13. Pursuant to the provisions of Section 124 of the Act, and Investor Education, and Protection Fund Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 read with the relevant circulars and amendments thereto ("IEPF Rules, 2016"), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund Authority ("IEPF"), constituted by the Central Government. The Company had, accordingly, transferred ₹738,424/- (Indian Rupees Seven Lakhs Thirty-Eight Thousand Four Hundred Twenty-Four only) being the unpaid and unclaimed dividend amount pertaining to the Dividend for the financial year 2013-14 on September 15, 2021.

14. Pursuant to Section 124 of the Act and IEPF Rules, 2016, dividends for the financial year ended March 31, 2014, and thereafter, which remain unpaid or unclaimed for a period of seven years from the respective dates of transfer to the unpaid dividend account of the Company are due for transfer to IEPF on the dates given in the table below:

Financial Year	Date of Declaration of Dividend	Due date for transfer to IEPF
2014-15	July 30, 2015	August 29, 2022
2015-16	September 30, 2016	October 29, 2023

In case a valid claim is not received by that date, the Company will also proceed to transfer the respective shares to the Demat Account of the IEPF ("IEPF Account") in terms of the IEPF Rules, 2016 by following the prescribed procedure.

15. Details of the unpaid/ unclaimed dividend/s are uploaded as per the requirements, on the Company's website www.indoramaindia.com. Members who have so far not encashed the Dividend for the above years are advised to submit their claim to the Company's RTA at their Registered Address given below, immediately quoting their folio number/ DP ID & Client ID:

MCS Share Transfer Agent Limited

F-65, First Floor
Okhla Industrial Area, Phase-1
New Delhi-110 020, India
Tel. No.: 011-4140 6149-52
Fax No.: 011-4170 9881
E-mail: helpdeskdelhi@mcsregistrars.com

16. The MCA notified the IEPF Rules, 2016 effective from September 7, 2016. Further, the MCA notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer, and Refund) Amendment Rules, 2017 on February 28, 2017 ("IEPF Rules, 2017") (collectively referred to as "IEPF Rules").
17. The IEPF Rules, contain provisions for transfer of all those shares in respect of which dividend has not been encashed or claimed by shareholders for seven consecutive years or more in the IEPF account.
18. Pursuant to the provisions of IEPF Rules, all shares of the Company in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ("IEPF Account") within a period of thirty days of such shares becoming due to be transferred to the IEPF Account.

Accordingly, the Company transferred 40,729 (Forty Thousand Seven Hundred Twenty Nine) Equity Shares of the face value of ₹10/- each to the IEPF Account pertaining to the financial year 2013-14, on which the dividends remained unpaid or unclaimed for seven consecutive years with reference to the due date of August 31, 2021, after following the prescribed procedure. In this regard, the Company has individually informed the Members concerned and published a notice



in the newspapers as per the IEPF Rules. The details of such Members and shares transferred for the financial year 2013-14 are uploaded in the “Investors Relations” segment of the Company’s website, www.indoramaindia.com.

19. Dividend and corresponding shares, as stated in Points 13 and 18 above, once transferred to IEPF Account by the Company, may be claimed only from the IEPF Authority by following the procedure prescribed under the IEPF Rules.

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

20. As per the provisions of Section 72 of the Act, the facility for making nominations is available for the Members in respect of shares held by them. Members who have not yet registered their nominations are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company’s website, www.indoramaindia.com. Members are requested to submit the said details to their DPs, in case, the shares are held by them in electronic form and to RTA of the Company, in case, the shares are held in physical form.
21. SEBI has mandated the submission of Permanent Account Number (“PAN”) and Bank Account No. by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit PAN and Bank Account No. to their DPs with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN and Bank Account details to the RTA/ Secretarial Department of the Company.
22. In terms of SEBI Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from April 1, 2019. In view of the above, Members are advised to dematerialize shares, if held by them in physical form.
23. Members holding shares in physical form in identical order of names in more than one folio are requested to send the details of such folios together with the share certificates for consolidating their holdings in one folio to the Company or RTA. A consolidated share certificate will be returned to such members after making requisite changes thereon.
24. Non-resident Indian Members are requested to inform Company’s RTA, MCS Share Transfer Agent Limited, immediately of:
 - a) Change in their residential status on return to India for permanent settlement;
 - b) Particulars of their bank account are maintained in India with the complete name, branch, account type, account number, and address of the bank with a pin code number, if not furnished earlier.
25. To support the “Green Initiative”, the Members who have not registered their e-mail addresses are requested to register the same with the RTA of the Company/ DPs for receiving all

communications including Annual Reports, Notices, Circulars, etc., from the Company electronically. Electronic copies of all the documents referred to in the accompanying Notice of the Thirty-sixth AGM of the Company and the statement annexed to the said Notice shall be available for inspection in the “Investor Relations” segment of the Company’s website, www.indoramaindia.com.

26. During the Thirty-sixth AGM, Members may access the scanned copy of the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, upon using the login method explained at Note No. 30 “Access to NSDL e-Voting system”. After successful login, Members will be able to view the documents for inspection by clicking on the link available against the EVEN of Indo Rama Synthetics (India) Limited.
27. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are advised not to leave their Demat account(s) dormant for long. A periodic Statement of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.
28. Details as required in sub-regulation (3) of Regulation 36 of SEBI Listing Regulations and Secretarial Standard on General Meeting (SS-2) of ICSI in respect of the Director seeking appointment/ re-appointment at the AGM, form an integral part of the Notice. Requisite declarations have been received from the Director for seeking re-appointment.
29. At the 32nd AGM held on Saturday, July 28, 2018, the Members approved the appointment of M/s Walker Chandiook & Co LLP (FRN001076N/500013), Chartered Accountants, as Statutory Auditors of the Company, for an initial term of five consecutive years from the conclusion of that AGM till the conclusion of 37th AGM, subject to ratification of their appointment by the members at every year. The requirement to place the matter relating to the appointment of auditors for ratification by Members at every AGM has been done away with by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of the appointment of Statutory Auditors at the Thirty-sixth AGM.

30. INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETINGS THROUGH VC/ OVAM ARE AS UNDER: -

The Remote e-Voting period begins on Friday, July 22, 2022, at 9:00 AM (IST), and ends on Sunday, July 24, 2022, at 5:00 PM (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/ Beneficial Owners as on the record date (Cut-off date), i.e., Monday, July 18, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital

of the Company as on the cut-off date, being Monday, July 18, 2022, and may cast their votes by Remote e-Voting. Once the vote on the resolution is cast by the Members, the Member shall not be allowed to change it subsequently.

A person, who is not the Member on the Cut-off date should treat this Notice of the Thirty-sixth AGM for information purposes only.

How do I vote electronically using the NSDL e-Voting system?

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

Step 1: Access to the NSDL e-Voting system


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

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

The login method for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with NSDL	<ol style="list-style-type: none"> Existing IDEAS users can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under the ‘IDEAS’ Section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see the e-Voting page. Click on the Company’s name or e-Voting service provider, i.e., NSDL and you will be re-directed to the e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining a virtual meeting & voting during the meeting. If you are not registered for IDEAS e-Services, an option to register is available at https://eservices.nsd.com. Select “Register Online for IDEAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp. Visit the e-Voting website of NSDL. Open a web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or mobile. Once the home page of the e-Voting system is launched, click on the icon “Login” which is available under the ‘Shareholder/Member’ Section. A new screen will open. You will have to enter your User ID (i.e., your sixteen digit Demat account number held with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to the NSDL Depository site wherein you can see the e-Voting page. Click on the Company’s name or e-Voting service provider, i.e., NSDL and you will be redirected to the e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining a virtual meeting & voting during the meeting. Shareholders/ Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for a seamless voting experience.

NSDL Mobile App is available on



Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi/ Easiest, can log in through their user id and password. The option will be made available to reach the e-Voting page without any further authentication. The URL for users to log in to Easi/ Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/ Easiest the user will be also able to see the e-Voting Menu. The Menu will have links to the e-Voting service provider, i.e., NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/ Easiest, the option to register is available at: https://web.cdslindia.com/myeasi/Registration/EasiRegistration. <p>Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN from a link on the www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, the user will be provided links for the respective ESP, i.e., NSDL where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in Demat mode) login through their Depository Participants	You can also log in using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for the e-Voting facility. upon logging in, you will be able to see the e-Voting option. Click on the e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see the e-Voting feature. Click on the Company's name or e-Voting service provider i.e. NSDL and you will be redirected to the e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining a virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at the abovementioned website.

Helpdesk for Individual Shareholders holding securities in Demat mode for any technical issues related to logging in through Depository i.e., NSDL and CDSL

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

B) Login Method for shareholders other than Individual shareholders holding securities in Demat mode and shareholders holding securities in physical mode

How to Log in to the NSDL e-Voting website?

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

Manner of holding shares, i.e., Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in Demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in the Demat account with CDSL	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the Company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- The Password details for shareholders other than Individual shareholders are given below:
 - If you are already registered for e-Voting, then you can use your existing password to log in and cast your vote.

- b) If you are using the NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your Demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment, i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for the NSDL account, the last 8 digits of the client ID for the CDSL account or the folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow the steps mentioned below in the process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on the "Forgot User Details/Password?" (If you are holding shares in your Demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) the option is available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by the aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your Demat account number/folio number, your PAN, your name, and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting the check box.
8. Now, you will have to click on the "Login" button.
9. After you click on the "Login" button, the Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meetings on the NSDL e-Voting system

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

1. After a successful login at Step 1, you will be able to see all the Companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting are in active status.
2. Select "EVEN" of the Company for which you wish to cast your vote during the remote e-Voting period and cast your vote during the General Meeting. For joining a virtual meeting, you need to click on the "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options, i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with the attested specimen signature of the duly authorized signatory(s) who are authorized to vote, to the Scrutinizer by e-mail to jayayadav@whitespan.in with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e., other than individuals, HUF, NRI etc.) can also upload their Board Resolution/ Power of Attorney/ Authority Letter etc. by clicking on "Upload Board Resolution/ Authority Letter" displayed under the "e-Voting" tab in their login.



2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer to the Frequently Asked Questions (“FAQs”) for Shareholders and e-voting user manual for Shareholders available at the download Section of www.evoting.nsdl.com or call on toll-free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Manager at evoting@nsdl.co.in.

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

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

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is the same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through the e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day

of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/ OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access it by following the steps mentioned above for Access to the NSDL e-Voting system. After successful login, you can see the link of “VC/OAVM link” placed under the “join meeting” menu against the Company’s name. You are requested to click on VC/OAVM link placed under the Join General Meeting menu. The link for VC/OAVM will be available in the Shareholder/Member login where the EVEN of the Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for a better experience.
3. Further Members will be required to allow a Camera and use the Internet at a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through laptops connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective networks. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name Demat account number/folio number, email id, and mobile number at investors-relations@indorama-ind.com. The same will be replied to by the Company suitably.

OTHER INSTRUCTIONS:

31. i) A person, whose name is recorded in the Register of Members of the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of Remote e-Voting or casting vote through the e-Voting system during the Meeting.
- ii) Pursuant to the provision of Section 108 of the Act read with rules thereof, CS Jaya Yadav (FCS10822, CP

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

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

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

- v) The Results of the voting will be declared within two working days from the conclusion of the Thirty-sixth AGM. The declared results along with the Scrutinizer's Report will be available forthwith on the Company's website, www.indoramaindia.com, and the website of NSDL. Such results will also be displayed on the Notice Board at the Registered Office of the Company as well and shall be forwarded to both the National Stock Exchange of India Limited and BSE Limited.
32. Members desiring to have any information relating to the accounts are requested to write to the Company at the E-mail ID, corp@indorama-ind.com, at the latest by Thursday the 21st day of July 2022 by 4:00 PM IST, so that the Company can reply appropriately.

ANNEXURE TO NOTICE

Explanatory Statement in Respect of the Special Business Pursuant to Section 102 of the Companies Act, 2013:

ITEM NO. 3

Your Company is engaged in the business of manufacture of Polyester Staple Fibre, Polyester Filament Yarns, Draw Texturized Yarn, Fully Drawn Yarn, and Polyester Chips. Indorama Petrochem Limited, Thailand, is a related party, engaged in the manufacture of PTA. Your Company purchases PTA from Indorama Petrochem Limited, Thailand, to supplement its prime raw material requirement of PTA that is not available in adequate quantity domestically.

Amended SEBI Listing Regulations provide that a transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crores or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

The Company may enter into the related parties within the meaning of Section 2(76) of the Companies Act, 2013 read with the Companies (Meetings of the Board and its Powers) Rules, 2014 and SEBI Listing Regulations, for an aggregate maximum amount not exceeding, for the financial year 2022-23 by ₹1000 Crores (Indian Rupees One Thousand Crores only) which would be more than 10% of the audited annual consolidated turnover of the Company, for the previous financial year 2021-22.

Pursuant to Rule 15 of the Companies (Meetings of Board and its Powers) Rules 2014 as amended to date, particulars of the transaction, etc., are as under:

Sl. No.	Description	Details
(a)	The Name of the Related Party and Nature of Relationship	Indorama Petrochem Limited, Thailand, a Group Company of Indorama Ventures Public Company Limited, a Promoter Group Company.
(b)	The nature, duration of the contract and particulars of the contract or arrangement	The transaction involves the purchase of PTA, during the financial year 2022-23.
(c)	The material terms of the contract or arrangement including the value if any	Purchase of PTA for ₹1000 Crores from Indorama Petrochem Limited, Thailand.
(d)	Any advance paid or received for the contract or arrangement if any	Nil
(e)	The manner of determining the pricing and other commercial terms, both included as part of the contract and not considered as part of the contract	At arms' length basis and it is also in the ordinary course of business.
(f)	Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors	Yes

Sl. No.	Description	Details
(g)	Any other information relevant or important for the Board to take a decision on the proposed transaction	All the relevant information forms part of the statement setting out materials facts pursuant to Section 102(1) of the Companies Act, 2013 which has been mentioned in the foregoing paragraphs.

In the opinion of the Board, the transactions/ contracts/ arrangements by the Company with the above party are in the ordinary course of business and at an arm's length basis. However, considering the fact that the value of contracts/ arrangements/ transactions with the aforesaid related parties during a financial year may be material as defined under Listing Regulations and it is proposed to seek the approval of members for the aforesaid arrangements/ contracts/ transactions for the financial year 2022-23.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in Item No. 3 of the Notice.

It is pertinent to note that no related party shall vote to approve this Resolution whether the entity is a related party to the particular transaction or not.

None of the Directors and Key Managerial Personnel or their relative are, in any way, concerned or interested, financially or otherwise, in the resolution set out in Item No. 3 of the Notice, except Mr. Om Prakash Lohia, Mr. Vishal Lohia and Mr. Dilip Kumar Agarwal.

The Board recommends the **Ordinary Resolution set out in Item No. 3** of the Notice for approval by the members.

ITEM NO. 4

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the re-appointment and remuneration of Mr. R. Krishnan, Cost Accountant, (Membership No. 7799) as Cost Auditor of the Company, for the financial year ending March 31, 2023, in accordance with the applicable provisions of the Companies Act, 2013 and Rules framed thereunder and the requisite resolution for ratification of remuneration of Cost Auditor by the Members have been set out in the notice of Thirty-sixth Annual General Meeting of your Company.

In accordance with the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Mr. R. Krishnan, Cost Accountant, (Membership No. 7799), to conduct the audit of the cost records of the Company, for the financial year 2022-23, at a remuneration of ₹1,80,000/- (Indian Rupees One Lakh Eighty Thousand only) as audit fee plus applicable tax(es).

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in Item No. 4 of the Notice, to ratify the remuneration payable to the Cost Auditor for the financial year ending March 31, 2023.

None of the Directors and Key Managerial Personnel or their relative are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends the **Ordinary Resolution set out in Item No. 4** of the Notice for approval by the Members.

Registered Office:

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

Place: Gurugram

Date: April 28, 2022

By Order of the Board

Pawan Kumar Thakur

Company Secretary
(FCS No. 6474)



ANNEXURE - I TO THE NOTICE

Details of Directors seeking appointment/re-appointment at the Thirty-sixth Annual General Meeting:

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

ITEM NO. 2

Mr. Hemant Balkrishna Bal, Whole-time Director:

Father's Name	Shri Balkrishna Kamalaker Bal
Directors Identification Number (DIN)	08818797
Age and Date of Birth	63 years, October 7, 1958
Date of First Appointment	October 30, 2020
Experience/ expertise in the specific functional area	Mr. Bal possesses 39 years of rich experience in global polyester manufacturing business operations and has worked in JK Synthetics, Petrofils Cooperative Limited and as Site President at Reliance Industries Limited, Patalganga, Maharashtra.
Qualification	Bachelor of Textiles from the Maharaja Sayajirao University of Baroda in 1979.
Directorship/ Chairman/ CEO held in other Companies	<ul style="list-style-type: none"> • Indorama Yarns Private Limited • Indorama Ventures Yarns Private Limited
Chairman/ Member of the Committee of the Board of Directors of the Company	<ul style="list-style-type: none"> • Audit Committee- Member • Stakeholders Relationship Committee- Member • Share Allotment and Transfer Committee- Member • Banking and Finance Committee- Member • Corporate Social Responsibility Committee- Member • Risk Management Committee- Member • Business Responsibility Reporting Committee- Member
Chairman/ Member of the Committee of the Board of Directors of other Company in which he is Director	Nil
No. of Equity Shares held in the Company	Nil
No. of Board Meeting attended during the financial year 2021-22	4 (Four)
Relationship of the Director, Manager, and other KMP of the Company	None
Listed entities from which the director has resigned in the past 3 years	Nil

Directors' Report

To the Members,

Your Directors hereby present the Thirty-sixth Annual Report on the business and operations of the Company along with the audited financial statements for the financial year ended March 31, 2022.

1. Financial Highlights

The financial performance of the Company for the year ended March 31, 2022, is summarized below:

(₹ In Crores)

Particulars	Standalone		Consolidated	
	Year Ended		Year Ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Total Income	3,907.42	2,043.59	4,044.41	2,063.71
Profit before Financial Costs, Depreciation, Foreign exchange fluctuation, Exceptional items, and Tax (EBIDTA)	308.69	113.30	310.26	113.93
Finance Costs	61.88	65.92	61.89	65.93
Profit before Depreciation, Foreign exchange fluctuation, Exceptional items, and Tax (EBDTA)	246.81	47.38	248.37	48.00
Depreciation	31.07	33.78	31.26	33.78
Foreign exchange fluctuation Gain	(2.37)	(0.76)	(2.33)	(0.80)
Profit before Exceptional Items and Tax	218.11	14.36	219.44	15.02
Exceptional Items	-	11.63	-	11.63
Profit before Tax	218.11	2.73	219.44	3.39
Tax Charge/ (Credit)	(50.08)	(110.05)	(49.62)	(109.99)
Profit after Tax from continuing operations	268.19	112.78	269.06	113.38
Other comprehensive expense	(2.10)	(2.14)	(2.10)	(2.14)
Total comprehensive income after tax	266.09	110.64	266.96	111.24
Profit/ (Loss) brought forward from the previous year	(454.12)	(564.76)	(453.96)	(565.20)
Profits/(Loss) available for Appropriation	(188.03)	(454.12)	(187.00)	(453.96)
Surplus/(Deficit) carried to Balance Sheet	(188.03)	(454.12)	(187.00)	(453.96)

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

On a Standalone basis, during the financial year 2021-22, your Company has achieved revenue from operations of ₹3,901.13 Crores as against ₹2,022.79 Crores in the financial year 2020-21, i.e., an improvement of 92.86%. The Net Profit for the financial year 2021-22 is ₹268.19 Crores as against ₹112.78 Crores in the financial year 2020-21.

Your Company has achieved significant improvement in EBIDTA to ₹308.69 Crores in the financial year 2021-22 as against ₹113.30 Crores in the previous year. Your Company's Profit before Tax for the financial year 2021-22 is ₹218.11 Crores as against a Profit before Tax of ₹2.73 Crores in the financial year 2020-21.

On a consolidated basis, during the financial year 2021-22, your Company achieved revenue from operations of ₹4,038.08 Crores and Profit before Tax of ₹219.44 Crores as against revenue from operations of ₹2,042.89 Crores and Profit before Tax of ₹3.39 Crores in the previous year. The Net Profit for the financial year 2021-22 is ₹269.06 Crores as against ₹113.38 Crores in the financial year 2020-21.

On a consolidated basis, our earnings per share stood at ₹10.30 and book value per share at ₹22.99 as on March 31, 2022.

Your Company focused on widening its product basket by adding full dull and BDD Filament products expanding market reach, cost optimization, and elevating people's potential to create a more robust business model.



3. Dividend

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

4. Dividend Distribution Policy

On May 5, 2021, the Securities and Exchange Board of India ("SEBI") notified SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021. Vide this notification, SEBI amended Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, thereby requiring top one thousand listed Companies (based on the market capitalization of every financial year) to formulate dividend distribution policy which shall be disclosed on the website of the listed entity and a web-link needs to be provided in their Annual Reports.

The Board of Directors of your Company (the "Board"), being one of the top one thousand listed companies as per the criteria mentioned above, has approved, and adopted the Dividend Distribution Policy at its meeting held on May 19, 2021. The Dividend Distribution Policy of the Company is available on the Company's website, <http://www.indoramaindia.com/pdf/Policy-on-Dividend-Distribution.pdf>.

5. Transfer to Reserve

No amount is proposed to be transferred to Reserves

6. Change in the Nature of Business

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

7. Future Growth Plans of the Company

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

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

To have operational efficiency and better controls, 39 (Initially envisaged 50) DTY Machines are being envisaged towards balancing equipment for value addition in a new "WOS", Indorama Ventures Yarns Private Limited, incorporated on July 5, 2021.

The commercial production for the growth projects is likely to be started in a phased manner up to the fourth quarter of the financial year 2022-23.

8. Share Capital

Your Company's Paid-up Equity Share Capital as on March 31, 2022, stood at ₹261.11 Crores. During the year under review, the Company has neither issued shares with differential voting rights nor granted stock options or sweat equity. As on March

31, 2022, none of the Directors of the Company holds shares except Mr. Om Prakash Lohia and Mr. Vishal Lohia.

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

Pursuant to the completion of preferential issuance and acquisition of shares tendered by the Company in the open offer on May 31, 2019, the aggregate promoter shareholding increased to 81.72% from 74.94%. Consequently, public shareholding in the Company dropped from 25.06% (Prior to the open offer) to 18.28% (post open offer). Your Company complied with the MPS requirement on February 15, 2021, as mandated under Regulation 38 of the SEBI LODR Regulations.

The National Stock Exchange of India Limited vide its letters dated December 7, 2020, March 24, 2021, and July 5, 2021, and BSE Limited vide its emails dated December 7, 2020, March 24, 2021, and July 5, 2021, have levied monetary fines on the Company amounting to ₹9,85,300/- (Indian Rupees Nine Lakhs Eighty-Five Thousand Three Hundred only) each aggregating ₹19,70,600/- (Indian Rupees Nineteen Lakhs Seventy Thousand Six Hundred only) for non-compliance with Regulation 38 of SEBI LODR Regulations. Your Company has paid the monetary fines towards the same during the financial year 2021-22. Now, the matter stands closed.

10. Committees of the Board

The Board has the following Committees:

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

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

11. Meeting of the Board of Directors

During the financial year 2021-22, your Company convened and held four (4) Board Meetings. The details of the Board Meeting with regard to the dates and attendance of each of the Directors thereat have been provided in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and SEBI Listing Regulations.

12. Directors and Key Managerial Personnel

During the year under review, Dr. Arvind Pandalai, (DIN: 00352809), resigned on August 30, 2021, from the Board of Directorship after completing his second term. The Board places on records its appreciation towards his invaluable contribution during his tenure as Non-Executive Independent Director of the Company.

As recommended by the Nomination and Remuneration Committee and approved by the Board vide Circular Resolution No. 03, dated November 25, 2021, Mr. Dharmpal Agarwal, (DIN: 00084105), has been appointed as Non-Executive Independent Director under Section 149(10) of the Companies Act, 2013 and SEBI Listing Regulations to hold office for 5 (five) consecutive years effective from November 25, 2021, till November 24, 2026. The shareholders of your Company approved his appointment by passing Special Resolution through Postal Ballot via remote e-voting on March 26, 2022.

On the recommendation of the Nomination and Remuneration Committee, the Board approved the re-appointment of Mr. Vishal Lohia as Whole-time Director of the Company for another term of 3 (Three) years w.e.f. April 1, 2022, till March 31, 2025, in its meeting held on February 10, 2021. The shareholders of your Company approved his re-appointment by passing Special Resolution through Postal Ballot remote e-voting on March 26, 2022.

In accordance with the Companies Act, 2013 and Articles of Association of the Company, Mr. Hemant Balkrishna Bal, (DIN: 08818797), the Whole-time Director of the Company, is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment along with other required details forms part of the Notice. The Board recommends his re-appointment.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company ("KMP") as on March 31, 2022, are, Mr. Hemant Balkrishna Bal, Mr. M. N. Sudhindra Rao, Mr. Umesh Kumar Agrawal, and Mr. Pawan Kumar Thakur.

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fee to attend the meetings of the Board and its Committees.

13. Declaration by Independent Director of the Company

For the financial year 2021-22, all the Independent Directors of the Company have given their declaration to the Company that they meet the criteria of independence as laid down under Section 149(7) read with Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI LODR Regulations and affirmed compliance with Code of Ethics and Business Principles as required under Regulation 26(3) of SEBI LODR Regulations, as amended.

The appointment and tenure of the Independent Directors, including the code for Independent Directors are available

on the Company's website, <http://www.indoramaindia.com/pdf/policies/Code-for-Independent-Directors-REVISED.pdf>.

14. Nomination and Remuneration Policy

On the recommendation of the Nomination and Remuneration Committee, the Board has adopted a policy for the selection and appointment of Directors, senior management personnel, and remuneration including criteria for determining qualifications, positive attributes, Independence of Directors, and other matters pursuant to Section 178(3) of the Companies Act, 2013. The said policy is posted on the Company's website, <https://www.indoramaindia.com/pdf/policies/Nomination-Remuneration-Policy-REVISED.pdf>.

15. Board Evaluation

Your Company has devised a formal process for annual evaluation of the performance of the Board, its committees, and Individual Directors ("Performance Evaluation") which include criteria for performance evaluation of Non-Executive Directors and Executive Directors as laid down by the Nomination and Remuneration Committee and the Board. It covers the areas relevant to the functioning of Independent Directors or other directors, members of the Board, or its committees. The Independent Directors carried out annual performance evaluation of the Chairman and Managing Director and Whole-time Directors. The Board carried out an annual performance evaluation of its own performance. The performance of each Committee was evaluated by the Board, based on the report on evaluation received from respective Committees. A Consolidated Report was shared with the Chairman of the Board for his review and giving feedback to each Director.

16. Separate Meeting of Independent Directors

In terms of the requirements under Schedule IV of the Companies Act, 2013 and Regulation 25(3) of SEBI Listing Regulations, a separate meeting of the Independent Directors was held on February 10, 2022. The Independent Directors at the meeting, inter-alia, reviewed the following:

- Performance of Non-Independent Directors and the Board as a whole;
- Performance of the Chairperson of the Company, taking into account the views of Whole-time Director/ Executive Directors and Non-Executive Directors; and
- Assessed the quality, quantity, and timeliness of the flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

18. Familiarisation program for Independent Directors

The details of the familiarization programme undertaken during the year have been provided in the Corporate Governance Report along with a weblink thereof.



18. Secretarial Standards

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

19. Directors' Responsibility Statement

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

- (i) that in the preparation of the Annual Accounts for the year ended March 31, 2022, the applicable accounting standards have been followed and there are no material departures;
- (ii) that the accounting policies selected and applied are consistent and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the year and of the profit of the Company for that period;
- (iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Annual Accounts for the year ended March 31, 2022, have been prepared on a going concern basis.
- (v) that the internal financial controls laid down by the Board and being followed by the Company are adequate and were operating effectively.
- (vi) that the proper systems, devised by Directors to ensure compliance with the provisions of all applicable laws, were adequate and operating effectively.

Based on the framework of Internal Financial Controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory, and Secretarial Auditors and external consultants, including audit of Internal Financial Controls over financial reporting by the Statutory Auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's Internal Financial Controls are adequate and effective during the financial year 2021-22.

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

The information required pursuant to Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 relating to conservation of energy, technology absorption, foreign exchange earnings and outgo is annexed and forms a part of this Report.

21. Related Party Transactions

There were no materially significant related party transactions made by the Company which may have potential conflict with

the interest of the Company. Related party transactions that were entered into during the year under review were on an arm's length basis and were in the ordinary course of business. The particulars of material-related party transactions, if any, are provided in Form AOC-2 as required under Section 134(3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed and forms a part of this Report.

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

Shareholders of your Company approved through postal ballot remote e-voting on March 26, 2022, material related party transaction, which is more than 10% of the audited annual consolidated turnover of the Company, basis previous financial year 2020-21, entered into with Indorama Petrochem Limited, Thailand for purchase of Purified Terephthalic Acid (PTA) not exceeding ₹500 Crores for the financial year 2021-22.

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

The Board has approved a policy of the Related Party Transactions, which has been uploaded on the Company's website, <http://www.indoramaindia.com/pdf/policies/Policy-on-Materiality-of-Related-Party-Transaction-REVISED.pdf>.

22. Particulars of Employees and Related Disclosures

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed and form a part of this Report.

Particulars of the employee as required under Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, forms part of this Report. However, in pursuance of Section 136(1) of the Companies Act, 2013, this report is being sent to the shareholders of the Company excluding the said remuneration.

A statement showing the names and other particulars of the employees drawing remuneration over the limits set out in the said Rules forms part of this Report. The said information is available for inspection at the registered office of the Company during working hours up to the date of the Annual General Meeting. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

23. Corporate Social Responsibility (CSR) Committee

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

As required under Section 135 of the Companies Act, 2013, the CSR Committee comprises Directors, namely, Mr. Om Prakash Lohia as the Chairman, Mr. Vishal Lohia, Mr. Hemant Balkrishna Bal, Mr. Dilip Kumar Agarwal, and Mrs. Ranjana Agarwal as Members. The CSR Committee of the Company has laid down the policy to meet the Corporate Social Responsibility. The CSR Policy includes any activity that may be prescribed as CSR activity as per the Rules of the Companies Act, 2013.

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

The detailed CSR policy of the Company is also available on the Company's website, <https://www.indoramaindia.com/pdf/policies/CSR-Policy-REVISED.pdf>

24. Business Responsibility Report

In compliance with Regulation 34 of SEBI LODR Regulations, the Business Responsibility Report, detailing various initiatives taken by the Company on Environmental, Social, and Governance fronts is annexed and forms a part of this Report.

The Board has adopted Business Responsibility Policy. The said policy has been disclosed on the Company's website, <http://www.indoramaindia.com/pdf/BR-Policy.pdf>.

25. Information under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has constituted an Internal Complaints Committee under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013. During the year no complaint was filed before the said Committee.

Your Company has a Policy on "Prevention of Sexual Harassment of Women at Workplace" and matters connected therewith or incidental thereto covering all the aspects as contained under "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013". The Policy on the "Prevention of Sexual Harassment of Women at Workplace" of the Company is available on the Company's website, <http://www.indoramaindia.com/pdf/policies/POSH-IRSL-REVISED.pdf>.

26. Audit Committee

The Audit Committee of the Board consists of Mr. Dhanendra Kumar as Chairman, Mr. Vishal Lohia, Mr. Hemant Balkrishna Bal, Mr. Suman Jyoti Khaitan, Mrs. Ranjana Agarwal, and Mr. Dharmal Agarwal as its other Members. The Company Secretary is the Secretary of the Committee. The details of terms of reference of the Audit Committee, number and dates of meetings held attendance of the Directors, and

remunerations paid to them are given separately in the attached Corporate Governance Report.

During the year, there were no instances where the Board had not accepted the recommendations of the Audit Committee.

27. Vigil Mechanism / Whistle Blower Policy

In compliance with the provisions of Section 177(9) of the Companies Act, 2013 and SEBI Listing Regulations, the Company has framed a Whistle Blower Policy/ Vigil Mechanism for Directors, Employees, and Stakeholders for reporting genuine concerns about any instance of any irregularity, unethical practice and/or misconduct. Besides, as per the requirement of Clause 6 of Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations, as amended by SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company ensures to make employees aware of such Whistle Blower Policy to report instances of leak of unpublished price sensitive information. The Vigil Mechanism provides for adequate safeguards against victimization of Directors or Employees or any other person who avail of the mechanism and also provides direct access to the Chairperson of the Audit Committee. The details of the Vigil Mechanism/ Whistle Blower Policy are also posted on the Company's website, <http://www.indoramaindia.com/pdf/policies/Whistle-Blower-Policy-REVISED.pdf>.

28. Credit Rating

During the year, India Ratings and Research (Ind-Ra) has upgraded the Long-Term Issuer Rating of Indo Rama Synthetics (India) Limited to "INDA-". The outlook is Stable. The Instrument wise rating action is as follows:

Instrument Type	Amount (Billion)	Rating/outlook	Rating action
Term Loans	₹2.94 (Reduced from ₹4.46)	IND A-/Stable	Upgraded
Working Capital Facilities	₹11.05 (Increased from ₹9)	IND A-/Stable/ IND A2+	Upgraded

29. Subsidiary Companies

Presently, your Company has two WOS, viz., Indorama Yarns Private Limited, incorporated on August 16, 2019, and Indorama Ventures Yarns Private Limited, incorporated on July 5, 2021. The Board has approved the formation of a new WOS, Indorama Ventures Yarns Private Limited, for the expansion plan of the Company by adding DTY Machines towards balancing equipment for value addition.

There are no Associate Companies or Joint Venture Companies within the meaning of Section 2(6) of the Companies Act, 2013.

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



30. Consolidated Financial Statements

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

The Consolidated Financial Statements for the year ended March 31, 2022, form part of this Report and Financial Statements. The same shall be laid before the Members of the Company at the AGM while laying its Financial Statements under sub-Section (2) of the Section 136 of the Companies Act, 2013.

Further, pursuant to provisions of Section 136 of the Companies Act, 2013, the Financial Statements of the Company, Consolidated Financial Statements along with the relevant documents and separate Audited Accounts in respect of Subsidiary are available on the Company's website, <https://www.indoramaindia.com/subsidiary.php>. Shareholders desirous of obtaining the Financial Statements of the Company's Subsidiary may obtain the same upon request by email to the Company, i.e., corp@indorama-ind.com.

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

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

31. Statutory Auditor and Auditors' Report

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, your Company at its Thirty-two Annual General Meeting appointed, M/s Walker Chandio & Co LLP (FRN 00/076N/N 500013) as Statutory Auditors of the Company for an initial term of five consecutive years, i.e., from the conclusion of the 32nd Annual General Meeting of the Company held on July 28, 2018, until the conclusion of 37th Annual General Meeting of the Company to be held in the year 2023. The Statutory Auditors have confirmed they are not disqualified from continuing as Auditors of the Company.

The report given by M/s Walker Chandio & Co LLP, on the financial statements of the Company for the financial year 2021-22, forms part of the Annual Report. The notes on financial statements referred to in the Auditors Report are

self-explanatory and do not call for further comments. The observations of the Auditors are explained wherever necessary in the appropriate Notes on Accounts. The Auditors' Report does not contain any qualifications, reservations, or adverse remarks. During the year under review, the Auditors had not reported any matter under Section 143(12) of the Companies Act, 2013, therefore no details are required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013.

32. Cost Auditor

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

In conformity with the directives of the Central Government, the Company has appointed Mr. R. Krishnan, Cost Accountant (Membership No.7799) as Cost Auditor under Section 148 of the Companies Act, 2013 for audit of the Cost Record of the Company to carry out the audit of cost records maintained by the Company for the financial year 2021-22.

Your Company has received consent from Mr. R. Krishnan, Cost Accountant, for re-appointment as Cost Auditor for the financial year 2022-23, in accordance with the applicable provisions of the Companies Act, 2013 and Rules framed thereunder. The remuneration of Cost Auditor has been approved by the Board on the recommendation of the Audit Committee and the requisite resolution for ratification of remuneration of Cost Auditor by the members has been set out in the notice of the Thirty-sixth Annual General Meeting of your Company.

33. Internal Auditor

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

34. Secretarial Auditor

Pursuant to the provision of Section 204 of the Companies Act, 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed CS Jaya Jadav, Practising Company Secretary, C/o Jaya Yadav & Associates (Membership No. F10822 and COP No. 12070) as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for the financial year 2021-22.

The Secretarial Audit Report of CS Jaya Jadav, Practising Company Secretary, in Form MR-3, for the year ended March 31, 2022, is annexed, and forms a part of this Report. The Secretarial Audit Report is self-explanatory and does not call for any further comments. The Secretarial Audit Report does not contain any qualification, reservation, adverse remarks, or disclaimer. During the year under review, the Secretarial Auditor had not reported any matter under Section 143(12) of the Companies Act, 2013, therefore no details are required

to be disclosed under Section 134(3)(ca) of the Companies Act, 2013.

35. Qualification, Reservation, or Adverse Remark in the Audit Reports

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

36. Public Deposits

During the financial year 2021-22, your Company did not invite or accept any deposit from the public.

37. Internal Control Systems and its Adequacy

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

38. Particulars of Loans, Guarantee or Investments

There are no Loans, Guarantees made by your Company during the financial year 2021-22, however, the Company has additionally acquired 20,00,000 (Twenty Lakhs) Equity Shares @ ₹10/- each aggregating to ₹2,00,00,000/- (Indian Rupees Two Crores only) of Indorama Ventures Yarns Private Limited, its Wholly Owned Subsidiary on March 30, 2022. Details are given in the notes to the Financial Statements.

39. Insurance

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

40. Particulars of Loans/ Advances/ Investments as required under Schedule V of SEBI Listing Regulations.

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

41. Risk Management

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

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

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

42. Listing

The shares of your Company are listed at both BSE Limited and National Stock Exchange of India Limited, Mumbai. The listing fees to the Stock Exchanges for the financial year 2022-23 have been paid.

43. Significant and material orders passed by the Regulators, Courts, or Tribunal

No significant and material orders passed by the Regulators, Courts, or Tribunal impact the going concern status and the Company's operations in the future.

44. Management Discussion and Analysis

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

45. Corporate Governance

Corporate Governance Report along with Practicing Company Secretary Certificate complying with the conditions of Corporate Governance as stipulated in Regulation 27 of SEBI LODR Regulations has been annexed and forms a part of this Report.

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

Pursuant to the provisions of Section 125 of the Companies Act, 2013, relevant amounts, which remained unpaid or



unclaimed for a period of seven years have been transferred by the Company, from time to time on due dates, to the Investor Education and Protection Fund (IEPF) Authority.

Pursuant to the provisions of the Investor Education and Protection Fund, your Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on March 31, 2021, on the Company's website, www.indoramaindia.com and also on the Ministry of Corporate Affairs website, www.mca.gov.in.

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 (IEPF Rules), your Company has transferred 40,729 (Forty Thousand Seven Hundred Twenty Nine) equity shares of ₹10/- each of the Company held by various Investors, physical as well as dematerialized form, whose dividend amount is unclaimed/unpaid for seven years to Suspense Account of the Investor Education and Protection Fund (IEPF) Authority, during the financial year 2021-22 and the details thereof uploaded on the Company's website, https://www.indoramaindia.com/pdf/Form-IEPF-4_2013-14.pdf.

47. Industrial Relations/ Human Resources

Your Company maintained healthy, cordial, and harmonious industrial relations at all levels during the year under review. Your Company firmly believes that a dedicated workforce constitutes the primary source of sustainable competitive advantage. Accordingly, human resource development continues to receive focused attention. Your directors wish to place on record their appreciation for the dedicated and commendable services rendered by the staff and workforce of your Company.

48. Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return as on March 31, 2022, is available on the Company's website, <http://www.indoramaindia.com/annual-return.php>.

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

There are no material changes and commitments, affecting the financial position of your Company that has occurred between the year ended March 31, 2022, and the date of this Directors' Report.

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

The relevant details in this regard have been provided in the Corporate Governance Report annexed and form a part of this Report.

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

The Code of Conduct for the Directors and Senior Management Personnel has been posted on the Company's website, <https://www.indoramaindia.com/pdf/policies/Code-of-Conduct-for-Directors-n-Sr-Management-REVISED.pdf>.

The Chief Executive Officer of the Company has given a declaration that all the Directors and Senior Management Personnel concerned, affirmed compliance with the Code of Conduct with reference to the year ended March 31, 2022, and a declaration is attached with the Annual Report.

52. CEO and CFO Certification

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

53. Nodal Officer

Mr. Pawan Kumar Thakur, Company Secretary is the Nodal Officer of the Company under the provisions of IEPF. The details of the Nodal Officer are available on the Company's website, www.indoramaindia.com.

54. Acknowledgement

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

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

For and on behalf of the Board

Om Prakash Lohia

Chairman and Managing Director
(DIN 00206807)

Place: Gurugram
Date: April 28, 2022

Annexure to Directors' Report

Particulars required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the financial year ended March 31, 2022.

A. Conservation of Energy:

Energy Saving measures taken and proposals under implementation.

Sr.No.	Steps taken	Impact (Annualized Savings)
a) Energy		In Lakhs KWH
(i)	Reduction in power consumption by improving compressor efficiency, replacement with energy-efficient compressors, installing VFD drives, and improved power factor	68.29
b) Utilities		Units
(i)	Reduction in coal consumption by reduction in specific steam consumption, improving condensate recovery, arresting leakages, and increased saving due to usage of sized coal in CFHTM	6719 MT
(ii)	Reduction in water consumption by arresting leakages, improving the efficiency of chilled water, and utilizing RO reject water as well as modification of fire hydrant	48541 m ³
c) Capital investment		₹ in Crores
(i)	The Company has invested in the installation of waste heat recovery units at its Coal Fire Heaters	4.78

FORM – A

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

PARTICULARS	Current Year 31 March 2022	Previous Year 31 March 2021
(A) POWER & FUEL CONSUMPTION		
1. ELECTRICAL		
a) Purchases from MSEDCCL & Others		
Units (KWH in '000)	296,512	227,965
Total Amount (₹ in '000)	1,234,929	989,263
Rate/KWH (in ₹)	4.16	4.34
b) Generation for own consumption (including auxiliary consumption)		
Through DG (FO Based)		
Units (KWH in '000)	38.87	520
Units/Lt of FO	0.26	1.89
Cost/Unit (₹/Unit)	145.11	12.92
Through STG (Coal based)		
Units (KWH in '000)	-	1,089.06
Units/KG of Coal	-	1.05
Cost/Unit (₹/Unit)	-	3.43
2. COAL		
Quantity in MT	172,505	130,435
Total Cost (₹ in '000)	886,703	469,927
Average Rate (₹/MT)	5,140	3,603
3. FURNACE OIL		
Quantity (KL)	543.61	709.87
Total Cost (₹ in '000)	20,248	17,337
Average Rate (₹/Lt)	37.25	24.42
(B) CONSUMPTION PER UNIT OF PRODUCTION		
1. Production of Polymer products (Fresh) – MT*	483,901	351,349
2. Electricity per Kg (in KWH)	0.61	0.65

* including POY consumed for captive use 1,09,373 MT (PY 85,397 MT)

B. Technology Absorption:

1. Polyester Staple Fiber (PSF)

- Implementation of bubble absorber system on PSF draw lines to save cost & reduce ETP load.
- Conversion of electromagnetic brakes to pneumatic brakes to improve reliability.

2. Draw Texturized Yarn (DTY)

- Modification of DTY interlace system to improve quality.

3. Partially Oriented Yarn (POY)

- Modification to produce full dull and black dope dyed products;
- Improved spinnerets design for quality improvement;
- Quench system modification for micro denier quality improvement;
- Upgradation and addition of testing equipment to meet stringent customer quality standards; and
- Upgradation of DCS for reliable process control.

FORM – B

Form for disclosure of particulars with respect to technology absorption.

Research & Development

1. Specific Areas in which Research & Development is carried out by the Company:

(Product Development & Process Improvement Areas)

The following products were developed:

- 3.0 denier fiber;
- Fiber for hygiene applications;
- Production of full dull and black dope dyed Yarns;
- Modification of existing DTY machines for auto-doffing;
- Automation to prevent metallic contamination in Hygiene products; and
- New DTY products as per customer requirement.

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

Enhanced customer satisfaction & wider product portfolio.

3. Import Substitution:

Development of indigenous vendors to substitute import of mechanical and electrical spares.

4. Future Plan of Action (2022-23):

Technology Up-gradation

- Replace steam ejectors in Polymerization plants with glycol ejectors for improved process reliability and reduced costs;

- Debottlenecking of existing polymer plants;
- Debottlenecking of ETP to reduce freshwater consumption;
- Recover process waste heat by implementing hot water VAM equipment;
- Upgradation of ERP System;
- Installation of vibration monitoring system for reliability;
- Installation of higher efficiency pumps and motors; and
- Installation of the latest quality control equipment.

5. Expenditure on Research & Development:

Capital (₹ in '000)	Nil
Recurring	Nil
Total	Nil
Total Research & Development expenditure as % of Turnover	Nil

6. Technology Absorption, Adoption, and Innovation:

- Energy-efficient blowers for HVAC;
- Replace existing polymer coolers in the polymerization process with the latest technology;
- Using rainwater Harvesting in additional areas;
- Install an additional transformer (220KV) with a higher rating for improved power reliability at the site.

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

- Improved process reliability;
- Better product quality resulting in enhanced customer satisfaction;
- Cost efficiency; and
- Improved sustainability.

C. Foreign Exchange Earnings and Outgo:

Earnings in Foreign Currency (accrual basis)

Particulars	(₹ In Crores)	
	2021-22	2020-21
F.O.B. value of exports	917.03	411.01
Others	-	-
Total	917.03	411.01

CIF value of Imports

Particulars	(₹ In Crores)	
	2021-22	2020-21
Raw materials	1,388.09	587.57
Stores and spares	17.15	6.57
Capital goods	6.80	5.91
Total	1,412.04	600.05

Expenditure in Foreign Currency (accrual basis)

(₹ In Crores)

Particulars	2021-22	2020-21
Travelling	0.23	-
Commission	4.89	2.48
Interest	-	10.97
Others	10.79	0.12
Total	15.91	13.57

For and on behalf of the Board

Om Prakash Lohia

Chairman and Managing Director
(DIN 00206807)

Place: Gurugram
Date: April 28, 2022

FORM NO. AOC - 2

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

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

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

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

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

(₹ in Crores)

Sl. No.	Name(s) of the Related Party and nature of Relationship	Nature of Contracts/ Arrangements/ Transactions	Duration of the Contracts/ Arrangements/ Transactions	Main terms of the Contracts/ Arrangements/ Transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1	TPT Petrochemicals Public Co. Limited, Thailand, Relative	Buying PTA	General	5.52	21-Jul-21	
2	Indorama Petrochem Limited, Thailand, Relative	Buying PTA	General	27.99	21-Jul-21	
3	Indorama Petrochem Limited, Thailand, Relative	Buying PTA	General	35.48	29-Oct-21	
4	Indorama Petrochem Limited, Thailand, Relative	Buying PTA	General	170.99	10-Feb-22	
5	Indorama Petrochem Limited, Thailand, Relative	Buying PTA	General	184.57	28-Apr-22	
Sub-Total (A)				424.55		
6	Indorama India Private Limited, Zirakpur, Relative	Buying Spandex	General	3.75	21-Jul-21	
7	Indorama India Private Limited, Zirakpur, Relative	Buying Spandex	General	1.24	29-Oct-21	
8	Indorama India Private Limited, Zirakpur, Relative	Buying Spandex	General	4.16	10-Feb-22	
9	Indorama India Private Limited, Zirakpur, Relative	Buying Spandex	General	5.13	28-Apr-22	
Sub-Total (B)				14.28		
10	IVL Dhunseri Petrochem Industries Private Limited, Kolkata, Relative	Buying MEG	General	13.35	29-Oct-21	
Sub-Total (C)				13.35		
11	Indorama Polyester Industries PCL., Thailand, Relative	Buying POY	General	0.16	29-Oct-21	
Sub-Total (D)				0.16		
12	Indorama Polyester Industries PCL., Thailand, Relative	Buying Spares	General	0.16	29-Oct-21	
Sub-Total (E)				0.16		
13	Indorama Polyester Industries PCL., Thailand, Relative	Sale of PSF	General	41.30	21-Jul-21	
14	Indorama Polyester Industries PCL., Thailand, Relative	Sale of PSF	General	43.72	29-Oct-21	
15	Indorama Polyester Industries PCL., Thailand, Relative	Sale of PSF/FG	General	3.11	10-Feb-22	
Sub-Total (F)				88.13		
16	Indorama Ventures Public Company Ltd. (IVL), Thailand, Relative	SBLC	General	5.16	10-Feb-22	
17	Indorama Ventures Public Company Ltd. (IVL), Thailand, Relative	SBLC	General	1.25	28-Apr-22	
Sub-Total (G)				6.41		
18	IVL Dhunseri Petrochem Industries Private Limited, Kolkata, Relative	Sale of PTA	General	3.67	10-Feb-22	
19	IVL Dhunseri Petrochem Industries Private Limited, Kolkata, Relative	Sale of MEG	General	1.61	28-Apr-22	
20	IVL Dhunseri Petrochem Industries Private Limited, Kolkata, Relative	Sale return of PTA	General	-3.67	28-Apr-22	
Sub-Total (H)				1.61		

(₹ in Crores)

Sl. No.	Name(s) of the Related Party and nature of Relationship	Nature of Contracts/ Arrangements/ Transactions	Duration of the Contracts/ Arrangements/ Transactions	Main terms of the Contracts/ Arrangements/ Transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
21	Indorama Ventures Global Services Limited, Thailand, Relative	Availment of Services	General	1.56	21-Jul-21	
22	Indorama Ventures Global Services Limited, Thailand, Relative	Availment of Services	General	1.47	29-Oct-21	
23	Indorama Ventures Global Services Limited, Thailand, Relative	Availment of Services	General	1.09	10-Feb-22	
24	Indorama Ventures Global Services Limited, Thailand, Relative	Availment of Services	General	1.42	28-Apr-22	
Sub-Total (I)				5.54		
25	Vaish Associates, New Delhi, Relative	Rendering of Services	General	0.04	21-Jul-21	
26	Vaish Associates, New Delhi, Relative	Rendering of Services	General	0.04	29-Oct-21	
27	Vaish Associates, New Delhi, Relative	Rendering of Services	General	0.04	10-Feb-22	
28	Vaish Associates, New Delhi, Relative	Rendering of Services	General	0.04	28-Apr-22	
Sub-Total (J)				0.16		
29	IRama Global Services Private Limited, Relative	Rendering of Services	General	0.35	28-Apr-22	
Sub-Total (K)				0.35		
Grand Total (A+B+C+D+E+F+G+H+I+J+K)				554.70		

For and on behalf of the Board

Om Prakash Lohia

Chairman and Managing Director
(DIN 00206807)

Place: Gurugram
Date: April 28, 2022

Disclosure in the Directors' Report Under Rule 5 Of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

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

- (a) The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2021-22:

Sl. No.	Name of Director/ KMP and Designation*	Ratio of remuneration of each director to median remuneration of employees	% increase in remuneration in the financial year 2021-22**
1	Mr. Om Prakash Lohia # (Chairman and Managing Director)	172.00	235.62
2	Mr. Vishal Lohia (Whole-time Director)	36.87	4.46
3	Mr. M. N. Sudhindra Rao (Chief Executive Officer)	64.70	18.26
4	Hemant Balkrishna Bal (Whole-time Director)	26.55	28.52
5	Mr. Umesh Kumar Agrawal (Chief Commercial and Financial Officer)	24.95	19.77
6	Mr. Pawan Kumar Thakur (Company Secretary)	5.61	17.38

Notes:

* Non-Executive Independent Directors receive a fee for attending the meeting. Non-Executive Non-Independent Directors do not receive any fees/ remuneration, thus not included above.

** In the financial year 2020-21, Salary was reduced for certain months, being badly impacted operationally by Covid-19. Hence, % increase in remuneration is not comparable.

Including commission amounting to ₹4.50 Crores received during the financial year 2021-22 as per remuneration terms.

- (b) In the financial year 2021-22, the median remuneration of employees of the Company was ₹0.04529 Crores and the ratio of remuneration of each Director to the median remuneration of the employees of the Company is provided in the table above.
- (c) In the financial year 2021-22, there was a 9.81% increase in the median remuneration of employees.
- (d) There were 1,462 permanent employees on the rolls of the Company as on March 31, 2022.
- (e) In the financial year 2021-22, the average percentage increase in the salary of employees of the Company other than the managerial personnel was 9.75%, whereas the percentage increase in the managerial remuneration was 54% (Refer to notes in point (a) above).
- (f) The Board of Directors of the Company affirms that the remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board

Om Prakash Lohia

Chairman and Managing Director
(DIN 00206807)

Place: Gurugram
Date: April 28, 2022

Annual Report on Corporate Social Responsibility (CSR) Activities (Pursuant to The Companies (Corporate Social Responsibility Policy) Rules, 2014)

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

2. Composition of CSR Committee:

Name of the Members	Designation / Nature of Directorship	No. of Meetings	
		Held during the year	Attended
Mr. Om Prakash Lohia (DIN: 00206807)	Chairman / Executive Director (Promoter)	2	2
Mr. Vishal Lohia (DIN: 00206458)	Member / Executive Director (Promoter)	2	Nil
Mr. Hemant Balkrishna Bal (DIN: 08818797)	Member / Executive Director	2	2
Mrs. Ranjana Agarwal (DIN: 03340032)	Member / Non-Executive Independent Director	2	1
Mr. Dilip Kumar Agarwal (DIN: 03487162)	Member / Non-Executive Non-Independent Director	2	Nil
Dr. Arvind Pandalai * (DIN: 00352809)	Member / Non-Executive Independent Director	1	Nil

* Ceased as Non-Independent Director w.e.f. August 30, 2021, on completion of his 2nd term.

3. Provide the web link where the Composition of the CSR Committee, CSR Policy, and CSR projects approved by the Board, are disclosed on the website of the Company:

Weblink of CSR Committee Composition: https://www.indoramaindia.com/pdf/Composition_of_Committees.pdf

Weblink of CSR Policy: <https://www.indoramaindia.com/pdf/policies/CSR-Policy-REVISED.pdf>

Weblink of CSR Projects: Nil

4. Provide the details of the Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

Not Applicable

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
		Not Applicable	
6.	Average net profit of the Company as per Section 135(5):	Nil (The average Net Profit of the last three financial years is Negative)	
7.	(a) Two percent of the average net profit of the company as per Section 135(5):	Nil	
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:	Nil	
	(c) Amount required to be set off for the financial year, if any:	Nil	
	(d) Total CSR obligation for the financial year (7a+7b-7c):	Nil	

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

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per the second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
5,00,000/-	Nil				

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

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

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
Sl. No.	Name of the Project	Items from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project	Amount spent for the project (in ₹)	Mode of implementation Direct (Yes/No)	Mode of Implementation – Through Implementing Agency		
			State	District			Name	CSR Registration number	
1.	CSR Funds for COVID-19	Disaster Management, including relief, rehabilitation, and reconstruction activities	Maharashtra	Nagpur	-	5,00,000/-	No	Guardian Minister Assistance Fund Committee, Nagpur	-

(d) Amount spent on Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹5,00,000/-

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

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

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

Sl.No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6) if any			The amount remaining to be spent in the succeeding financial years. (In ₹) (Refer to note below)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2020-21			Not Applicable			
2.	2019-20			Not Applicable			
3.	2018-19			Not Applicable			

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl.No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project – Completed/ Ongoing
Nil								

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

(a)	Date of creation or acquisition of the capital asset(s):	
(b)	Amount of CSR spent for the creation or acquisition of the capital asset:	
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc.	Nil
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):	
11.	Specify the reason(s), if the company has failed to spend two percent of the average net profit as per Section 135(5):	Not Applicable

For and on behalf of the Board

Hemant Balkrishna Bal
Director
(DIN: 08818797)

Place: Butibori, Nagpur
Date: April 28, 2022

Om Prakash Lohia
Chairman of the Committee
(DIN: 00206807)

Place: Gurugram
Date: April 28, 2022

Business Responsibility Report

(Regulation 34(2)(f))

Pursuant to Regulation 32(2)(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Directors present the Business Responsibility Report of the Company for the financial year 2021-22.

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

Section - A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Details								
1.	Corporate Identity Number (CIN) of the Company	L17124MH1986PLC166615								
2.	Name of the Company	Indo Rama Synthetics (India) Limited								
3.	Registered Address	A-31, MIDC Industrial Area, Butibori, Nagpur- 441122, Maharashtra, India								
4.	Website	www.indoramaindia.com								
5.	E-Mail ID	pawank.thakur@indorama-ind.com								
6.	Financial Year reported	1 st April 2021 to 31 st March 2022								
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacturer of: <ul style="list-style-type: none"> ➤ Polyester Staple Fibre, ➤ Partially Oriented Yarn, ➤ Draw Texturised Yarn, ➤ Fully Drawn Yarn, and ➤ Polyester Chips 								
8.	List three key products/services that the Company manufactures/ provides (as in the Balance Sheet)	<table border="1"> <thead> <tr> <th>Product</th> <th>NIC Code</th> </tr> </thead> <tbody> <tr> <td>Polyester Staple Fibre</td> <td>20302</td> </tr> <tr> <td>Polyester Filament Yarn</td> <td>13999</td> </tr> <tr> <td>Draw Texturised Yarn</td> <td>13999</td> </tr> </tbody> </table>	Product	NIC Code	Polyester Staple Fibre	20302	Polyester Filament Yarn	13999	Draw Texturised Yarn	13999
Product	NIC Code									
Polyester Staple Fibre	20302									
Polyester Filament Yarn	13999									
Draw Texturised Yarn	13999									
9.	Total number of locations, where business activity is undertaken by the Company	The Company has one manufacturing unit situated at A-31, MIDC Industrial Area, Butibori, Nagpur- 441122, Maharashtra, India.								
	Number of International Locations (Provide details of major 5)	None								
	Number of National Locations:	The Company has its Corporate Office at Gurugram and 6 (Six) Marketing Offices, situated across India.								
10.	Markets served by the Company- Local/ State / National / International	National as well as International.								

Section - B: FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	Details
1.	Paid-up Capital (Amount in ₹ Crores)	261.11
2.	Total Turnover (Amount in ₹ Crores)	3,907.42
3.	Total Profit after Taxes (Amount in ₹ Crores)	268.19
4.	Total spending on Corporate Social Responsibility (CSR) as a percentage of Profit after Tax (%)	The average Net Profit for the last three years is negative, thus the Company is not required to spend any amount on CSR.
5.	List of activities in which expenditure in (4) above has been incurred	Not Applicable

Section - C: OTHER DETAILS

Sr. No.	Particulars	Details
1.	Does the Company have any Subsidiary Company(s)?	Yes, the Company has two Wholly Owned Subsidiaries ('WOS'), Indorama Yarns Private Limited, and Indorama Ventures Yarns Private Limited, incorporated on August 16, 2019, and July 5, 2021, respectively.
2.	Do the Subsidiary Company(s) participate in the BR Initiatives of the parent company? If yes, then indicate the number of such Subsidiary Company(s).	WOS is managed by its Board of Directors and does not participate in the BR initiatives of the Parent Company.
3.	Do any other entity/ entities (e.g., suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%].	No

Section - D: BR INFORMATION

Sr. No.	Particulars	Details
1. Details of Director/ Directors responsible for BR		
(a)	Details of the Director/ Directors responsible for the implementation of the BR Policy/ Policies:	1. DIN : 08818797 2. Name : Mr. Hemant Balkrishna Bal 3. Designation : Whole-time Director
(b)	Details of the BR Head:	1. DIN : 00206807 2. Name : Mr. Om Prakash Lohia 3. Designation : Chairman and Managing Director 4. Telephone No. : 91-124-4997000 5. E-Mail ID : omprakash.lohia@indorama-ind.com

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

2. (a) Details of Compliance (Reply in Y/N):										
No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a Policy/ Policies for Various Principles?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	All the policies have been formulated or modified in consultation with the Management of the Company and are approved by the Board.								
3.	Does the policy conform to any national/ international standards? If yes, specify.	Yes, the policies are based on "National Voluntary Guidelines on Social, Environmental and Economic Responsibility of Business".								
4.	Has the policy been approved by the Board? If yes, has it been signed by the MD/ Owner/ CEO/ appropriate Board of Directors?	Yes, the Policies mandated under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 are approved by the Board and signed by the Company Secretary on behalf of the Board of Directors of the Company.								
5.	Does the Company have a specified committee of the Board/ Directors/ Officials to oversee the implementation of the policy?	The Company has Audit Committee, Stakeholders Relationship Committee, CSR Committee, and Risk Management Committee. Besides, the Company has an adequate internal control system to oversee the implementation of policies.								
6.	Indicate the link for the policy to be viewed online?	The links to view the public policies online are given herein below*.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the policies have been posted on the Company's website and communicated to all stakeholders, wherever applicable.								
8.	Does the Company have an in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out an independent audit/ evaluation of the working of this policy by an internal or external agency?	No								
(b) If the answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)		Not applicable								

* Links to Company's Policies:

- Code of Conduct for Employees: <https://www.indoramaindia.com/pdf/policies/Code-of-Conduct-for-Directors-n-Sr-Management-REVISED.pdf>
- CSR Policy: <https://www.indoramaindia.com/pdf/policies/CSR-Policy-REVISED.pdf>
- Whistle Blower Policy: <https://www.indoramaindia.com/pdf/policies/Whistle-Blower-Policy-REVISED.pdf>
- Policy for Prevention of Sexual Harassment: <https://www.indoramaindia.com/pdf/policies/POSH-IRSL-REVISED.pdf>
- Business Responsibility Policy: <http://www.indoramaindia.com/pdf/BR-Policy.pdf>



Sr. No.	Particulars	Details
3. Governance related to BR		
(a)	Indicate the frequency with which the Board of Directors, Committee of the Board, or CEO assesses the BR performance of the Company. (Within 3 months, 3-6 months, Annually, and more than 1 year.)	Annually
(b)	Does the Company publish a BR or Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes, the Company includes Business Responsibility Report in its Annual Report and the same can be accessed at, https://www.indoramaindia.com/annual_reports.php

Section - E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency, and Accountability.

Sr. No.	Particulars	Details
1	Does the Policy relating to ethics, bribery, and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	<p>The Company has a Policy on the Code of Conduct/ Ethics ('Code'), which applies to all directors, officers, and employees of the Company and its wholly-owned subsidiaries. This Code is intended to (a) focus on areas of ethical risk; (b) set forth basic standards of ethical and legal behaviour; (c) provide guidance to directors to help them recognize and deal with ethical issues; (d) provide reporting mechanisms for known or suspected unethical conduct and/or legal violations; (e) help foster a culture of honesty and accountability. The executive directors and employees of the Company strictly adhere to the provisions of the Code with regard to their association with any professional, trade, legislative, political, or public body.</p> <p>The Company has its Vigil Mechanism Policy which provides a mechanism for employees and Directors of the Company to approach the Vigilance Officer of the Company or the Chairman of the Audit Committee for reporting genuine concerns.</p> <p>The Company has also in place an Anti-Sexual Harassment Policy to maintain a work environment free from any form of conduct that can be considered harassing, coercive or disruptive.</p> <p>The aforesaid policies of the Company are equally applicable to its WOS, Indorama Yarns Private Limited, and Indorama Ventures Yarns Private Limited.</p>
2	How many stakeholders' complaints have been received in the past financial year and what percentage were satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	During the year, two complaints were received from the stakeholders. The complaints were 100% satisfied by the Management.

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

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

- Are there any products or services of the Company whose design has incorporated social or environmental concerns, risks, and/or opportunities?

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks, and/or opportunities.

As an environmentally conscious Company, the Company continues to innovate and use efficient technologies to

bring down ecological impact for all its products namely Polyester Staple Fibre, Polyester Filament Yarn, Draw Texturized Yarn, and Polyester Chips.

The Company has incorporated the following initiatives:

- Installation of Waste Heat Recovery Boilers;
 - Initiated rainwater harvesting in the additional area;
 - Controlled usage and avoidance of wastage of all utilities; and
 - Installed Turbo Ventilators in place of electrically operated roof exhaust fans.
- b) For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional).

The details of the conservation of energy are annexed with the Directors' Report.

- Does the Company have procedures in place for sustainable sourcing (including transportation)?

- a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company strives to integrate Social, Ethical, and Environmental factors across the entire supply chain.

3. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

- a) If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

Spares and consumables are procured from local and small vendors on a need basis. The Company also extensively explores with local suppliers to develop their capabilities for import substitutions on an ongoing basis.

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

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

Principle 3: Businesses should promote the well-being of all employees.

Indo Rama, as a Company, ensures its development and growth by investing in the satisfaction and well-being of its employees. The Company takes seriously its responsibility to provide a safe working environment and recognizes that employees are more productive when they are healthy, feel good and work safely. Wellness programs of the Company raise awareness of health issues by encouraging its employees to adopt a healthy lifestyle. The Company also tailors its safety programs to minimize hazards at the workplace.

1. Please indicate the total number of employees - 1,462
2. Please indicate the total number of employees hired on a temporary/ contractual/ casual basis - Daily Deployment - 2,252
3. Please indicate the number of permanent women employees - 14
4. Please indicate the number of permanent employees with disabilities - 01
5. Do you have an employee association that is recognized by management? - No
6. What percentage of your permanent employees are members of this recognized employee association? NA
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, and sexual harassment in the last financial year and pending, as on the end of the financial year.

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

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

Sr. No.	Particulars	Plant
1.	Permanent Employees	94%
2.	Permanent Women Employees	100%
3.	Casual/ Temporary/ Contractual Employees	100%
4.	Employees with Disabilities	100%

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

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

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

1. Has the Company mapped its internal and external stakeholders? Yes/No
Yes.
2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?
As per our understanding and knowledge, there are no disadvantaged, vulnerable, or marginalized stakeholders.
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable, and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.
Not Applicable.

Principle 5: Businesses should respect and promote human rights.

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



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

The policy stated in our code and policies which include respect for human rights and dignity of all stakeholders extends to groups, suppliers, and all those who work with us.

2. How many stakeholders' complaints have been received in the past financial year and what percent were satisfactorily resolved by the Management?

During the year, two complaints were received from the stakeholders. The complaints were 100% satisfied by the Management.

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

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

The Company has internal guidelines for the Environment, which are followed strictly.

During the year, the Company has taken various initiatives for the Conservation of Energy and reducing its Environmental Impact as given in Annexure of the Directors' Report.

1. Does the policy relate to Principle 6 cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

The policy is applicable to the Company only.

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

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

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

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

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any Environmental Compliance Report filed?

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

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

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

6. Does the Emissions/ Waste generated by the Company within the permissible limits, given by CPCB/ SPCB for the financial year being reported?

Yes, all applicable statutory requirements with respect to Emissions/ Waste are complied with and Emission/ Waste generated by the Company are within the permissible limit given by SPCB.

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

As on March 31, 2022, there is no pending Show Cause notices, received from CPCB or SPCB.

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

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

Name of various Associations of which Company is a member:

- i) Butibori Manufacturers' Association;
- ii) Confederation of Indian Industry
- iii) Confederation of Indian Textile Industry;
- iv) FICCI;
- v) Federation of Indian Export Organisation;
- vi) The Synthetics & Rayon Textiles Export Promotion Council;
- vii) Vidarbha Industries Association; and
- viii) PTA Users Association.

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

No.

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

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

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

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

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

The Programmes are being undertaken through an in-house team.

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

No.

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

The Company was incurring losses for a few years up to the financial year 2019-20. In the financial year 2022-23, the Company is required to incur expenditure as per the CSR provisions.

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

Not Applicable.

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

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

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

Nil

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

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

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

No

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

The Company does a survey by CTS Team.

For and on behalf of the Board

Om Prakash Lohia

Chairman and Managing Director
(DIN 00206807)

Place: Gurugram
Date: April 28, 2022



FORM NO. MR-3

Secretarial Audit Report

For the Period April 2021 to March 2022

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

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

I, CS Jaya Yadav, Practicing Company Secretary, Jaya Yadav & Associates, have Membership No. F-10822 and COP No. 12070, have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Indo Rama Synthetics (India) Limited (CIN: L17124MH1986PLC166615) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me with a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering from April 1, 2021, to March 31, 2022 ("Audit Period") complied the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms, and returns filed and other records maintained by the Company for the Audit period according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment, and External Commercial Borrowings;
- (v) The following Regulations and Guidelines are prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
- (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (h) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (i) SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013;
- (j) SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; and
- (k) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

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

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

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

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

- (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- (ii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- (iii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (iv) SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013;
- (v) SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (vi) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

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

- i. The Factories Act, 1948;
- ii. The Industries (Development and Regulation) Act, 1951;
- iii. The Labour Laws and other identical laws related to the labour and employees appointed by the Company either on its payroll or a contractual basis;
- iv. The Environmental Protection Act, 1986;
- v. The Indian Boilers Act, 1923 and Rules/ Regulation made thereunder;
- vi. The Indian Electricity Act, 2003 and Rules Regulations made thereunder;
- vii. Indian Explosive Act, 1884 and Rules and/ Regulations made thereunder;
- viii. The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal Act, 2013); and
- ix. Various circulars and notifications were issued by SEBI for the FY 2021-22.

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

Place: Gurugram
Date: April 28, 2022

I further report that

- a) The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the Audit Period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or committees of the Board, as the case may be.

I further report that the National Stock Exchange of India Limited vide its letters dated December 7, 2020, March 24, 2021, and July 5, 2021, and BSE Limited vide its emails dated December 7, 2020, March 24, 2021, and July 5, 2021, have levied monetary fines on the Company amounting to ₹9,85,300/- (Indian Rupees Nine Lakhs Eighty-Five Thousand Three Hundred only) each aggregating ₹19,70,600/- (Indian Rupees Nineteen Lakhs Seventy Thousand Six Hundred only) for non-compliance with Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has paid the monetary fines towards the same during the financial year 2021-2022. Now, the matter stands closed.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines

Signature:
Jaya Yadav
Practicing Company Secretary
Jaya Yadav & Associates
Membership No. F10822
Certificate of Practice No. 12070
UDIN: F010822D000226279



NOTE: This report is to be read with our letter of even date which is annexed as Annexure 1 and forms an integral part of this report.

Annexure 1

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

My Secretarial Audit Report dated April 28, 2022 is to be read along with this letter.

1. The maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. Compliance with the provisions of Corporate and other applicable laws, rules, regulations, and standards is the responsibility of Management. Our examination was limited to the verification of procedures on a test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Gurugram
Date: April 28, 2022

Signature:
Jaya Yadav
Practicing Company Secretary
Jaya Yadav & Associates
Membership No. F10822
Certificate of Practice No. 12070
UDIN: F010822D000226279

Management Discussion and Analysis

Industries' Structure and Development

India is the second-largest producer of Polyester and Viscose globally. Polyester and Viscose, together account for around 94% of the domestic MMF (Man-Made Fibre) sector in terms of volume. Polyester makes up roughly 77.5% of the total, with Viscose accounting for the rest. MMF is generally used to make non-cotton and blended fabrics, which are then utilized in ready-to-wear clothing, home textiles, and other industrial textiles.

MMF textile industry in India is self-reliant across the value chain right from raw materials to garments. It is poised to grow at 5-6% YoY. India produces almost all types of synthetic fibres, be it Polyester, Viscose, Nylon, or Acrylic. MMF export stood at \$4.8 billion in 2021. India stands 6th in exports of MMF textiles accounting for 16% of the share in the global MMF textile market. USA, Europe, UAE & Turkey are leading markets for India's manmade textile exports.

Outlook

Increased use in nonwovens and technical textiles, changing consumer trends such as an increased emphasis on fitness and hygiene, rising brand consciousness, rapidly changing fashion trends, and increasing women's participation in the workforce are all expected to boost demand for manmade fibres in India.

Strong policy support from the government, leads to bright prospects for the MMF market in India. Allowance of 100% FDI (automatic route) in the textile and apparel sector, marked an FDI of about \$3,930.33 million in 2021. By 2040, it is expected that the consumption of Polyester globally will be approximately three times that of cotton fibre. Hence, MMF will be one of the most attractive segments for future investments.

India has abolished the anti-dumping duty on Purified Terephthalic Acid, Spandex, and Viscose staple fibres, key raw materials for manmade fibre. Rationalization of GST on the manmade fibre value chain will help to boost the growth of the manmade fibre sector. Also, National Technical Textiles Mission has been adopted, with a total outlay of \$194 million in February 2020. This has been set up for a four-year implementation period from the financial year 2020-21 to the financial year 2023-24.

Adoption of PLI Scheme for textiles is aimed at growing MMF and Technical Textiles components of Textiles Value Chain. Manufacturing MMF Apparel, MMF Fabrics, and segments/products of Technical Textiles in India will receive incentives totalling ₹10,683 crores over five years. This will provide a significant boost to the high-value MMF segment, creating new employment

and trade prospects. High prices of Cotton are also adding fuel to the growth of the MMF textile sector.

The government has come up with the PM Mitra Park scheme and other new schemes like RoDTEP, RoSCTL, and ATUFS to boost the textile sector in India.

Opportunities and Threats

Realizing MMF's growth potential as well as its job potential, the Indian government is preparing to release a new textile policy to boost the industry's growth. The industry currently employs roughly 45 million people directly and another 60 million indirectly.

Your Company will be immensely benefitted from the growth potential, and as a result, an expansion plan is in progress with an investment of approximately ₹600 crores.

Due to a shortage of availability of PTA and MEG (Mono Ethylene Glycol), both petrochemical-based products, which are the fundamental raw materials needed to make MMF, other MMF producers cannot compete with the producers having production facilities of both raw materials and downstream MMF products, and the business is reliant on imports from China and other nations as well.

Financial performance with respect to operational performance

Corporate Strengths

- **With more than three decades of expertise:** Indo Rama has established market and industry knowledge that enable it to manage a complex business landscape. In Butibori, (Maharashtra) it has an integrated production facility with a capacity of 610,050 tonnes per year. Polyester Stable Fibre (PSF), Polyester Filament Yarn (PFY), Draw Texturized Yarn (DTY), Fully Drawn Yarn (FDY), and Polyester Chips are among the Company's diverse product offerings.
- **Strategically positioned manufacturing plant:** Indo Rama's manufacturing facility is centrally located, allowing it to quickly meet demand across India.
- **One of India's most cost-effective producers:** Indo Rama's integrated facility allows it to maintain its cost and market competitiveness.
- **Quality-focused and process-driven:** Indo Rama extensive quality and process management systems enable it to provide best-in-class goods consistently and efficiently.

- **Technological excellence:** Indo Rama's state-of-the-art equipment allows the Company to streamline operations while being cost-competitive.
- **Global presence:** Indo Rama has a strong presence in important global markets such as Turkey, MENA, Brazil, Argentina, Mexico, Columbia, Germany, Belgium, Portugal, Spain, Poland, Italy, Bangladesh, and Nepal for its high-quality products.
- **Long-term client ties:** Indo Rama has long-term stabilized client relationships, which assure consistency and credibility.
- **Strong promoter shareholder support:** Indorama Ventures Public Company Limited (IVL), a world leader in the fibre segment, controls the Company's Management, allowing it to share synergies in technology, finance, and operations.

Production Performance

Particulars	FY 2021-22	FY 2020-21
Polyester Staple Fibre (TPA)	195,707	139,745
Polyester Filament Yarn (TPA)	167,687	117,625
Draw Texturized Yarn (TPA)	110,683	86,301
Polyester Chips (TPA)	9,824	7,678

Financial Performance (₹ in crores)

Particular	FY 2021-22	FY 2020-21
Total Income	3,907.42	2,043.59
EBITDA	308.69	113.30
PBT	218.11	2.73
PAT	268.19	112.78
Book Value per share (In ₹)	22.95	12.76
Earnings per share (In ₹)	10.27	4.32

Key Ratios

Sr. No.	Particulars	FY 2021-22	FY 2020-21*	Explanation for Significant Change
1	Debtors Turnover Ratio (times)	26.01	19.94	An increase in business volumes and efficiency as compared to the previous year has resulted in an improvement in the ratio.
2	Inventory Turnover Ratio (times)	8.26	6.15	An increase in business efficiency in comparison to the previous year has resulted in an improvement in the ratio.
3	Interest Coverage Ratio (times)	4.52	1.59	Due to improved Profitability.
4	Current Ratio (times)	0.81	0.69	-
5	Debt Equity Ratio (times)	0.49	1.13	Repayment of borrowing and higher earnings as compared to the previous year, resulting in an improvement in the ratio.

Sr. No.	Particulars	FY 2021-22	FY 2020-21*	Explanation for Significant Change
6	Operating Profit Margin (%)	8.19%	5.19%	Improvement in business operations and enhanced working efficiency, resulting in higher net operating profit and consequent improvement in the ratio.
7	Net Profit Margin (%)	7.12%	5.75%	-
8	Return on Net Worth (%)	46.34%	36.07%	Improvement in earnings, leading to the betterment of the ratio.

* Ratios have been re-aligned with Schedule III to the Companies Act, 2013.

Risks and Concerns

Having a solid risk management system is critical for any Company in today's VUCA world. Indo Rama has been hard at work developing a robust risk management system that will enable it to meet its business objectives and deliver long-term growth. To enable risk mitigation at transactional levels, the Company has decentralized its risk management.

Managing risk assists us in discovering, assessing, and controlling risk to the capital and earnings of our Company. Financial uncertainties, legal liabilities, technical challenges, strategic management failures, and accidents are all potential sources of risk. To address the complete range of risks that we face, we use a proper risk management methodology and structure.

Key Risk and their Mitigation Processes

Risks	Mitigation Process
Cost Risk: Raw ingredients used to make polyester are crude oil price sensitive which leads to fluctuations in the cost of raw materials	<ul style="list-style-type: none"> • Sourcing the main raw material such as PTA, from a local source as much as possible to minimize price volatility and transit time. • To lower the raw material cost, renegotiation with vendors and alternative raw material procurement are done. • Prices are linked to public raw material price indexes.
Quality Risk: A decline in product quality could harm the Company's image	<ul style="list-style-type: none"> • Having strong quality control mechanisms in place, as well as a strong technological backup, aids in preserving output quality. • ISO 9001:2008 certification for quality. • A fully equipped quality control laboratory with cutting-edge technology and software ensures that high-quality products are consistently available.
Employee Risk: The inability to attract and keep a talented staff might stifle growth	<ul style="list-style-type: none"> • To avoid prejudice, a standard and merit-based recruitment process are supported by an organized and accurate selection approach. • Use an unbiased evaluation method and performance appraisal to help retain qualified employees. • Provides incentives in the form of awards and recognition. • Increase staff involvement and create a pleasant working atmosphere.

Risks	Mitigation Process
Technological Risk: Operational performance may be harmed by technological obsolescence	<ul style="list-style-type: none"> Several technological collaborations with leading technology companies throughout the world. To stay competitive, focus on re-engineering and improvisation. Emphasizing the importance of continuing to invest in technological advancements. Keep an eye on the whole thing to make sure it is running smoothly.
Competition Risk: Competition from other players might affect business	<ul style="list-style-type: none"> Develop customer trust, focus on expanding the customer base, and catering to unique demands. Provides a greater range of value-added products to a bigger client base.
Forex Risk: Currency volatility around the world	<ul style="list-style-type: none"> Maintain a natural hedge against currency swings by maintaining a balance between export receipts and import payments. To protect against currency volatility, forward contracts are purchased on a need and assessment basis.

Power Generation and Sourcing

Since June 2020, the Company stopped generating power at its captive co-generation facility and began sourcing 100% of required power from state DISCOM. However, the DG power set is always kept in standby mode as a backup power source to meet critical power requirements in case of a power outage from the state DISCOM. Indo Rama continues to keep a close eye on its power consumption, both internally and externally, for ways to cut costs.

Internal Controls Systems and their Adequacy

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

Statutory Compliance

After gaining confirmation from all Company's units, the Company Secretary and Compliance Officer issue a declaration at each Board Meeting regarding the Company's compliance with relevant statutes. They also ensure that SEBI regulations, the Companies Act, 2013, and its rules, as well as all other applicable acts, are followed.

Human Resources and Industrial Relations

Indo Rama's success is due to its employees' skills, quality, and experience. Indo Rama has implemented a systematic performance management plan to ensure that its employees are engaged and

that the Company retains the top talent in the market. The Company also provides the opportunity for employees to learn and progress within the organization, as well as fostering a collaborative and pleasant work environment alongside maintaining transparency.

Safety, Health, and Environment

At Indo Rama, we believe that an organization's sustainability is directly proportional to Safety, Health, and Environment management. We endeavour to demonstrate environmental and social responsibility at every step.

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

Indo Rama is ISO 45001:2018 accredited for Occupational Health and Safety (OH&S) Management and has designed and maintained an OH&S system as well as developed its own 'Occupational Health and Safety Policy' to meet the standards.

Fire & Safety

- We abide by all statutory compliance as per the Factories Act 1948, Maharashtra Factories Rules 1963, and Maharashtra Fire Prevention and Life Safety Measures Rules.
- There is a continuous effort from the Management of Indo Rama for creating awareness on fire and safety among employees including their family members and contractor workers.
- No major fire incidents took place in the financial year 2021-22.
- No fatality took place in the financial year 2021-22.
- Fire Audits (form B) are conducted during the month of July 2021 and January 2022 as per the statutory requirement of the Maharashtra Fire Protection and Life Safety Measures Act.
- Well-defined and updated on-site Emergency Management Plan to tackle any major emergency inside and outside plant premises.
- Conducted mock drills on various emergency scenarios to ensure emergency preparedness.
- Imparted 3990 hours of training on Health, Safety, Environment, and Fire to employees including contractor workers in the financial year 2021-22, which include refresher safety training. Topics for safety training include Safety Management System, Covid-19, Work Permit System, Incident Investigation, Effective Use of PPEs, Fire & Safety including job safety precautions to ensure workplace safety.
- Celebrated safety month (February 10, 2022, to March 4, 2022) to create safety awareness among employees and contractor workers. Around 190 participants participated in various nine competitions directly. Safety Day function was held on March 4, 2022, where prizes along with certificates were distributed



to encourage a safety culture in the workplace. Mr. Hemant Balkrishna Bal, Site Head graces the function as a chief guest.

- The fire hydrant system was kept in working condition round the clock to cater to any fire emergency.
- Reliability of the fire system improved by incorporating and taking into operation one additional Diesel operated fire main pump along with the addition of one new foam fire tender with increased capacity.

Health

Health and cleanliness have always been a top priority at Indo Rama, as they are an intrinsic part of the Company's operations. The Indo Rama's plant in Butibori features a full-fledged health center with highly trained doctors and nurses, as well as an ambulance and other medical services, which give medical help to employees, their families, contractors, and the public 24 hours a day, seven days a week. Employee health checks on a regular basis, as well as advice on health, diets, and exercise, are some of the health center's other essential tasks.

New first aid boxes have been provided at all, plant areas. A periodic medical examination of all at the site, has been done. Health awareness lectures have been conducted from time to time.

The following additional efforts were made during the year towards Covid:

- Arranged oxygen concentrators for a timely help to the needy.
- Booked beds in reputed hospitals in the city for immediate help to the affected employees.
- Organized on-site and off-site vaccination camps to vaccinate all employees, contract workers, and their family members. With this, Covid is effectively controlled at the site.
- Free PPE kits were distributed to government and private hospitals in the area.

Environment

At Indo Rama, Environmental Conservation is more than a promise. It is a mission that is deeply ingrained in the minds of all members of the Indo Rama family. Every function, process, and operation at Indo Rama is encased in a system of cutting-edge environmental protection strategies and measures.

The Company has taken a number of steps to successfully limit pollution at the source, throughout treatment, and at disposal. Effective and efficient operation of all equipment and facilities is a top concern. Several new initiatives have been implemented to maintain environmental balance in and around manufacturing facilities. All Solid/Hazardous Waste Management Laws are implemented to limit effluent discharge and boost water recycling. This is reflected in ongoing attempts to ensure minimal negative environmental impact.

Information Technology

- As part of digital transformation initiative, adapted and rolled out SuccessFactors together with ADP system (as part

of Group roll-out) for eligible staff. Hardware and software rolled out to support the initiative.

- Set up an additional subsidiary Indorama Ventures Yarns Private Limite to the existing SAP ECC setup.
- Rolled out the cloud-based O365 suite to cover email, OneDrive, and Teams' solutions enhancing the ease of use and improving user collaboration.
- Implemented MFA-based authentication for VPN access to enhance the authentication system and security of the systems.
- Implemented Asset Management system for insights to IT assets including software deployments enhancing software compliance posture of the Company.
- Rolled out cloud backup solution as a third-tier critical application data backup solution.
- Group ITGC & Statutory Audits were managed effectively; gaps were addressed and closure within defined timelines. These include the replacement of eligible legacy devices with currently supported hardware and operating systems, policy, and procedure formulations, etc. Corresponding server-based and end-user applications are being upgraded to current platforms.
- The infrastructure including servers and networks has been hardened to improve security and is aligned with STCP audits and group requirements.

Cautionary Statement

The financial statements in this report were prepared and are the responsibility of Indo Rama's management. These are in line with India's widely recognized accounting principles. Statements in this Management Discussion and Analysis that describe the Company's objectives, plans, estimates, and expectations may be considered 'forward-looking statements' under the laws and regulations that apply. These statements were made based on management's current estimates and projections for future events. It has attempted to identify such statements whenever feasible by using phrases like anticipate, estimate, expect, project, intend, plan, believe and words of similar meaning.

However, such statements are subject to known and unknown risks, including significant changes in the political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest, and other costs, all of which could cause actual results to differ materially. Although the management believes it has made prudent assumptions, it cannot guarantee that these forward-looking statements will be realized. Management has no commitment to update any forward-looking statements publicly, whether as a result of new information, future events, or otherwise.

Report on Corporate Governance

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

The Directors present the Company's Report on Corporate Governance for the financial year ended March 31, 2022, in terms of Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"/ "SEBI Listing Regulations").

1. Company Philosophy on The Code of Corporate Governance

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

2. Board of Directors

A) Composition and category of Directors:

The Board of the Company is comprised of Executive and Non-Executive Directors including Independent Directors. As on March 31, 2022, the composition of the Board is as under which is headed by Chairman and Managing Director.

Sl. No.	Category	No. of Directors	% of total no. of Directors
1	Executive Director-Promoters	2	25.00

Sl. No.	Category	No. of Directors	% of total no. of Directors
2	Whole-time Director Non-Promoter	1	12.50
3	Non-Executive Non-Independent Director	1	12.50
4	Non-Executive Independent Directors (Including one Woman Director)	4	50.00
Total		8	100.00

The Composition of the Board is in accordance with Regulation 17 of SEBI LODR Regulations.

The maximum number of Directorship held by all of your directors is well within the limit of 7 listed entities and none of the Directors of your Company serve as an Independent Director in more than 7 listed entities.

The maximum number of Committee Membership held by all of your directors is well within the limit of 10 Committees. In the case of Chairmanship, your directors do not act as Chairman in more than 5 committees of listed entities.

The necessary disclosures regarding committee positions in other public companies as on March 31, 2022, have been made by the Directors. None of the Director is related to each other except Mr. Om Prakash Lohia and Mr. Vishal Lohia.

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

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

Sl. No	Skills/ Expertise/ Competence identified by the Board	Mr. Om Prakash Lohia	Mr. Vishal Lohia	Mr. Hemant Balkrishna Bal	Mr. Dilip Kumar Agarwal	Mr. Dharmpal Agarwal	Mr. Suman Jyoti Khaitan	Mrs. Ranjana Agarwal	Mr. Dhanendra Kumar
1	Knowledge/ Understanding of the Business of the Company, the industry/ sector to which it relates with respect to relevant, rules, regulations, and status of compliances thereof, best corporate governance practice, business ethics, and structures to manage risk and crisis	√	√	√	√	√	√	√	√
2	Strategic expertise, strategic planning, and implementation with clear vision and incorporation of necessary changes required due to the existence of a dynamic global environment.	√	√	√	√				

Sl. No	Skills/ Expertise/ Competence identified by the Board	Mr. Om Prakash Lohia	Mr. Vishal Lohia	Mr. Hemant Balkrishna Bal	Mr. Dilip Kumar Agarwal	Mr. Dharmpal Agarwal	Mr. Suman Jyoti Khaitan	Mrs. Ranjana Agarwal	Mr. Dhanendra Kumar
3	Behavioral competencies/ personal attributes displaying i) Integrity and ethical standard ii) Mentoring ability	√	√	√	√	√	√	√	√
4	Mindset or Attitude: i) Possession of ethical mindset; ii) Carrying of professional attitude; iii) Performance-oriented	√	√	√	√	√	√	√	√
5	Finance and technical skills: i) Ability to interpret financial statements and accounts and assess the financial viability of the projects ii) Gauging potential business opportunities iii) Assessing the importance of information technology in the Company or other specific skills	√	√	√	√	√	√	√	√
6	Risk oversight/ management: i) Ability to identify key risks ii) Possession of Risk Management skill	√	√	√	√	√	√	√	√

C) Board Meeting & Attendance:

During the financial year 2021-22, Four (4) Board Meetings were held, i.e., May 19, 2021, July 21, 2021, October 29, 2021, and February 10, 2022. A necessary quorum, as per Regulation 17(2A) of SEBI Listing Regulations was present for all meetings.

The attendance of Directors at the Board Meetings during the financial year 2021-22 and the last Annual General Meeting held on August 24, 2021, is as under:

Name of Directors and Directors Identification Number	Date of Appointment	Date of appointment in the Current term	Category of Directorship	No. of the Board meeting held	No. of Board Meeting attended	Attendance at the last AGM
Mr. Om Prakash Lohia (DIN: 00206807)	28.04.1986	26.12.2020	Executive Director-Promoter	4	4	Yes
Mr. Vishal Lohia* (DIN: 00206458)	16.04.2002	01.04.2022	Executive Director-Promoter	4	4	Yes
Mr. Hemant Balkrishna Bal (DIN: 08818797)	30.10.2020	30.10.2020	Executive Director	4	4	Yes
Mr. Dilip Kumar Agarwal (DIN: 03487162)	20.01.2021	20.01.2021	Non-Executive Non-Independent Director	4	3	No
Mr. Suman Jyoti Khaitan (DIN: 00023370)	30.01.2013	15.05.2019	Non-Executive Independent Director	4	4	Yes
Mrs. Ranjana Agarwal (DIN: 03340032)	18.05.2015	18.05.2020	Non-Executive Independent Director	4	4	Yes
Mr. Dhanendra Kumar (DIN: 05019411)	14.02.2020	14.02.2020	Non-Executive Independent Director	4	4	Yes
Mr. Dharmpal Agarwal** (DIN: 00084105)	25.11.2021	25.11.2021	Non-Executive Independent Director	4	1	NA
Dr. Arvind Pandalai*** (DIN: 00352809)	20.05.2014	31.08.2016	Non-Executive Independent Director	4	2	Yes

* Re-appointed for a further term of 3 years w.e.f. April 1, 2022, by the Board at its meeting held on February 10, 2022, and Shareholders of the Company approved his re-appointment by passing Special Resolution through Postal Ballot via remote electronic voting on March 26, 2022.

** Appointed as Non-Executive Independent Director by the Board of Directors through Circular Resolution dated November 25, 2021. Further, Shareholders of the Company approved his appointment by passing Special Resolution through Postal Ballot via remote electronic voting on March 26, 2022.

*** Ceased as Non-executive Independent Director of the Company w.e.f. August 30, 2021, on completion of his 2nd term.

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

The number of other Board and Board's Committee in which the Directors of the Company are holding the position of Member/ Chairperson, as on March 31, 2022.

Name of the Director and Director Identification No.	No. of Outside Directorship held			No. of Outside Committees*		Name of the other Listed Company and Category of Directorship
	Public Co. Listed/ Unlisted	Private Co.	Other Co.	Member	Chairman	
Mr. Om Prakash Lohia (DIN: 00206807)	1	2	Nil	Nil	Nil	Gujarat Fluorochemicals Limited - Non-Executive Independent Director
Mr. Vishal Lohia** (DIN: 00206458)	Nil	2	Nil	Nil	Nil	None
Mr. Hemant Balkrishna Bal (DIN: 08818797)	Nil	2	Nil	Nil	Nil	None
Mr. Dilip Kumar Agarwal (DIN: 03487162)	Nil	1	52#	Nil	Nil	None
Mr. Suman Jyoti Khaitan (DIN: 00023370)	2	1	1	1	3	Oriental Carbon Chemical Limited - Non-Executive Independent Director Jindal Stainless Limited- Non-Executive Independent Director
Mrs. Ranjana Agarwal (DIN: 03340032)	4	1	Nil	3	1	KDDL Limited- Non-Executive Independent Director ICRA Limited- Non-Executive Independent Director RBL Bank Limited - Non-Executive Independent Director
Mr. Dhanendra Kumar (DIN: 05019411)	2	Nil	1	Nil	Nil	Jay Bharat Maruti Limited - Non-Executive Independent Director
Mr. Dharampal Agarwal*** (DIN: 00084105)	6	3	1	Nil	Nil	Transport Corporation of India Limited- Executive Director TCI Express Limited- Non-Executive Director TCI Developers Limited- Non-Executive Director TCI Industries Limited- Non-Executive Director Jay Bharat Maruti Limited - Non-Executive Independent Director Bhoruka Power Corporation Limited- Non-Executive Independent Director
Dr. Arvind Pandalai**** (DIN: 00352809)	Nil	1	Nil	Nil	Nil	None

* All Committees including Chairmanship and Membership of Audit Committee, Risk Management Committee, and Stakeholders Relationship Committee have been considered.

** Re-appointed for a further term of 3 years w.e.f. April 1, 2022.

*** Appointed as Non-Executive Independent Director w.e.f. November 25, 2021.

****Ceased as Non-Executive Independent Director w.e.f. August 30, 2021, on completion of his 2nd term.

Directorship of Foreign Companies.

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

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

F) Independent Directors confirmations by the Board:

The Independent Directors have confirmed that they meet the criteria of independence u/s 149(6) of the Act and Regulations 16(1)(b) as amended by the SEBI (Listing

Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, with effect from April 1, 2022, and 25(8) of SEBI Listing Regulations and are independent of the management. Necessary confirmations have also been taken from the Directors in compliance with Rule 6 (3) of the Companies (Appointment and Qualification of Directors), Fifth Amendment Rules, 2019, which has come into force with effect from December 1, 2019.

Dr. Arvind Pandalai ceased as Non-Executive Independent Director of the Company, with effect from August 30, 2021, on completion of his 2nd term.

G) Information supplied to the Board of Directors:

During the financial year 2021-22, all necessary information as required under the applicable provisions of the Companies Act, 2013, Schedule II Part A of SEBI Listing Regulations, and other applicable laws and rules were placed and discussed at the Board Meeting.

H) Board Agenda and Circulation:

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

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

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

Sl. No.	Agenda	Date of Resolution passed by the Board/ Committee
i)	Authority to execute Sub-Lease Agreement with Indorama Ventures Yarns Private Limited for land Aggregating to admeasuring 43,930 Sq Meter @ ₹1/- per Sq. Meter per year for 45 years.	August 6, 2021
ii)	Authority to execute Sub-Lease Agreement with Indorama Yarns Private Limited for land Aggregating to admeasuring 14,000 Sq. Meter @ ₹1/- per Sq. Meter per year for 45 years.	August 6, 2021
iii)	Appointment of Mr. Dharpal Agarwal (DIN: 00084105), as an Additional Director (Non-Executive Independent Director) of the Company.	November 25, 2021
iv)	To consider and approve the re-constitution of various committees of the Board	November 25, 2021
v)	Authorization in favour of one of the officers of the Company to deal with the Directorate General of Foreign Trade and Registration at Icegate.	December 3, 2021
vi)	NOC for using the Trademark "INDORAMA"	December 30, 2021

Sl. No.	Agenda	Date of Resolution passed by the Board/ Committee
vii)	Authorization in favour of official of the Company to sign Tripartite Agreement to be executed amongst Company, Maharashtra Industrial Development Corporation (Lessor), and M/s Indorama Yarns Private Limited (sub-lessee).	February 23, 2022

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

Name of the Director	Category of Directorship	Relationship between Directors
Mr. Om Prakash Lohia (DIN: 00206807)	Executive Director - Promoter	Mr. Vishal Lohia (Son)
Mr. Vishal Lohia* (DIN: 00206458)	Executive Director - Promoter	Mr. Om Prakash Lohia (Father)
Mr. Hemant Balkrishna Bal (DIN: 08818797)	Whole-time Director	None
Mr. Dilip Kumar Agarwal (DIN: 03487162)	Non-Executive Non-Independent Director	None
Mr. Suman Jyoti Khaitan (DIN: 00023370)	Non-Executive Independent Director	None
Mrs. Ranjana Agarwal (DIN: 03340032)	Non-Executive Independent Director	None
Mr. Dhanendra Kumar (DIN: 05019411)	Non-Executive Independent Director	None
Mr. Dharpal Agarwal** (DIN: 00084105)	Non-Executive Independent Director	None
Dr. Arvind Pandalai*** (DIN: 00352809)	Non-Executive Independent Director	None

* Re-appointed for a further term of 3 years w.e.f. April 1, 2022.

** Appointed as Non-Executive Independent Director w.e.f. November 25, 2021.

*** Ceased as Non-Executive Independent Director w.e.f. August 30, 2021, on completion of his 2nd term.

K) Separate Meeting of Independent Directors:

During the year under review, a separate meeting of the Independent Directors of the Company was convened on February 10, 2022, inter- Alia, to perform the following:

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

The following Independent Directors were present at the Meeting:

- i) Mr. Suman Jyoti Khaitan;
- ii) Mrs. Ranjana Agarwal;
- iii) Mr. Dhanendra Kumar; and
- iv) Mr. Dharampal Agarwal.

L) Familiarization programme for Independent Directors:

Pursuant to regulation 25(7) of SEBI LODR Regulations, the Company is required to familiarize the Independent Directors through various programs about the Company.

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

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

A special presentation was made to the Independent Directors at their meeting held on February 10, 2022, for familiarizing the Directors with the nature of the industry, products, markets, operations, subsidiaries and its businesses, policies, and regulatory aspects affecting the Company, etc.

The details of the familiarization programme have been disclosed on the Company's website, <http://www.indoramaindia.com/familiarisation-programme.php>.

M) Evaluation of the Board's Performance:

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

N) Code of Conduct:

The Company has adopted the "Code of Conduct for the Board Members and Senior Management Personnel" (the "Code"). The Code of conduct contains the duties of the Independent Directors as laid down in the Act. The Code is available on the Company's website, <http://www.indoramaindia.com/pdf/policies/Code-of-Conduct-for-Directors-n-Sr-Management-REVISED.pdf>.

All the Directors including the Chairman and Managing Director and the Senior Management Personnel of the Company have given a declaration of compliance with the Company's code of conduct in accordance with Regulation 26(3) of SEBI Listing Regulations during the year ended March 31, 2022.

The declaration signed by the Chief Executive Officer pursuant to Schedule V (Part D) of SEBI Listing Regulations, regarding compliance with the Code of Conduct forms part of the Annual report of the Company.

O) Post Board Meeting Follow-Up System

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

P) Terms and conditions of appointment of Independent Directors:

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

3. COMMITTEES OF THE BOARD

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

I. Audit Committee

A) Composition:

As on March 31, 2022, the Company's Audit Committee comprises four Non-Executive Independent Directors, one Executive Director-Promoter, and one Executive Director.

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

- (i) Dr. Arvind Pandalai (DIN: 00352809), Non-Executive Independent Director, Chairman up to August 30, 2021;
- (ii) Mr. Dhanendra Kumar (DIN: 05019411), Non-Executive Independent Director, Chairman w.e.f. November 25, 2021;
- (iii) Mr. Suman Jyoti Khaitan (DIN: 0023370), Non-Executive Independent Director, Member;

- (iv) Mrs. Ranjana Agarwal (DIN: 03340032), Non-Executive Independent Director, Member;
- (v) Mr. Dharpal Agarwal (DIN: 00084105), Non-Executive Independent Director, Member w.e.f. November 25, 2021;
- (vi) Mr. Vishal Lohia (DIN: 00206458), Executive Director, Promoter, Member; and
- (vii) Mr. Hemant Balkrishna Bal (DIN: 008818797), Whole-time Director, Member.

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

B) Terms of Reference:

Powers and Roles of the Audit Committee

(a) Powers:

The powers of the Audit Committee include the following:

- (1) To investigate any activity within its terms of reference;
- (2) To seek information required from any employee;
- (3) To obtain outside legal or other professional advice; and
- (4) To secure the attendance of outsiders with relevant expertise, if considers necessary.

(b) Role:

The role of the Audit Committee includes the following:

- (1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible;
- (2) Recommendation for appointment, remuneration, and terms of appointment of auditors of the Company;
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors except those which are specifically prohibited;
- (4) Reviewing, with the management, and examination of the financial statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Directors' Report in terms of clause (c) of sub-Section 3 of Section 134 of the Act;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;

- c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any Related Party Transactions;
 - g) Modified opinion(s) in the draft audit report.
- (5) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
 - (6) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for the purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - (7) Review and monitor the auditor's independence and performance, and effectiveness of the audit process;
 - (8) Approval or any subsequent modification of transactions of the Company with related parties and scrutiny of the method used to determine the arm's length price of any transaction;
 - (9) Scrutiny of inter-corporate loans and investments;
 - (10) Valuation of undertakings or assets of the Company, wherever it is necessary;
 - (11) Evaluation of internal financial controls and risk management systems;
 - (12) Reviewing, the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
 - (13) Reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing, and seniority of the official heading the department, reporting structure coverage, and frequency of internal audit;
 - (14) Discussion with Internal Auditors of any significant findings and follow up there on;
 - (15) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of material nature and reporting the matter to the Board;

- (16) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends), and creditors;
- (18) To review the functioning of the Whistle Blower mechanism;
- (19) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience, background, etc. of the candidate;
- (20) Reviewing the utilization of loans and/or advances and/or investment by the holding Company in the subsidiary exceeding ₹100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments as on the date of coming into force of this provision;
- (21) Reviewing the compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively; and
- (22) Carrying out any other function as may be delegated by the Board of Directors from time to time or as may be required by applicable law or as is mentioned in the terms of reference of the Audit Committee.

C) Review of information by the Audit Committee:

The Audit Committee mandatorily reviews the following information:

- (a) Management discussion and analysis of financial condition and results of operations;
- (b) Statement of significantly related party transactions (as defined by the Audit Committee), submitted by management;
- (c) Management letters/ letters of internal control weaknesses issued by the Statutory Auditors;
- (d) Internal audit reports relating to internal control weaknesses;
- (e) The appointment, removal, and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee; and
- (f) Statement of deviations:
 - (i) quarterly statement of deviation(s) including the report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulations 32(1); and

- (ii) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 31(1).

D) Meeting & Attendance:

During the financial year 2021-22, four (4) Meetings of the Audit Committee were held, i.e., May 19, 2021, July 21, 2021, October 29, 2021, and February 10, 2022, and the attendance of Members Directors are as follows:

Name of the Members	Category	No. of Meeting	
		Held under tenure	Attended
Mr. Vishal Lohia* (DIN: 00206458)	Executive Director - Promoter	4	4
Mr. Hemant Balkrishna Bal (DIN: 08818797)	Whole-time Director	4	4
Mr. Suman Jyoti Khaitan (DIN: 0023370)	Non-Executive Independent Director	4	4
Mrs. Ranjana Agarwal (DIN: 03340032)	Non-Executive Independent Director	4	4
Mr. Dhanendra Kumar (DIN: 05019411)	Non-Executive Independent Director	4	4
Mr. Dharmpal Agarwal** (DIN: 00084105)	Non-Executive Independent Director	1	1
Dr. Arvind Pandalai*** (DIN: 00352809)	Non-Executive Independent Director	2	2

* Re-appointed for a further term of 3 years w.e.f. April 1, 2022.

** Appointed as Non-Executive Independent Director w.e.f. November 25, 2021.

*** Ceased as Non-Executive Independent Director w.e.f. August 30, 2021, on completion of his 2nd term.

E) Role of Internal Auditor:

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

II. Nomination and Remuneration Committee

A) Composition:

As on March 31, 2022, Company's Nomination and Remuneration Committee comprise three Non-Executive Independent Directors and one Non-Executive Non-Independent Director.

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

- (i) Mr. Suman Jyoti Khaitan (DIN: 0023370), Non-Executive Independent Director, Chairman;
- (ii) Dr. Arvind Pandalai (DIN: 00352809), Non-Executive Independent Director, Member up to August 30, 2021;
- (iii) Mrs. Ranjana Agarwal (DIN: 03340032), Non-Executive Independent Director, Member;
- (iv) Mr. Dhanendra Kumar (DIN: 05019411), Non-Executive Independent Director, Member; and
- (v) Mr. Dilip Kumar Agarwal (DIN: 03487162), Non-Executive Non-Independent Director, Member.
- (g) Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

C) Meeting & Attendance:

During the financial year, 2021-22, the Nomination and Remuneration Committee of the Company met one time on February 10, 2022. The attendance of the Member Director is as follows:

Name of the Members	Category	No. of Meeting	
		Held under tenure	Attended
Mr. Suman Jyoti Khaitan (DIN: 0023370)	Non-Executive Independent Director	1	1
Mrs. Ranjana Agarwal (DIN: 03340032)	Non-Executive Independent Director	1	1
Mr. Dhanendra Kumar (DIN: 05019411)	Non-Executive Independent Director	1	1
Mr. Dilip Kumar Agarwal (DIN: 03487162)	Non-Executive Non-Independent Director	1	Nil
Dr. Arvind Pandalai* (DIN: 00352809)	Non-Executive Independent Director	NA	NA

* Ceased as Non-Executive Independent Director w.e.f. August 30, 2021, on completion of his 2nd term.

B) Term of Reference:

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

- (a) To formulate criteria for:
- determining qualifications, positive attributes, and independence of a director; and
 - evaluation of the performance of independent directors and the Board of Directors.
- (b) To devise the following policies:
- remuneration including any compensation-related payments of the directors, key managerial personnel, and other employees and recommend the same to the Board of the Company; and
 - the Board diversity lays out an optimum mix of executive, independent, and non-independent directors keeping in mind the needs of the Company.
- (c) To identify persons who are qualified to:
- become directors in accordance with the criteria laid down, and recommend to the Board the appointment and removal of directors; and
 - be appointed in senior management in accordance with the policies of the Company and recommend their appointment or removal to the HR Department and the Board.
- (d) To specify the manner for effective evaluation of the performance of the Board, its Committees, and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee, or by an Independent External Agency and review its implementation and compliance;
- (e) To carry out an evaluation of the performance of every director of the Company;
- (f) To express an opinion to the Board that a director possesses the requisite qualification(s) for the practice of the profession in case the services to be rendered by a director is of professional nature;

D) Remuneration Policy, details of remuneration, and other terms of appointment of Directors:

In terms of Section 178 of the Act and Regulation 19 of SEBI Listing Regulations, as amended from time to time, the Nomination and Remuneration Policy of the Directors, Key Managerial Personnel ("KMP"), Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors. The Nomination and Remuneration Policy is available on the Company's website, <https://www.indoramaindia.com/pdf/policies/Nomination-Remuneration-Policy-REVISED.pdf>.

E) Remuneration to Directors & KMP:

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

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

The remuneration paid or payable to the Directors of the Company, during the year ended March 31, 2022, is as under:

(₹ In Crores)

Name of the Director	Relationship with other Directors	Salary	Perquisites	Deferred Benefits	Commission	Sitting Fees for Board and Committee Meetings	Total
Mr. Om Prakash Lohia (DIN: 00206807) Executive Director – Promoter	Father of Mr. Vishal Lohia	1.74	1.34	0.21	4.50	-	7.79
Mr. Vishal Lohia* (DIN: 00206458) Executive Director – Promoter	Son of Mr. Om Prakash Lohia	0.90	0.67	0.10	-	-	1.67
Mr. Hemant Balkrishna Bal (DIN: 08818797) Whole-time Director	None	1.09	0.07	0.04	-	-	1.20
Mr. Dilip Kumar Agarwal (DIN: 03487162) Non-Executive Non-Independent Director	None	-	-	-	-	-	-
Mr. Suman Jyoti Khaitan (DIN: 00023370) Non-Executive Independent Director	None	-	-	-	-	0.05	0.05
Mrs. Ranjana Agarwal (DIN: 03340032) Non-Executive Independent Director	None	-	-	-	-	0.05	0.05
Mr. Dhanendra Kumar (DIN: 05019411) Non-Executive Independent Director	None	-	-	-	-	0.05	0.05
Mr. Dharmpal Agarwal** (DIN: 00084105) Non-Executive Independent Director	None	-	-	-	-	0.03	0.03
Dr. Arvind Pandalai*** (DIN:00352809) Non-Executive Independent Director	None	-	-	-	-	0.04	0.04
Total		3.73	2.08	0.35	4.50	0.22	10.88

* Re-appointed for a further term of 3 years w.e.f. April 1, 2022.

** Appointed as Non-Executive Independent Director w.e.f. November 25, 2021.

*** Ceased as Non-Executive Independent Director w.e.f. August 30, 2021, on completion of his 2nd term.

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

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

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

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

The details of shares/ convertible instruments held by the Executive and Non-Executive Directors of the Company as on March 31, 2022, are as follows:

Name of Director	Category	No. of Equity Shares	No. of Convertible instruments
Mr. Om Prakash Lohia (DIN: 00206807)	Executive Director- Promoter	38,473,369	Nil
Mr. Vishal Lohia* (DIN: 00206458)	Executive Director- Promoter	11,37,896	Nil
Mr. Hemant Balkrishna Bal (DIN: 08818797)	Whole-time Director	Nil	Nil
Mr. Suman Jyoti Khaitan (DIN: 00023370)	Non-Executive Independent Director	Nil	Nil
Mrs. Ranjana Agarwal (DIN: 03340032)	Non-Executive Independent Director	Nil	Nil
Mr. Dhanendra Kumar (DIN: 05019411)	Non-Executive Independent Director	Nil	Nil
Mr. Dilip Kumar Agarwal (DIN: 03487162)	Non-Executive Non-Independent Director	Nil	Nil



Name of Director	Category	No. of Equity Shares	No. of Convertible instruments
Mr. Dharmपाल Agarwal** (DIN: 00084105)	Non-Executive Independent Director	Nil	Nil
Dr. Arvind Pandalai*** (DIN: 00352809)	Non-Executive Independent Director	Nil	Nil

* Re-appointed for a further term of 3 years w.e.f. April 1, 2022.

** Appointed as Non-Executive Independent Director w.e.f. November 25, 2021.

*** Ceased as Non-Executive Independent Director w.e.f. August 30, 2021, on completion of his 2nd term.

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

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

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

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

III. Stakeholders Relationship Committee

A) Composition:

As on March 31, 2022, the Company's Stakeholders Relationship Committee comprises one Non-Executive Independent Director, one Non-Executive Non-Independent Director, two Executive Director-Promoters, and one Executive Director.

The Company Secretary acts as the Secretary to the Stakeholders Relationship Committee. The Composition is as under:

- (i) Mr. Dhanendra Kumar (DIN: 05019411), Non-Executive Independent Director, Chairman;
- (ii) Mr. Om Prakash Lohia (DIN: 00206807), Executive Director-Promoter, Member;
- (iii) Mr. Vishal Lohia (DIN: 00206458), Executive Director-Promoter, Member;
- (iv) Mr. Hemant Balkrishna Bal (DIN: 08818797), Whole-time Director, Member and
- (v) Mr. Dilip Kumar Agarwal (DIN: 03487162), Non-Executive Non-Independent Director, Member.

B) Terms of Reference:

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

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

- 1) Transfer/ Transmission of Shares;
- 2) Non-receipt of Annual Reports; and
- 3) Non-receipt of declared dividends.
 - (a) All such complaints directly concerning the shareholders of the Company;
 - (b) Any such matters that may be considered necessary in relation to shareholders of the Company;
 - (c) Reviewing the measures taken for the effective exercise of voting rights by shareholders;
 - (d) Reviewing the adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
 - (e) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company;
 - (f) Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from the shareholders from time to time;
 - (g) To review and/or approve applications for transfer, transmission, transposition, and mutation of share certificates including the issue of duplicate certificates and new certificates on split/sub-division/ consolidation/ renewal, and to deal with all related matters as may be permissible under applicable law;
 - (h) To review and/or approve requests of dematerialization and rematerialization of securities of the Company and such other related matters;
 - (i) Appointment and fixing of the remuneration of RTA and overseeing their performance;
 - (j) Review the status of the litigation(s) filed by/ against the security holders of the Company;
 - (k) Review the status of claims received for unclaimed shares;
 - (l) Recommending measures for overall improvement in the quality of investor services;
 - (m) Review the impact of enactments/ amendments issued by the MCA/ SEBI and other regulatory authorities on matters concerning the investors in general;
 - (n) Such other matters as per the directions of the Board of Directors of the Company and/ or as required under Regulation 20 read with Part D of Schedule II of SEBI LODR Regulations, as amended, from time to time; and
 - (o) To carry out such other business as may be required by applicable law or delegated by the Board of Directors of the Company or considered appropriate in view of its terms of reference.

The table gives the number of complaints received, resolved, and pending during the financial year 2021-22:

Unresolved at the beginning of the year	Received during the year	Resolved during the year	Not solved to the satisfaction of the shareholders	Pending at the end of the year
Nil	02	02	Nil	Nil

C) Meeting & Attendance:

During the financial year 2021-22, the Stakeholders Relationship Committee of the Company met on March 29, 2022. The attendance of the Member Director is as follows:

Name of the Members	Category	No. of Meeting	
		Held under tenure	Attended
Mr. Dhanendra Kumar (DIN: 05019411)	Non-Executive Independent Director	1	1
Mr. Om Prakash Lohia (DIN: 00206807)	Executive Director-Promoter	1	1
Mr. Vishal Lohia* (DIN: 00206458)	Executive Director-Promoter	1	Nil
Mr. Hemant Balkrishna Bal (DIN: 08818797)	Whole-time Director	1	1
Mr. Dilip Kumar Agarwal (DIN: 03487162)	Non-Executive Non-Independent Director	1	Nil

* Re-appointed for a further term of 3 years w.e.f. April 1, 2022.

IV. Risk Management Committee

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

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

A) Composition:

As on March 31, 2022, the Company's Risk Management Committee comprises, one Non-Executive Independent Director, one Non-Executive Non-Independent Director, two Executive Director-Promoters, and One Executive Director.

The Company Secretary acts as the Secretary of the Risk Management Committee. The Composition is as under:

- (i) Mr. Om Prakash Lohia (DIN: 00206807), Executive Director-Promoter, Chairman;

- (ii) Mr. Vishal Lohia (DIN: 00206458), Executive Director-Promoter, Member;
- (iii) Dr. Arvind Pandalai (DIN: 00352809), Non-Executive Independent Director, Member up to August 30, 2021;
- (iv) Mr. Hemant Balkrishna Bal, (DIN: 08818797), Whole-time Director, Member;
- (v) Mr. Dilip Kumar Agarwal (DIN: 03487162), Non-Executive Non-Independent Director, Member; and
- (vi) Mr. Dharmal Agarwal (DIN: 00084105), Non-Executive Independent Director, Member, w.e.f. November 25, 2021.

B) Term of Reference:

Role & Power of the Risk Management Committee

(i) Role:

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

- (1) To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes, and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee the implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the Board of Directors informed about the nature and content of its discussions, recommendations, and actions to be taken;
- (6) The appointment, removal, and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities

of such committees, as per the framework laid down by the Board of Directors.”

(ii) Power:

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

C) Meeting & Attendance:

During the financial year 2021-22, the Risk Management Committee met 2 (two) times on October 29, 2021, and March 29, 2022. The attendance of the Member Director is as follows:

Name of the Members	Category	No. of Meeting	
		Held under tenure	Attended
Mr. Om Prakash Lohia (DIN: 00206807)	Executive Director-Promoter	2	2
Mr. Vishal Lohia* (DIN: 00206458)	Executive Director-Promoter	2	Nil
Mr. Hemant Balkrishna Bal (DIN: 08818797)	Whole-time Director	2	2
Mr. Dilip Kumar Agarwal (DIN: 03487162)	Non-Executive Non-Independent Director	2	Nil
Mr. Dharmal Agarwal** (DIN: 00084105)	Non-Executive Independent Director	1	1
Dr. Arvind Pandalai*** (DIN: 00352809)	Non-Executive Independent Director	Nil	Nil

* Re-appointed for a further term of 3 years w.e.f. April 1, 2022.

** Appointed as Non-Executive Independent Director w.e.f. November 25, 2021.

*** Ceased as Non-Executive Independent Director w.e.f. August 30, 2021, on completion of his 2nd term.

V. Corporate Social Responsibility Committee

A) Composition:

As on March 31, 2022, the Company's Corporate Social Responsibility Committee comprises one Non-Executive Independent Director, one Non-Executive Non-Independent Director, two Executive Directors-Promoter and one Executive Director. The Composition is as under:

- (i) Mr. Om Prakash Lohia (DIN: 00206807), Executive Director-Promoter, Chairman;
- (ii) Mr. Vishal Lohia (DIN: 00206458), Executive Director-Promoter, Member;
- (iii) Mr. Hemant Balkrishna Bal (DIN: 08818797), Whole-time Director, Member;
- (iv) Mr. Dilip Kumar Agarwal (DIN 03487162), Non-Executive Non-Independent Director, Member;

(v) Mrs. Ranjana Agarwal (DIN: 03340032), Non-Executive Independent Director, Member; and

(vi) Dr. Arvind Pandalai (DIN: 00352809), Non-Executive Independent Director, Member up to August 30, 2021.

B) Terms of Reference:

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

The Company formulated a CSR Policy, which is available on the Company's website, <https://www.indoramaindia.com/pdf/policies/CSR-Policy-REVISED.pdf>.

C) Meeting & Attendance:

During the financial year 2021-22, the Corporate Social Responsibility Committee of the Company met two times on May 19, 2021, and March 29, 2022. The attendance of the Member Director is as follows:

Name of the Members	Category	No. of Meeting	
		Held under tenure	Attended
Mr. Om Prakash Lohia (DIN: 00206807)	Executive Director-Promoter	2	2
Mr. Vishal Lohia* (DIN: 00206458)	Executive Director-Promoter	2	Nil
Mr. Hemant Balkrishna Bal (DIN: 08818797)	Whole-time Director	2	2
Mr. Dilip Kumar Agarwal (DIN: 03487162)	Non-Executive Non-Independent Director	2	Nil
Mrs. Ranjana Agarwal (DIN: 03340032)	Non-Executive Independent Director	2	1
Dr. Arvind Pandalai** (DIN: 00352809)	Non-Executive Independent Director	1	Nil

* Re-appointed for a further term of 3 years w.e.f. 1st April 2022.

** Ceased as Non-Executive Independent Director w.e.f. 30th August 2021, on completion of his 2nd term.

VI. Share Allotment and Transfer Committee

As on March 31, 2022, the Company's Share Allotment and Transfer Committee comprises one Non-Executive Independent Director, one Non-Executive Non-Independent Director, two Executive Directors-Promoter and one Executive Director. The Composition is as under:

- (i) Mr. Om Prakash Lohia (DIN: 00206807), Executive Director-Promoter, Chairman;
- (ii) Mr. Vishal Lohia (DIN: 00206458), Executive Director-Promoter, Member;
- (iii) Mr. Hemant Balkrishna Bal (DIN: 08818797), Whole-time Director, Member;
- (iv) Mr. Dilip Kumar Agarwal (DIN: 03487162), Non-Executive Non-Independent Director;
- (v) Mr. Dhanendra Kumar (DIN: 05019411), Non-Executive Independent Director, Member; and
- (vi) Dr. Arvind Pandalai (DIN: 00352809), Non-Executive Independent Director, Member up to August 30, 2021

During the financial year 2021-22, the Share Allotment and Transfer Committee met 6 (six) times on August 24, 2021; September 23, 2021, November 2, 2021, January 10, 2022, March 4, 2022, and March 15, 2022.

Terms of Reference:

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

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

VII. Banking & Finance Committee

As on March 31, 2022, the Company's Banking & Finance Committee comprises one Non-Executive Independent Director, one Non-Executive Non-Independent Directors, two Executive Director-Promoters and one Executive Director. The Composition is as under:

- (i) Mr. Om Prakash Lohia (DIN: 00206807), Executive Director-Promoter, Chairman;
- (ii) Mr. Vishal Lohia (DIN: 00206458), Executive Director-Promoter, Member;
- (iii) Mr. Hemant Balkrishna Bal (DIN: 08818797), Whole-time Director, Member;

- (iv) Mr. Dilip Kumar Agarwal (DIN: 03487162) Non-Executive Non-Independent Director, Member;
- (v) Mr. Dharmpal Agarwal (DIN: 00084105), Non-Executive Independent Director, Member, w.e.f. November 25, 2021; and
- (vi) Dr. Arvind Pandalai (DIN: 00352809), Non-Executive Independent Director, Member up to August 30, 2021.

During the financial year 2021-22, the Banking & Finance Committee met 6 (six) times on May 4, 2021, June 25, 2021, July 22, 2021, August 24, 2021, December 28, 2021, and March 10, 2022.

Terms of Reference:

Terms of reference of the Banking & Finance Committee are as follows:

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

VIII. Business Responsibility Reporting Committee

As on March 31, 2022, the Company's Business Responsibility Reporting Committee Composition is as under:

- (i) Mr. Om Prakash Lohia, (DIN: 00206807) Chairman and Managing Director;
- (ii) Mr. Vishal Lohia, (DIN: 00206458) Executive Director; and
- (iii) Mr. Hemant Balkrishna Bal, (DIN: 08818797) Whole-time Director, Member.

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

Mr. Hemant Balkrishna Bal, Whole-time Director is responsible for the implementation of the Business Responsibility Policy as

directed by the Business Responsibility Reporting Committee (BRRC).

The Company Secretary would act as Secretary of the Committee.

4. GENERAL BODY MEETINGS

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

Financial year ended	Date of AGM	Venue	Time	No. of Special Resolution(s) passed
March 31, 2021	Tuesday, the 24 th Day of August 2021	Conducted through Video Conferencing/ Other Audio-Visual Means. Deemed location is the Registered Office of the Company, A-31, MIDC Industrial Area, Butibori, Nagpur-441122, Maharashtra	11:30 AM	3
March 31, 2020	Wednesday, the 26 th day of August 2020	Conducted through Video Conferencing/ Other Audio-Visual Means. Deemed location is the Registered Office of the Company, A-31, MIDC Industrial Area, Butibori, Nagpur-441122, Maharashtra	11:30 AM	3
March 31, 2019	Friday, the 26 th day of July 2019	A-31, MIDC, Industrial Area, Nagpur-441122, Maharashtra	1:30 PM	7

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

- (a) At the 35th Annual General Meeting held on Tuesday, 24th August 2021:
- Reappointment of Mr. Om Prakash Lohia (DIN: 00206807) who has attained the age of 70 (Seventy) years, as Chairman and Managing Director of the Company for a further period of 3 (three) years, with effect from December 26, 2020, to December 25, 2023;
 - Appointment of Mr. Hemant Balkrishna Bal (DIN: 08818797) as a Whole-time Director of the Company for a period of 3 (three) years, with effect from October 30, 2020, to October 29, 2023; and
 - Amendment, modification, substitution, additions, and deletion in the object clause of the Memorandum of Association of the Company.
- (b) At the 34th Annual General Meeting held on Wednesday, August 26, 2020:
- Re-appointment of Mrs. Ranjana Agarwal (DIN: 03340032) as a Non-Executive Independent Director of the Company for the second term of five consecutive years commencing from May 18, 2020, to May 17, 2025, and whose office shall not liable to retire by rotation.
 - Continuation of holding the office of Non-Executive Independent Director of the Company by Mr. Dhanendra Kumar (DIN: 05019411) after his attaining the age of 75 years on June 5, 2021, for the remaining period of his tenure as a Non-Executive Independent Director of the Company up to February 13, 2025.
 - To adopt the restated Articles of Association of the Company.
- (c) At the 33rd Annual General Meeting held on Friday, July 26, 2019:
- Appointment of Mr. M. N. Sudhindra Rao (DIN: 01820347) as an Executive Director and Chief Executive Officer of the Company, for a period of 3 (three) years, commencing from April 8, 2019, up to April 7, 2022;
 - Re-appointment of Mr. Vishal Lohia (DIN: 00206458) as Whole-time Director of the Company, for a further period of 3 (three) years commencing from April 1, 2019, to March 31, 2022;
 - Re-appointment of Mr. Ashok Kumar Ladha as an Independent Director of the Company, for a second term;
 - Re-appointment of Mr. Suman Jyoti Khaitan as an Independent Director of the Company, for a second term;
 - To increase Borrowing Limits of the Company under Section 180(1)(c) of the Companies Act, 2013, so that the monies already borrowed by the Company, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, and outstanding at any point of time shall not exceed ₹3,000 Crores (Indian Rupees Three Thousand Crores only);
 - Creation of Charge / Mortgage on the Assets of the Company; and
 - To enter into Related Party Transactions for an aggregating maximum amount not exceeding during the financial year by ₹1,500 Crores (Indian Rupees One Thousand Five Hundred Crores only) with related parties as mentioned therein.

III) Passing of resolutions by Postal Ballot during the financial year 2021-22:

The Board of Directors of the Company approved the postal ballot notice dated February 10, 2022, containing two special resolutions and one ordinary resolution in respect of the following matters to which shareholders' approval was obtained on March 26, 2022.

Resolution No. 1:	Special Resolution for the appointment of Mr. Dharmal Agarwal (DIN 00084105) as an Independent Director of the Company;
Resolution No. 2:	Special Resolution for Re-appointment of Mr. Vishal Lohia as Whole-time Director of the Company, for a further period of three (3) years commencing from April 1, 2022, to March 31, 2025;
Resolution No. 3:	Ordinary Resolution for the approval of Material Related Party Transaction(s) by way of Ratification entered with Indorama Petrochem Limited, Thailand.

The details of the voting pattern in respect of resolutions passed are as under:

Resolution	No. of shares held	No. of votes polled	% Votes polled on outstanding shares	No. of votes in favour	No. of votes against	% Votes in favour of votes polled	% Votes against on votes polled
Resolution No.1 (Special Resolution)	261113151	212820005	81.5049	212807708	12297	99.9942	0.0058
Resolution No.2 (Special Resolution)	261113151	70975350	27.1818	70962949	12401	99.9825	0.0175
Resolution No. 3 (Ordinary Resolution)	261113151	17411159	6.6681	17400598	10561	99.9393	0.0607

(i) Person who conducted the aforesaid postal ballot exercise

CS Jaya Jadav, Company Secretary in practice (Membership No. F10822 and Certificate of Practice No. 12070) of M/s Jaya Jadav & Associates, Peer Review No. 1539/2021, LGF, 152P, Sector-38, Gurugram-122 002, Haryana, was the Scrutinizer for conducting the Postal Ballot (Remote e-voting) voting process in a fair and transparent manner

(ii) Procedure for Postal Ballot

In compliance with Sections 108 and 110 and other applicable provisions of the Act read with the Rules framed thereunder General Circulars, issued by the Ministry of Corporate Affairs (the "MCA"), bearing Nos. 14/2020, 17/2020, 22/2020, 33/2020 and 39/2020 dated April 8, 2020, April 13, 2020, June 15, 2020, September 28, 2020, and December 31, 2020, respectively (collectively the "MCA Circulars"), revised Secretarial Standard 2 and the rules, circulars, clarifications and notifications thereunder and SEBI Listing Regulations, the Company provided e-voting facility to all its Members. The Company engaged the services of National Securities Depositories Limited (NSDL) for this purpose. The Members had to vote through e-voting. The Company completed the transmission of the Postal Ballot Notice in terms of MCA Circulars only by email on February 24, 2022, to its members whose names appeared on the Register of Members/ list of beneficiaries as on a cut-off date, i.e., February 18, 2022. Voting rights were reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date, i.e., February 18, 2022. The members were requested to cast their votes through the remote e-voting before the close of business hours on the last date of e-voting, i.e., March 26, 2022. The scrutinizer, after the completion of scrutiny, submitted her report dated March 28, 2022, to

the Chairman and Managing Director of the Company, who was authorized to accept, acknowledge, and countersign the Scrutinizer's Report as well as declare the voting results in accordance with the provisions of the Act, the Rules framed thereunder and the Secretarial Standard 2 on General Meetings. The results of the voting by e-voting were then announced by Chairman and Managing Director. The results were also displayed on the Company's website, www.Indoramaindia.com besides communicated to BSE Limited and the National Stock Exchange of India Limited.

During the previous financial 2020-21, Special Resolution was not passed through Postal Ballot.

5. SUBSIDIARY

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

6. OTHER DISCLOSURES

a) Disclosure regarding appointment or re-appointment of Directors in accordance with Regulation 36(3) of SEBI Listing Regulations has been provided in the Notice convening the Annual General Meeting of the Company, if applicable.

b) **Disclosure of materially significant related party transactions that may have potential conflict with the interest of the Company at large.**

The Company has not entered into any materially significant transactions with related parties during the financial year,



which may have potential conflict with the interest of the Company at large. Suitable disclosure as required by Ind AS 24 has been made in the notes to the Financial Statements. The details of the transactions with related parties are placed before the Audit Committee from time to time. The Board of Directors has formulated a policy on related party transactions and also on dealing with related party transactions pursuant to provisions of the Act and SEBI Listing Regulations, which has been uploaded on the Company's website, <https://www.indoramaindia.com/pdf/policies/Policy-on-Materiality-of-Related-Party-Transaction-REVISED.pdf>.

c) Disclosure of Compliance of Law

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

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

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

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

The National Stock Exchange of India Limited vide its letters dated December 7, 2020, March 24, 2021, and July 5, 2021, and BSE Limited vide its emails dated December 7, 2020, March 24, 2021, and July 5, 2021, have levied monetary fines on the Company amounting to ₹9,85,300/- (Indian Rupees Nine Lakhs Eighty-Five Thousand Three Hundred only) each aggregating ₹19,70,600/- (Indian Rupees Nineteen Lakhs Seventy Thousand Six Hundred Only) for non-compliance with Regulation 38 of SEBI LODR Regulations. The Company has paid the monetary fines towards the same during the financial year 2021-22. Now, the matter stands closed.

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

d) Vigil Mechanism

As per the requirement of the Act and SEBI Listing Regulations, the Company has framed and implemented a Whistle Blower Policy to establish a vigil mechanism for directors and employees to report genuine concerns. This policy provides a process to disclose information confidentially and without fear of victimization, where there is reason to believe that there has been serious malpractice, fraud, impropriety, abuse or wrongdoing within the Company or violation of the Company's Code of Conduct or ethical policy. The whistleblowers may also lodge their complaints/ concerns with the Chairman of the Audit Committee, whose contact details are provided in the Whistle Blower Policy of the Company. The policy offers appropriate protection to the whistleblowers from victimization, harassment, or disciplinary proceedings. The Whistle Blower Policy is available on the Company's website, <https://www.indoramaindia.com/pdf/policies/Whistle-Blower-Policy-REVISED.pdf>.

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

e) Details of Compliance with Mandatory requirements and adoption of non-mandatory requirements

(i) Mandatory requirements:

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

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

- 1) Office for Non-Executive Chairman at Company's expense: Not applicable to the Company since the Chairman of the Company is Executive Director
- 2) Half-yearly declaration of financial performance including a summary of the significant events in the last six months to each household of shareholders: Not adopted
- 3) Modified opinion(s) in the audit report: The Auditors of the Company have issued an unmodified report on financial statements for the financial year 2021-22
- 4) Separate posts of Chairman and Chief Executive Officer: Complied

- 5) Reporting of Internal Auditors directly to the Audit Committee: Complied

f) Policy for determining “material” Subsidiaries

The Company has framed the policy for determining ‘material’ subsidiaries and the same has been placed on the Company’s website, <https://www.indoramaindia.com/pdf/policies/Policy-for-Determining-Material-Subsidiary-REVISED.pdf>.

g) Accounting Treatment

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

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

During the financial year 2021-22, the Company has not raised funds through preferential allotment or qualified institutional placement as specified under Regulation 32(7A).

- i) The Certificate from a Company Secretary in Practice that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of the Company by SEBI/ Ministry of Corporate Affairs or any such statutory authority is annexed to this report.
- j) During the financial year 2021-22, there was no recommendation of any Committee of the Board of Company which is mandatorily required and is not accepted by the Board of the Company.
- k) During the financial year 2021-22, total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors of the Company and all entities in the network firm/parties below:

Particulars	₹ in Crore
Statutory Audit Fee	0.42
Other Services	0.23
Out of pocket expenses	0.03

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

The Company has in place a Policy on Prevention of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Details of complaints received and redressed during the financial year 2021-22, as under:

- (i) number of complaints filed during the financial year : Nil
- (ii) number of complaints disposed of during the financial year: Nil

- (iii) number of complaints pending as on the end of the financial year : Nil

m) Dividend Distribution Policy

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

n) Anti-Bribery Policy

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

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

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

p) Annual Secretarial Compliance Report

The Company has undertaken an Annual Secretarial Compliance Audit for the financial year 2021-22 for all applicable compliances as per SEBI Listing Regulations and Circulars/ Guidelines issued thereunder.

Accordingly, the Annual Secretarial Compliance Report for the financial year ended March 31, 2022, will be submitted to the Stock Exchanges within the prescribed timeline.

q) Code of Conduct for Prevention of Insider Trading

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

- r) In addition to the Directors' Report, a Management Discussion and Analysis Report forms part of the Annual Report to the shareholders.
- s) All members of the Board, Key Managerial Personnel and Senior Management have confirmed that they do not have material, financial and commercial relationships in any transaction with the Company that may have potential conflict with the interest of the Company at Large.
- t) All details relating to financial or commercial transactions where directors may have a pecuniary detail provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters.

u) Shareholding of Non-Executive Director

None of the Non-Executive Directors hold any shares in the Company.

v) Unclaimed Dividend

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

Financial Year ended	Date of Declaration of Dividend	Due date of transfer to IEPF
2014-15	July 30, 2015	August 29, 2022
2015-16	September 30, 2016	October 29, 2023

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on March 31, 2021, on the Company's website, http://www.indoramaindia.com/dividend_amount.php and the website of the Ministry of Corporate Affairs.

Members who have not encashed their dividend warrants for the above financial years may approach the Corporate Office of the Company.

w) Demat Suspense Account/Unclaimed Suspense Account

The disclosure as required to be given under Regulation 34(3) read with Clause F of Schedule V of SEBI LODR Regulations, are as follows:

Sl. No.	Particulars	No. of Shareholders	Outstanding shares
1)	Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the beginning of the year;	2,565	3,10,533
2)	Number of shareholders who approached listed entity for transfer of shares from Suspense Account during the year;	8	2,205

Sl. No.	Particulars	No. of Shareholders	Outstanding shares
3)	Number of shareholders to whom shares were transferred from Suspense Account during the year;	Nil	Nil
4)	Aggregate number of shareholders and the outstanding shares transferred to Suspense Account during the year;	270	40,729
5)	Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the end of the year;	2,835	3,51,262
6)	The voting Rights on these shares shall remain frozen till the rightful owners of such shares claim the shares.	2,835	3,51,262

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

During the financial year under review, the Company has transferred 40,729 (Forty Thousand Seven Hundred Twenty Nine) equity shares of ₹10/- each of the Company held by various investors, physical as well dematerialized form, whose dividend amount is unclaimed/unpaid for seven years to suspense account of the Investor Education and Protection Fund (IEPF) Authority and the details thereof uploaded on the Company's website, <http://www.indoramaindia.com/transfer-of-shares-to-iefp-authority.php>, under the provisions of Section 124(6) of the Act and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules").

- y) The Company will publish an appropriate notice in the newspaper, as and when required to those shareholders, whose shares are eligible to be transferred to IEPF.
- z) The Financial Statements have been made in accordance with Accounting Standard so as to represent a true and fair view of the state of the affairs of the Company:

The Company has complied with all the mandatory requirements as prescribed in SEBI Listing Regulations and the Act.

aa) CEO and CFO Certifications

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

7. MEANS OF COMMUNICATIONS

The quarterly, half-yearly, and annual financial results of the Company are sent to the stock exchanges immediately after approval of the same by the Board of Directors. The extract of the same is also published in the prescribed Performa within 48 hours of the conclusion of the meeting of the Board in which they are considered, in English Newspaper circulating

the whole or substantially the whole of India and one in a vernacular newspaper in the state of Maharashtra, where the registered office of the Company is situated. In addition, these results are simultaneously posted on the Company's website, www.indoramaindia.com.

Details of means of communication

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

8. GENERAL SHAREHOLDER INFORMATION

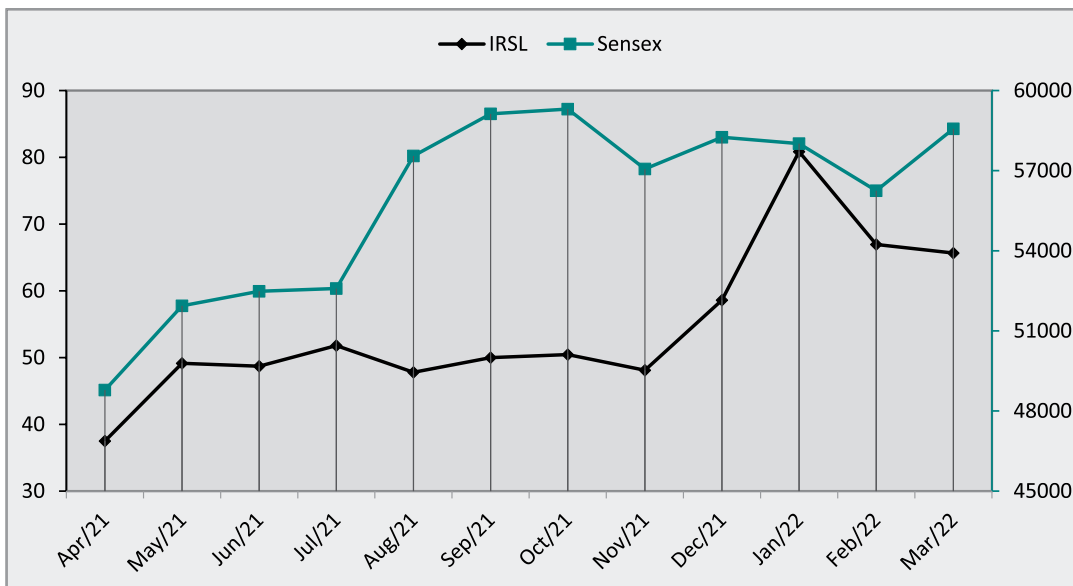
(a)	Date, time, and venue of the Annual General Meeting	Monday, July 25, 2022, at 11:30 AM IST Venue: through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM")
(b)	Financial Year	The financial year of the Company is from April 1 to March 31. Publication of results for the financial year 2022-23 (tentative and subject to change) First quarter Results: On or before August 14, 2022 Second quarter and half year results: On or before November 14, 2022 Third quarter results: On or before February 14, 2023 Fourth quarter results and results for the year ending March 31, 2023: On or before May 30, 2023.
(c)	Dates of book closure	From Tuesday, July 19, 2022 to Monday, July 25, 2022 (both days inclusive)
(d)	Dividend payment date	No dividend has been recommended for the financial year 2021-22 by the Board of Directors of the Company.
(e)	Listing of Equity Shares at Stock Exchanges and payment of Annual Listing fees:	(i) BSE Limited (BSE) P. J. Towers, 1 st Floor Dalal Street, Mumbai-400 001 Tel.: +91 22 22721233-34 Fax: +91 22 22721919 Email: corp.relations@bseindia.com (ii) National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Bandra Kurla Complex Bandra (E), Mumbai-400 051 Tel.: +91 22 26598100-14 Fax: +91 22 26598120 Email: cmlist@nse.co.in The Company has paid Annual Listing fees to both the Stock Exchanges.
(f)	Stock Code/ Symbol	BSE Limited: 500207 National Stock Exchange of India Ltd.: INDORAMA
(g)	The ISIN number for Equity Shares of the Company on both the NSDL and CDSL is	INE 156A 01020.
(h)	Market Price Data for the Financial Year 2021-22:	

Month	BSE Limited		National Stock Exchange of India Ltd.	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2021	39.75	34.30	40.85	33.80
May 2021	62.65	36.50	62.95	36.20
June 2021	58.10	47.70	57.50	47.80
July 2021	62.45	48.10	62.35	48.15
August 2021	58.75	46.30	58.20	45.50
September 2021	57.15	46.60	56.50	47.50
October 2021	53.70	47.10	54.00	47.00
November 2021	53.00	43.55	53.00	43.10
December 2021	62.35	46.65	62.30	46.50
January 2022	90.25	57.65	90.80	57.55
February 2022	85.90	60.25	86.70	60.00
March 2022	72.60	59.85	72.80	61.05

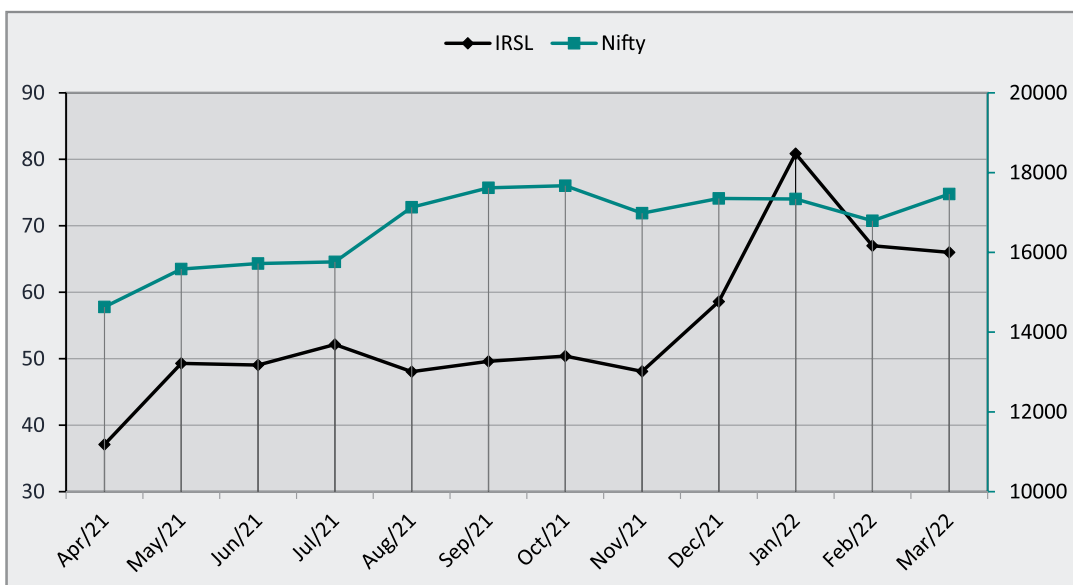


(i) Email ID for the Investor: investor-relations@indorama-ind.com

(j) Performance in comparison to broad-based indices such as BSE Sensex, and NSE Nifty among others Indo Rama shares performance:



Note: Based on the monthly closing share price on BSE (April 2021 to March 2022)



Note: Based on the monthly closing share price on NSE (April 2021 to March 2022)

(k) Registrar and Share Transfer Agent:

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

(l) Share Transfer System:

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

(m) Table below gives the position of shares held in electronic form as on March 31, 2022:

The shares of the Company are in the compulsory dematerialized segment and are available for the trading system of both NSDL and CDSL. The details of the number of shares held in Dematerialized form as on March 31, 2022, are as follows:

No. of Equity Shares Dematerialized	26,06,73,651	99.83%
No. of Shareholders in Demat Form	22,378	89.41%

(n) Reconciliation of Share Capital Audit:

As stipulated by SEBI, a qualified Company Secretary in practice conducts the Reconciliation of Share Capital Audit of the Company for the purpose of reconciliation of total

admitted capital with the depositories, i.e., NSDL and CDSL, and the total issued and listed capital of the Company.

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

(o) Electronic Clearing Service (ECS) Mandate:

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

(p) Shareholding Pattern and Distribution of Shareholding as on March 31, 2022:

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

(i) Pattern of Shareholding by ownership as on March 31, 2022:

Particulars	No. of Equity Shares	Shareholding (%)
A. PROMOTERS' HOLDING	19,58,34,863	75.00
B. NON-PROMOTERS' HOLDING		
Banks, Financial Institutions, Insurance Companies, Central/ State Govt. Institutions, Non-government Institutions	6,826	0.00
Foreign Institutional Investors (FIIs)	6,08,313	0.23
Mutual Funds (including UTI)	56,22,199	2.15
NBFC	10,404	0.00
Bodies Corporate	2,11,68,004	8.11
NRIs/ OBCs	312,88,976	11.99
Central Government/State Government	3,51,262	0.14
Indian Public	62,22,304	2.38
Grand Total	26,11,13,151	100.00

(ii) Pattern of shareholding by share class as on March 31, 2022:

Shareholding class	Number of shares held	Number of shareholders	Shareholding %
1 to 500	28,28,841	20,346	1.08
501 to 1,000	18,23,057	2,235	0.70
1,001 to 5,000	44,21,248	1,903	1.69
5,001 to 10,000	19,85,169	263	0.76
10,001 to 50,000	41,04,726	203	1.57
50,001 to 100,000	27,41,487	38	1.05
100,001 and above	24,32,08,623	41	93.14
Total	26,11,13,151	25,029	100.00

(q) Web link for various documents/policies:

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

Particulars	Web link
Accounts of Wholly Owned Subsidiary Company	http://www.indoramaindia.com/subsidiary.php
Annual Report	https://www.indoramaindia.com/annual_reports.php
Annual Return	http://www.indoramaindia.com/annual-return.php
Anti-Bribery Policy/ Anti-Corruption Policy	http://www.indoramaindia.com/pdf/Anti-Corruption-Policy-IRSL-301020.pdf
Business Responsibility Policy	http://www.indoramaindia.com/pdf/BR-Policy.pdf
Code for Independent Directors	https://www.indoramaindia.com/pdf/policies/Code-for-Independent-Directors-REVISED.pdf
Code of Conduct for Directors and Senior Management	http://www.indoramaindia.com/pdf/policies/Code-of-Conduct-for-Directors-n-Sr-Management-REVISED.pdf
Code of Practices and Procedures and Code of Conduct to Regulate, Monitor and Report Trading by Insiders and Fair Disclosure of Unpublished Price Sensitive Information	https://www.indoramaindia.com/pdf/policies/Code-of-Conduct-for-Prevention-of-Insider-Trading-REVISED.pdf
Contact details of Key Managerial Personnel	https://www.indoramaindia.com/pdf/Contact-Details-of-KMP-Revised.pdf
CSR Policy	https://www.indoramaindia.com/pdf/policies/CSR-Policy-REVISED.pdf
Familiarization Programmes for Independent Directors	http://www.indoramaindia.com/familiarisation-programme.php
Nodal Officer	http://www.indoramaindia.com/nodal-and-deputy-nodal-officers.php
Nomination and Remuneration Policy	https://www.indoramaindia.com/pdf/policies/Nomination-Remuneration-Policy-REVISED.pdf
Notices/ Intimations to Stock Exchanges	https://www.indoramaindia.com/notices.php
Performance Evaluation Policy	https://www.indoramaindia.com/pdf/policies/Performance-Evaluation-Policy-REVISED.pdf
Policy for determining "material" Subsidiaries	https://www.indoramaindia.com/pdf/policies/Policy-for-Determining-Material-Subsidiary-REVISED.pdf
Policy on Archival of Documents	https://www.indoramaindia.com/pdf/policies/Policy-on-Archival-REVISED.pdf
Policy on the determination of Materiality of Events or Information	https://www.indoramaindia.com/pdf/policies/Policy-for-Determination-of-Materiality-REVISED.pdf
Policy on Diversity of Board of Directors	https://www.indoramaindia.com/pdf/policies/Policy-on-Diversity-of-Board-REVISED.pdf
Policy on Dividend Distribution	http://www.indoramaindia.com/pdf/Policy-on-Dividend-Distribution.pdf
Policy on Materiality of Related Party Transactions	https://www.indoramaindia.com/pdf/policies/Policy-on-Materiality-of-Related-Party-Transaction-REVISED.pdf
Policy on Preservation of Documents	https://www.indoramaindia.com/pdf/policies/Policy-on-Preservation-of-Documents-REVISED.pdf

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

(s) Corporate Identification Number (CIN): L17124MH1986PLC166615

(t) Disclosure of Commodity Price Risks and Commodity hedging Activities:

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

During the financial year 2021-22, the Company has not entered into any derivative contracts to hedge exposure to fluctuations in commodity price.

(u) Plant Location:

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

(v) Compliance Officer for Investor Redressal/ Address for Correspondence:

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

(w) Address for Correspondence:

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

(x) Nodal Officer (IEPF):

Mr. Pawan Kumar Thakur
Company Secretary and Compliance Officer
20th Floor, DLF Square, DLF Phase-II, NH-8,
Gurugram-122002, Haryana, India.
Tel No.: +91-124-4997000

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

India Ratings and Research (Ind-Ra) has upgraded Long-Term Issuer Rating of Indo Rama Synthetics (India) Limited to "IND A-". The outlook is Stable. The Instrument wise rating action is as follows:

Instrument Type	Amount (Billion)	Rating/ outlook	Rating Action
Term Loans	₹2.94 (reduced from ₹4.46)	IND A-/Stable	Upgraded
Working Capital Facilities	₹11.05 (Increased from ₹9)	IND A-/Stable /IND A2+	Upgraded

(z) Non-Compliance with any requirement of Corporate Governance:

There was no non-compliance with any requirement of the Corporate Governance Report of sub-paras (2) to (10) of Schedule V of SEBI Listing Regulations as far as they were applicable during the financial year ended March 31, 2022.

(aa) Green Initiative:

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

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

The Members, who want the above documents in physical form, must indicate their option by sending a letter or email to the RTA's address or at the email ID admin@mcsregistrars.com, giving their registered Folio No. and/or DP ID/Client ID.

For and on behalf of the Board

Place: Gurugram
Date: April 28, 2022

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



Certificate of Non-Disqualification of Directors

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

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Indo Rama Synthetics (India) Limited having CIN L17124MH1986PLC166615 and having Registered Office at A-31, MIDC Industrial Area, Butibori, Nagpur-441122, Maharashtra and Corporate Office at 20th Floor, DLF Square, DLF Phase-II, NH-8, Gurugram-122002 (hereinafter referred to as the 'Company'). The Company has produced before us for the purpose of issuing this certificate, in accordance with Regulations 34(3) read with Schedule V, Para –C, Clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information according to the verification (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Om Prakash Lohia, Chairman & Managing Director	00206807	28.04.1986
2.	Mr. Vishal Lohia, Whole-time Director	00206458	16.04.2002
3.	Mr. Hemant Balkrishna Bal, Whole-time Director	08818797	30.10.2020
4.	Mr. Dilip Kumar Agarwal, Non-Executive Non-Independent Director	03487162	20.01.2021
5.	Mr. Suman Jyoti Khaitan, Non-Executive Independent Director	00023370	30.01.2013
6.	Mr. Dharmpal Agarwal, Non-Executive Independent Director	00084105	25.11.2021
7.	Mrs. Ranjana Agarwal, Non-Executive Independent Director	03340032	18.05.2015
8.	Mr. Dhanendra Kumar, Non-Executive Independent Director	05019411	14.02.2020

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

Thanking You,

For **Prakash Chander & Associates**
Company Secretaries

(Prakash Chander)

M. No.: F8990

C.P. No.: 18534

UDIN: F008990D000226493

Place: New Delhi
Date: April 28, 2022

Declaration by Chief Executive Officer pursuant to Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, regarding Compliance with the Code of Conduct

To
The Members
Indo Rama Synthetics (India) Limited

I, M. N. Sudhindra Rao, Chief Executive Officer of Indo Rama Synthetics (India) Limited, hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as applicable to them, for the financial year ended March 31, 2022.

For and on behalf of the Board

Place: Gurugram
Date: April 28, 2022

M. N. Sudhindra Rao
Chief Executive Officer



Certificate by a Company Secretary in Practice on Corporate Governance

To the Members of

INDO RAMA SYNTHETICS (INDIA) LIMITED

We have examined the compliance of the conditions of Corporate Governance by Indo Rama Synthetics (India) Limited (the "**Company**") for the year ended March 31, 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**").

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended March 31, 2022.

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

For Pramod Kothari & Co.

Company Secretaries

(Pramod Kothari)

Proprietor

C.P. No. 11532

UDIN No. F007091D000157395

Date: April 19, 2022

Place: Noida

Certificate by Chief Executive Officer and Chief Financial Officer

(Pursuant to Sub- Regulation 8 of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Board of Directors

Indo Rama Synthetics (India) Limited

We, M. N. Sudhindra Rao, Chief Executive Officer, and Umesh Kumar Agrawal, Chief Commercial and Financial Officer of Indo Rama Synthetics (India) Limited, hereby certify that:

- (a) We have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended March 31, 2022, and to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws, and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal, or violative of the Company's Code of Conduct;
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies;
- (d) We have indicated, wherever applicable, to the Auditors and the Audit Committee:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

M. N. Sudhindra Rao
Chief Executive Officer

Umesh Kumar Agrawal
Chief Commercial and Financial Officer

Place: Gurugram

Date: April 28, 2022

Financial Statements

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Independent Auditor's Report

To the Members of Indo Rama Synthetics (India) Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Indo Rama Synthetics (India) Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2022, 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 a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('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 2022, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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.

Key Audit Matter(s)

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Recognition of deferred tax assets (Refer note 8 to the accompanying standalone financial statements)</p> <p>As detailed in note 8 to the accompanying standalone financial statements, the Company has deferred tax assets (net) aggregating to ₹258.61 crores as at 31 March 2022.</p> <p>During the current year, the Company has recognised deferred tax assets amounting to ₹50.08 crores on the basis of improved operational and market performance achieved during the year.</p> <p>The Company's ability to recover the deferred tax assets is assessed by the management at the close of each financial year which depends on the forecasts of the future results and taxable profits that Company expects to earn within the period by which such brought forward losses can be adjusted against the taxable profits as governed by the Income-tax Act, 1961.</p> <p>The projected cash flows involve key assumptions such as future growth rate and market conditions including considering impact of COVID-19 pandemic. Any change in these assumptions could have a material impact on the carrying value of deferred tax assets. These assumptions and estimates are judgmental, subjective and depend on the future market and economic conditions, including industry focused trade policies, materialisation of the Company's expansion plans.</p> <p>We have identified the recoverability of deferred tax assets recognised on carried forward tax losses and unabsorbed depreciation as a key audit matter for the current year audit considering the materiality of the amounts, complexities and significant judgments involved, as described above.</p>	<p>Our audit procedures in relation to the recognition of deferred tax assets included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Evaluated the design and tested the operating effectiveness of key controls implemented by the Company over recognition of deferred tax assets based on the assessment of Company's ability to generate sufficient taxable profits in foreseeable future allowing the use of deferred tax assets within the time prescribed by income tax laws. • Reconciled the future taxable profit projections to future business plans of the Company as approved by the management. • Tested the assumptions used in the aforesaid future projections such as growth rates, expected saving, increased utilisation of plants, etc. considering our understanding of the business, actual historical results, other relevant existing conditions, external data and market conditions, including the impact of COVID-19 pandemic on such assumptions. • Tested the arithmetical accuracy of the calculations including those related to sensitivity analysis performed by the management. • Performed independent sensitivity analysis to test the impact of possible variations in key assumptions. • Reviewed the historical accuracy of the cash flow projections prepared by the management in prior periods. • Evaluated management's assessment of time period available for adjustment of such deferred tax assets as per provisions of the Income-tax Act, 1961 and appropriateness of the accounting treatment with respect to the recognition of deferred tax assets as per requirements of Ind AS 12, Income Taxes. • Evaluated the appropriateness for additional recognition of deferred tax asset during the year. Evaluated the appropriateness and adequacy of the disclosures made in the standalone financial statements in respect of deferred tax assets in accordance with applicable accounting standards.



Key audit matter	How our audit addressed the key audit matter
<p>Provisions and contingent liabilities relating to litigations (Refer note 20 and note 35 to the accompanying standalone financial statements)</p> <p>As detailed in note 20 and note 35 to the standalone financial statements, the Company is exposed to a large number of litigations including matters pertaining to income tax and prior years' matters pertaining to excise, customs, sales tax, value added tax, service tax, etc., which could have a significant impact on the financial position of the Company, if the potential exposures were to materialize.</p> <p>Provision for such litigations amounts to ₹38.30 crores as at 31 March 2022 based on its estimate of the likelihood of such liability devolving upon the Company.</p> <p>The amounts involved are material and the application of accounting principles as given under Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets', in order to determine the amount to be recognised as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management. The key judgements involved are with respect to the potential exposure of each litigation and the likelihood and/or timing of cash outflows from the Company, and requires interpretation of laws and past legal rulings.</p> <p>Considering the significant judgments, materiality of the amounts involved, inherent high estimation uncertainty and reliance on legal and tax experts, this matter has been identified as a key audit matter for the current year audit.</p>	<p>Our audit procedures in relation to the assessment of litigations and provisions included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the management process for: <ul style="list-style-type: none"> - identification of legal and tax matters initiated against the Company, - assessment of accounting treatment for each such litigation identified under Ind AS 37 accounting principles, and - measurement of amounts involved • Evaluated the design and tested the operating effectiveness of key controls around above process including for completeness and accuracy of the list of litigations outstanding against the Company. • Obtained understanding of the developments during the year in each existing litigation, and understanding of the new litigations initiated against the Company during the year by inquiry with the management, inspection of case related documents such as notices, orders, etc. and correspondence of the Company with their external counsels handling such matters on behalf of the Company. • Conducted a critical review of the assessment done by the management with the help of its legal and tax experts for the likelihood and potential impact of each litigation, examining the available supporting documents. Tested the independence, objectivity and competence of such experts involved. • Exercised our professional judgment to assess the management's assessment of the potential likelihood of liability devolving upon the Company with respect to each legal case. • Involved auditor's experts to assess the Company's interpretation and application of relevant tax laws to evaluate the appropriateness of key assumptions used and the reasonableness of estimates made in relation to uncertain tax positions, taking into account past precedents. • Reviewed significant movements in provision with supporting documents. • Tested the underlying calculations of amount of liability recognized and contingent liability disclosed in the standalone financial statements. <hr/> <ul style="list-style-type: none"> • Evaluated the appropriateness and adequacy of disclosures made in the standalone financial statements with respect to provisions and contingent liability in accordance with applicable accounting standards.

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

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

7. The accompanying standalone 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.

8. In preparing the financial statements, the Board of Directors are 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 intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

10. 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.
11. 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 controls system with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's

ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
12. 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.
 13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. 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.
17. 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 standalone financial statements;

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The standalone financial statements dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
- e) 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 2022 from being appointed as a director in terms of section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed an unmodified opinion; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company, as detailed in note 35 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2022;
 - 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 2022;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022;
 - iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 50(e) to the standalone financial statement, 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 50(f) to the standalone financial statement, 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 attention that causes 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 2022.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Tarun Gupta

Partner

Membership No.: 507892

UDIN: 22507892AIDKLN9908

Place: Gurugram

Date: 28 April 2022

Annexure A referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of Indo Rama Synthetics (India) Limited on the standalone financial statements for the year ended 31 March 2022

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 right of use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular program of physical verification of its property, plant and equipment and right of use assets under which the assets are physically verified in a phased manner over a period of three year, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment and right of use assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its property, plant and equipment and Right of Use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for inventory lying with third parties and 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. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties.
- (b) The Company has a working capital limit in excess of ₹5.00 crore, sanctioned by banks or financial institutions on the basis of security of current assets. However, pursuant to terms of the sanction letters, the Company is not required to file any quarterly return or statement with such banks or financial institutions.
- (iii) (a) The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liabilities Partnerships (LLPs) or any other parties during the year except loans provided to other parties as per details given below:
- | Particulars | Loans (₹ in crore) |
|----------------------------------------------|--------------------|
| Aggregate amount during the year | 0.71 |
| - Others | |
| Balance outstanding as at balance sheet date | 1.01* |
| - Others | |
- * Includes opening balance of Loans
- (b) In our opinion, and accordingly to the information and explanations given to us, the investments made and terms and conditions of the grant of all loans are, prima facie, not prejudicial to the interest of the Company.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular.
- (d) There is no overdue amount in respect of loans granted to such other parties.
- (e) The Company has granted loans which had fallen due during the year but such loans have not been renewed or extended nor has the Company granted fresh loans to settle the overdue amounts of existing loans or advances given the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans, which are repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of loans, guarantees and security.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 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.
- (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, the Company is regular in depositing 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, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹) (in crore)	Amount paid under Protest (₹) (in crore)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1962*	Income tax	0.23	-	AY 2007-08	Hon'ble High Court, New Delhi
The Central Excise Act, 1944	Duty of excise	0.51	-	March-2008 to December-2010	Hon'ble High Court, Mumbai
The Central Excise Act, 1944	Duty of excise	2.06	2.00	2006-07	Customs, Excise & Service Tax Appellate Tribunal
The Central Excise Act, 1944	Duty of excise	1.98	-	September-2005 to April-2007	Commissioner (Appeals), Nagpur
The Central Excise Act, 1944	Duty of excise	1.12	0.42	2005-2007	Customs, Excise & Service Tax Appellate Tribunal
The Central Excise Act, 1944	Duty of excise	0.38	-	2005-06	Commissioner (Appeals), Nagpur
The Central Excise Act, 1944	Duty of excise	0.05	-	March 2009	Assistant /Deputy Commissioner, Nagpur
The Central Excise Act, 1944	Duty of excise	0.04	-	April 2009 to November 2009	Assistant /Deputy Commissioner, Nagpur
The Central Excise Act, 1944	Duty of excise	0.04	-	2004-05 to 2005-06	Commissioner (Appeals), Nagpur
The Central Excise Act, 1944	Duty of excise	0.09	-	January 2011 to December 2013	Assistant /Deputy Commissioner, Nagpur
The Central Excise Act, 1944	Duty of excise	10.90	-	2008-09	Joint Secretary, Government of India
The Central Excise Act, 1944	Duty of excise	18.93	-	2011-12 to 2015-16	Commissioner (Appeals), Nagpur
The Central Excise Act, 1944	Duty of excise	1.16	0.08	1996-2000	Commissioner (Appeals), Nagpur
The Central Excise Act, 1944	Duty of excise	0.33	-	2001-02	Commissioner (Appeals), Nagpur
The Central Excise Act, 1944	Duty of excise	0.10	-	2000-01	Commissioner (Appeals), Nagpur
The Central Excise Act, 1944	Duty of excise	0.31	-	2002-03	Commissioner (Appeals), Nagpur
Customs Act, 1962	Duty of customs	6.01	0.45	2006-07	Customs, Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Duty of customs	3.67	0.15	2014-15 to 2015-16	Customs, Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Duty of customs	214.25	-	2006-07	Supreme Court
Customs Act, 1962	Duty of customs	0.23	-	2017-18	Assistant /Deputy Commissioner, Nagpur
Customs Act, 1962	Duty of customs	1.48	-	2004-14	Commissioner of Customs, JNCH
Maharashtra Value Added Tax Act, 2002	Value added tax	7.35	0.42	2014-15 to 2015-16	Joint Commissioner Sales Tax (Appeals), Nagpur
Maharashtra Value Added Tax Act, 2002	Value added tax	0.27	0.09	2016-17	Joint Commissioner Sales Tax (Appeals), Nagpur
Finance Act, 1994	Service tax	0.71	-	2007-08	Commissioner (Appeals), Nagpur
Finance Act, 1994	Service tax	0.08	-	1997-98 and 2000-01	Assistant/ Deputy Commissioner, Nagpur
Finance Act, 1994	Service tax	0.20	-	2002-03 to 2005-06	Commissioner, Nagpur
Finance Act, 1994	Service tax	0.04	0.08	2004-05 to 2009-10	Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service tax	0.02	-	2016-17	Assistant/ Deputy Commissioner, Nagpur

*excluding cases where losses/unabsorbed depreciation have been adjusted by the tax authorities without raising any demands, though disputed by the Company.

The above amounts are exclusive of interest and penalty, if any, which may be levied on conclusion of the matters at respective forums.

- (viii) 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 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 other lender.
- (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, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.
- (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, 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.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under section 143(12) of the Act has been filed 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 sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, 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.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.
- (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 them and accordingly, 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 clause 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
- (b) 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 Core Investment Company.
- (xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- (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 accompanying the standalone 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, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report



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, although the Company fulfilled the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, however, in the absence of average net profits in the immediately three preceding years there is no requirement for the Company to spend any amount under sub-section (5) of section 135 of the said Act. 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

Tarun Gupta
Partner
Membership No.: 507892
UDIN: 22507892AIDKLN9908

Place: Gurugram
Date: 28 April 2022

Annexure B to the Independent Auditor's Report of even date to the members of Indo Rama Synthetics (India) Limited on the standalone financial statements for the year ended 31 March 2022

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of sub-Section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Indo Rama Synthetics (India) Limited ('the Company') as at and for the year ended 31 March 2022, 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, 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 2022, 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 Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Tarun Gupta

Partner

Membership No.: 507892

UDIN: 22507892AIDKLN9908

Place: Gurugram

Date: 28 April 2022

Standalone Balance Sheet

as at 31 March 2022

(All amounts in ₹ Crores, unless stated otherwise)

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
a) Property, plant and equipment	2	668.39	672.64
b) Right of use assets	3	28.42	14.89
c) Capital work-in-progress	4	32.25	8.80
d) Intangible assets	5	0.56	0.08
e) Financial assets			
i) Investments	6	6.00	3.00
ii) Other financial assets	7	4.45	4.74
f) Deferred tax assets [net]	8	258.61	208.53
g) Non-current tax assets [net]	9	4.01	7.06
h) Other non-current assets	10	36.15	25.27
Total non-current assets		1,038.84	945.01
Current assets			
a) Inventories	11	525.48	387.00
b) Financial assets			
i) Investments	6	0.05	0.07
ii) Trade receivables	12	184.42	105.21
iii) Cash and cash equivalents	13	2.10	2.42
iv) Bank balances other than cash and cash equivalents	14	6.51	5.62
v) Loans	15	1.01	1.09
vi) Other financial assets	7	211.31	189.44
c) Other current assets	10	82.30	57.46
Total current assets		1,013.18	748.31
Total assets		2,052.02	1,693.32
Equity and liabilities			
Equity			
a) Equity share capital	16	261.11	261.11
b) Other equity	17	338.07	71.98
Total equity		599.18	333.09
Liabilities			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	18	145.47	232.85
ii) Lease liabilities	19	26.16	12.46
b) Provisions	20	36.90	31.48
Total non-current liabilities		208.53	276.79
Current liabilities			
a) Financial liabilities			
i) Borrowings	21	148.64	144.83
ii) Lease liabilities	19	5.75	5.03
iii) Trade payables	22		
- total outstanding dues of micro enterprises and small enterprises; and		5.72	1.56
- total outstanding dues of creditors other than micro enterprises and small enterprises		994.62	852.44
iv) Other financial liabilities	23	25.91	15.07
b) Other current liabilities	24	20.38	21.89
c) Provisions	20	43.29	42.62
Total current liabilities		1,244.31	1,083.44
Total equity and liabilities		2,052.02	1,693.32

Notes 1 to 52 forms an integral part of these standalone financial statements
This is the Standalone Balance Sheet referred to in our report of even date

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

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

Tarun Gupta
Partner
Membership No.: 507892

Place: Gurugram
Date: 28 April 2022

Om Prakash Lohia
Chairman and Managing Director
DIN: 00206807
Place: Gurugram
Date: 28 April 2022

Dhanendra Kumar
Director
DIN: 05019411
Place: New Delhi
Date: 28 April 2022

M N Sudhindra Rao
Chief Executive Officer
Place: Gurugram
Date: 28 April 2022

Umesh Kumar Agrawal
Chief Commercial and Financial Officer
Place: Gurugram
Date: 28 April 2022

Pawan Kumar Thakur
Company Secretary
Place: Gurugram
Date: 28 April 2022



Standalone Statement of Profit and Loss

for the year ended 31 March 2022

(All amounts in ₹ Crores, unless stated otherwise)

Particulars	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
I Income			
Revenue from operations	25	3,901.13	2,022.79
Other income	26	6.29	20.80
Total income		3,907.42	2,043.59
II Expenses			
Cost of materials consumed	27	2,861.01	1,429.72
Purchases of stock in trade	28	15.61	1.65
Changes in inventories of finished goods and work-in-progress	29	(41.92)	(12.34)
Employee benefits expense	30	107.65	89.95
Other expenses	31	656.38	421.31
Expenses before depreciation and amortisation expense, finance costs, foreign exchange fluctuation gain and exceptional item		3,598.73	1,930.29
Profit before depreciation and amortisation expense, finance costs, foreign exchange fluctuation gain and exceptional item		308.69	113.30
Depreciation and amortisation expense	32	31.07	33.78
Finance costs	33	61.88	65.92
Foreign exchange fluctuation gain		(2.37)	(0.76)
Total expenses		3,689.31	2,029.23
III Profit before exceptional item and tax [I-II]		218.11	14.36
IV Exceptional item	45	-	11.63
V Profit before tax [III-IV]		218.11	2.73
VI Tax			
Current tax credit		-	(11.53)
Deferred tax credit	8	(50.08)	(98.52)
Total tax credit		(50.08)	(110.05)
VII Profit for the year [V-VI]		268.19	112.78
VIII Other comprehensive income (OCI)			
Items that will not be reclassified to income			
Re-measurement of defined benefit liability		(2.10)	(2.14)
Less: Income tax relating to remeasurement of defined benefit liability		-	-
Other comprehensive income for the year		(2.10)	(2.14)
IX Total comprehensive income for the year		266.09	110.64
X Earnings per equity share [nominal value of equity share ₹10]			
Basic and diluted	34	10.27	4.32

Notes 1 to 52 forms an integral part of these standalone financial statements

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

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of

Indo Rama Synthetics (India) Limited

Tarun Gupta

Partner

Membership No.: 507892

Place: Gurugram

Date: 28 April 2022

Om Prakash Lohia

Chairman and Managing Director

DIN: 00206807

Place: Gurugram

Date: 28 April 2022

Dhanendra Kumar

Director

DIN: 05019411

Place: New Delhi

Date: 28 April 2022

M N Sudhindra Rao

Chief Executive Officer

Place: Gurugram

Date: 28 April 2022

Umesh Kumar Agrawal

Chief Commercial and Financial Officer

Place: Gurugram

Date: 28 April 2022

Pawan Kumar Thakur

Company Secretary

Place: Gurugram

Date: 28 April 2022

Standalone Statement of Cash Flows

for the year ended 31 March 2022

(All amounts in ₹ Crores, unless stated otherwise)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A. Cash flow from operating activities		
Profit before tax	218.11	2.73
Add : Adjustment for non-cash and non-operating items		
Re-measurement gains on defined benefit plan	(2.10)	(2.14)
Depreciation and amortisation expense	31.07	33.78
(Gain)/loss on disposal/discard of property, plant and equipment	(0.01)	0.19
Capital work-in-progress provided for	0.17	-
Finance costs	61.88	65.92
Interest income	(4.90)	(3.97)
Liabilities/provisions no longer required, written back	-	(16.47)
Debts/advances written off	5.71	14.79
Fair valuation of investments through profit and loss	(0.04)	(0.01)
Operating profit before working capital changes	309.89	94.82
Adjustments for movement in:		
Changes in trade receivables	(79.14)	(16.19)
Changes in other financial assets and loans	(27.69)	(0.81)
Changes in other assets	(30.13)	(4.07)
Changes in inventories	(138.48)	(136.46)
Changes in trade payables	146.34	309.46
Changes in provisions	6.09	3.81
Changes in other financial liabilities	9.17	2.33
Changes in other liabilities	(1.51)	(87.26)
Cash generated from operating activities	194.54	165.63
Income tax refund [net]	3.05	15.01
Net cash generated from operating activities [A]	197.59	180.64
B. Cash flow from investing activities		
Purchase of property, plant and equipment [including capital work-in-progress, capital advances and creditors for capital goods]	(50.24)	(23.16)
Proceeds from sale of property plant and equipment	0.17	-
Proceeds from sale of investments	0.06	-
Investment in subsidiary	(3.00)	(2.00)
Bank balances other than cash and cash equivalents [net]	(0.19)	4.61
Interest received	4.64	3.80
Net cash used in investing activities [B]	(48.56)	(16.75)
C. Cash flow from financing activities		
Repayment of non-current borrowings	(73.64)	(72.00)
Proceeds from non-current borrowings	11.26	-
Movement in current borrowings [net]	(21.19)	(21.69)
Payment of lease liabilities	(6.58)	(5.93)
Payment of unclaimed dividend	(0.07)	(0.08)
Finance costs paid	(59.13)	(74.27)
Net cash used in financing activities [C]	(149.35)	(173.97)
Net decrease in cash and cash equivalents [A+B+C]	(0.32)	(10.08)
Cash and cash equivalents at the beginning of the year	2.42	12.50
Closing cash and cash equivalents (refer note 13)	2.10	2.42

Notes:

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 (Ind AS-7) on "Statements of Cash Flows".
- Negative figures have been shown in brackets.
- Refer note 18 for reconciliation of movements of liabilities to cash flows arising from financing activities in accordance with Ind AS-7.

Notes 1 to 52 forms an integral part of these standalone financial statements

This is the Standalone statement of cash flows referred to in our report of even date

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

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

Tarun Gupta
Partner
Membership No.: 507892

Place: Gurugram
Date: 28 April 2022

Om Prakash Lohia
Chairman and Managing Director
DIN: 00206807
Place: Gurugram
Date: 28 April 2022

Umesh Kumar Agrawal
Chief Commercial and Financial Officer
Place: Gurugram
Date: 28 April 2022

Dhanendra Kumar
Director
DIN: 05019411
Place: New Delhi
Date: 28 April 2022

Pawan Kumar Thakur
Company Secretary
Place: Gurugram
Date: 28 April 2022

M N Sudhindra Rao
Chief Executive Officer
Place: Gurugram
Date: 28 April 2022



Standalone Statement of Changes in Equity

for the year ended 31 March 2022

(All amounts in ₹ Crores, unless stated otherwise)

A. Equity share capital

Particulars	Balance as at 1 April 2021	Changes in equity share capital during the year	Balance As at 31 March 2022
Equity share capital	261.11	-	261.11

Particulars	Balance as at 1 April 2020	Changes in equity share capital during the year	Balance As at 31 March 2021
Equity share capital	261.11	-	261.11

B. Other equity

Attributable to the equity holders

Particulars	Reserve and surplus					Total
	Capital reserve	Securities premium	General reserve	Retained earnings	Other comprehensive income	
Balance at 31 March 2020	20.38	447.59	58.13	(564.50)	(0.26)	(38.66)
Profit for the year	-	-	-	112.78	-	112.78
Other comprehensive income for the year	-	-	-	-	(2.14)	(2.14)
Balance at 31 March 2021	20.38	447.59	58.13	(451.72)	(2.40)	71.98
Profit for the year	-	-	-	268.19	-	268.19
Other comprehensive income for the year	-	-	-	-	(2.10)	(2.10)
Balance at 31 March 2022	20.38	447.59	58.13	(183.53)	(4.50)	338.07

Notes 1 to 52 forms an integral part of these standalone financial statements

This is the Standalone statement of changes in equity referred to in our report of even date

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

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

Tarun Gupta
Partner
Membership No.: 507892

Place: Gurugram
Date: 28 April 2022

Om Prakash Lohia
Chairman and Managing Director
DIN: 00206807
Place: Gurugram
Date: 28 April 2022

Umesh Kumar Agrawal
Chief Commercial and Financial Officer
Place: Gurugram
Date: 28 April 2022

Dhanendra Kumar
Director
DIN: 05019411
Place: New Delhi
Date: 28 April 2022

Pawan Kumar Thakur
Company Secretary
Place: Gurugram
Date: 28 April 2022

M N Sudhindra Rao
Chief Executive Officer
Place: Gurugram
Date: 28 April 2022

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

1. (i) Corporate information

Indo Rama Synthetics (India) Limited (hereinafter referred to as 'the Company' or 'IRSL') is a Public Company domiciled in India, with its registered office situated at A-31, MIDC Industrial Area, Butibori, Nagpur. The Company has been incorporated under the provisions of Companies Act, 1956 and its equity shares are listed on the National Stock Exchange of India Limited and BSE Limited. The Company is a manufacturer of polyester filament yarn (PFY), polyester staple fibre (PSF), draw texturised yarn (DTY), specialty fiber and chips. The Company is also engaged in trading of spun yarn, and also engaged in power generation, which is used primarily for captive consumption.

(ii) Basis of preparation and presentation

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 (the 'Act') and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI).

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

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes in these standalone financial statements.

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

The standalone financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities (including derivatives instruments) at fair value, if any.
- Defined benefit liabilities are measured at present value of defined benefit obligation.
- Property, plant and equipment and intangible assets have been carried at deemed cost on the date of transition using the optional exemption allowed under Ind AS 101.
- Certain financial assets and liabilities at amortised cost.

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

a. Ind AS 109 Financial Instruments; Ind AS 107 Financial Instruments: Disclosures and Ind AS 116 Leases (amendments related to Interest Rate Benchmark Reform)

The amendment to Ind AS 109, provides a practical expedient for assessment of contractual cash flow test, which is one of the

criteria for being eligible to measure a financial asset at amortized cost, for the changes in the financial assets that may arise as a result of Interest Rate Benchmark Reform. An additional temporary exception from applying hedge accounting is also added for Interest Rate Benchmark Reform.

The amendment to Ind AS 107, clarifies the certain additional disclosures to be made on account of Interest Rate Benchmark Reform:

- the nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform;
- the entity's progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition;
- the instruments exposed to benchmark reform disaggregated by significant interest rate benchmark along with qualitative information about the financial instruments that are yet to transition to alternative benchmark rate;
- changes to entity's risk management strategy.

The amendments introduced a similar practical expedient in Ind AS 116. Accordingly, while accounting for lease modification i.e. remeasuring the lease liability, in case this is required by interest rate benchmark reform, the lessee will use a revised discount rate that reflects the changes in the interest rate.

These amendments did not have any material impact on the financial statements of the Company.

b. Ind AS 116 Leases (amendment related to rent concessions arising due to COVID-19 pandemic)

The amendment to Ind AS 116 Leases extended the practical expedient introduced for financial year 2020-21 related to rent concessions arising due to Covid-19 pandemic, that provides an option to the lessee to choose that rent concessions for lease payments due on or before 30 June 2022 (from erstwhile notified date of 30 June 2021), arising due to COVID-19 pandemic ('COVID-19 rent related concessions') need not be treated as lease modification. The amendment did not have any material impact on financial statements of the Company.

c. Amendments consequent to issue of Conceptual Framework for Financial reporting under Ind AS (Conceptual Framework)

- Ind AS 102 Share Based Payments - Amended the definition of 'liabilities' to 'a present obligation of the entity to transfer an economic resource as a result of past events'.
- Ind AS 103 Business Combinations - The MCA clarified that for the purpose of this Ind AS, acquirers are required to apply the definitions of an asset and a liability given in the Framework for Preparation and Presentation of Financial



Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

Statements with Indian Accounting Standards rather than the Conceptual Framework.

- Ind AS 114 Regulatory Deferral Accounts - The amendment added a footnote against the term 'reliable' used in the Ind AS 114. The footnote clarifies that term 'faithful representation' used in the Conceptual Framework encompasses the main characteristics that the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards called 'reliability'. However, for the purpose of this Ind AS, the term 'reliable' would be based on the requirements of Ind AS 8.
- Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets - The MCA clarified that the definition of term 'liability' in this Ind AS is not being revised following the revision of the definition of liability in the Conceptual Framework.
- Ind AS 38 Intangible Assets - The MCA clarified that the definition of an 'asset' in this Ind AS is not being revised following the revision of the definition of asset in the Conceptual Framework.
- Ind AS 106 Exploration for and Evaluation of Mineral Resources; Ind AS 1 Presentation of Financial Statements; Ind AS 8 Accounting policies, Changes in Accounting Estimates and Errors and Ind AS 34 Interim Financial Reporting - The reference to the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards has been substituted with reference to the Conceptual Framework.

The above amendments did not have any material impact on the financial statements of the Company.

(iv) Significant accounting policies

a. Use of estimates and judgements

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and other comprehensive income (OCI) that are reported and disclosed in the standalone financial statements and accompanying notes. Accounting estimates could change from period to period. Actual results may differ from these estimates.

These estimates and judgment are based on the management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other estimates and judgments that are believed to be reasonable under the circumstances. Accounting estimates could change from period to period. Accounting estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the standalone financial statements in the period in which changes are made. In particular, information about significant

areas of estimation, uncertainty and critical judgements in applying accounting policies that have most significant effect of the amounts recognized in the financial statements is included in the following notes :

- Note 8 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used
- Note 20 and 38 – measurement of defined benefit obligations: key actuarial assumptions
- Note 2 and 5 - estimation of useful lives of property, plant and equipment and intangible assets
- Note 3 and 19 - recognition and measurement of leases
- Note 20 and 35 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

b. Going concern

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

c. Current/non-current classification

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

Assets

An asset is classified as current when it satisfies any of the following criteria:

- 1) It is expected to be realised in, or is intended to be sold or consumed in, the Company's normal operating cycle;
- 2) It is held primarily for the purpose of being traded;
- 3) It is expected to be realised within twelve months after the reporting date; or
- 4) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

- 1) It is expected to be settled in the Company's normal operating cycle;
- 2) It is held primarily for the purpose of being traded;
- 3) It is due to be settled within twelve months after the reporting date; or
- 4) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

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

d. Property, plant and equipment

Recognition 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.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Property, plant and equipment under construction and cost of assets not ready for use at the year-end are disclosed as capital work-in-progress.

Foreign currency exchange differences are capitalized as per the policy stated in note 1 (iv)(i) below.

Subsequent expenditure

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the year during which such expenses are incurred.

Depreciation

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

Based on technical assessment made by technical expert and management estimate, the 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 (factory buildings/ non factory buildings) other than RCC frame structure	28 years	30 years
Buildings (factory buildings/ non factory buildings) RCC frame structure	58 years	60 years
Plant and equipments	45/20/18 years	25/3 years
Furniture and fixtures	15 years	10 years
Vehicles	10 years	8 years
Office equipments	20 years/6 years	5 years

Leasehold land is depreciated over the period of lease.

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

Assets costing less than ₹5,000 are fully depreciated over the period of one year from the date of purchase/ acquisition and such treatment did not have any material impact on standalone financial statements of the Company for the current year.

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

e. Intangible assets

Recognition and measurement

Intangible assets include software, that are acquired by the Company, that are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss, if any.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.



Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

Subsequent expenditure

Subsequent expenditure related to an item of intangible asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses are charged to the Statement of Profit and Loss for the year during which such expenses are incurred.

Amortisation

Intangible assets include software that are amortised over the useful economic life of 3 years. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

f. Impairment

(i) Impairment of financial assets

The Company recognises loss allowance for expected credit losses on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract such as a default in payment within the due date;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for a security because of financial difficulties;
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The Company measures loss allowances at an amount equal to lifetime expected credit losses. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information. The Company considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any) is held.

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of the assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

g. Right-of-use assets and lease liabilities

For all existing and new contract on or after 01 April 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Classification of leases

The Company enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

Transition

Effective 1 April 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on 1 April 2019 using the modified retrospective method along with the transition option to recognise Right-of-Use asset (ROU) at an amount equal to the Lease Liability.

Recognition and initial measurement

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the

end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in Statement of Profit and Loss on a straight-line basis over the lease term.

h. Inventories

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

Raw materials, 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.

i. Foreign exchange transactions

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition.

All monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at



Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities if any that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

All exchange differences, except those relating to long-term monetary foreign currency items, are dealt with in the Statement of Profit and Loss. Exchange differences in respect of long-term monetary foreign currency items prior to 1 April 2016, are added to or deducted from the cost of asset and are depreciated over the balance life of the asset.

j. Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

The Company operates a defined benefit gratuity plan in India.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability or the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability, taking

into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

Entitlements to annual leave are recognised when they accrue to employees. Leave entitlements may be availed while in service or encashed at the time of retirement/termination of employment, subject to a restriction on the maximum number of accumulation. The Company determines the liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the year end.

k. Revenue

i. Sale of goods

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue is recognised upon transfer of control of promised products to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over or managerial involvement with, the goods, and the amount of revenue can be measured reliably. Where the payment extends beyond normal credit period, interest is recovered separately.

ii. Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

l. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other gains/(losses).

Borrowings are classified as current financial liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements, not to demand payment as a consequence of the breach.

m. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Revenue grants are recognized over periods to which they relate.

n. Financial instruments

i. Recognition and initial measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability of another entity. Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial instrument is measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss (FVTPL) which are measured initially at fair value.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost or at FVTPL. Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL.

For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

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.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

iv. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

o. Measurement of fair values

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

Assets and liabilities are to be measured based on the following valuation techniques:

- Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- Income approach – Converting the future amounts based on market expectations to its present value using the discounting methodology.
- Cost approach – Replacement cost method.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable –inputs)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

p. 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.

q. Earnings per share

Basic earning per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

r. Provisions, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future obligation at pre-tax rate that reflects current market assessments of the time value of money risks specific to liability. They are not discounted where they are

assessed as current in nature. Provisions are not made for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made. Therefore, in order to determine the amount to be recognised as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management. In case of provision for litigations, the judgements involved are with respect to the potential exposure of each litigation and the likelihood and/or timing of cash outflows from the Company, and requires interpretation of laws and past legal rulings.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

s. Taxation

Income tax comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Pursuant to Sec 115BAA of the Income-tax Act, 1961 (inserted by Taxation Laws (Amendment) Act, 2019 w.e.f. 1 April 2019), domestic companies have the option to pay corporate income tax at a concessional tax rate of 22% with effective tax rate of 25.17%. The said concessional tax regime is accompanied with immediate expiry of carry forward balance of minimum alternative tax credit and certain other concessional tax rate benefits enjoyed by the Company presently. During the previous year ended 31 March 2021, the company had reviewed the implication of provision contained in section 115 BAA of the Income Tax Act'1961 on its tax liabilities and has opted to apply concessional tax rate of 25.17%. Accordingly, the company has measured its current and deferred tax at concessional effective tax rate of 25.17% in current and previous year.



Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

ii. Deferred tax

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

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

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

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset deferred tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle deferred tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

t. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company's Chairman and Managing Director assesses the financial performance and position of the Company, and makes strategic decision and has been identified as the chief operating decision maker. The Company's business activity is organised and managed separately according to the nature of the products, with each segment representing a strategic business unit that offers different products and serves different market. The Company's primary business segment is reflected based on principal business activities carried on by the Company. As per

Indian Accounting Standard 108, Operating Segments, as notified under the Companies (Indian Accounting Standards) Rules, 2015, the Company operates in one reportable business segment i.e., manufacturing and trading of Polyester goods. The geographical information analyses the Company's revenue and trade receivables from such revenue in India and other countries. In presenting the geographical information, segment revenue and receivables has been based on the geographic location of customers. Refer note 40 for segment information presented.

u. Investment in subsidiaries

The Company has elected to recognize its investments in subsidiaries at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements', less accumulated impairment loss, if any. Cost represents amount paid for acquisition of the said investments.

The Company has elected to continue with the carrying value for all of its investments in subsidiaries as recognised in the financial statements. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss. Investment in equity shares of subsidiaries are carried at cost.

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

The Company have elected to present profit before depreciation and amortisation expense, finance costs, foreign exchange fluctuation and exceptional item 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 depreciation and amortization expense, finance costs, foreign exchange fluctuation, exceptional item and tax expense.

w. 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. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

of Ind AS 103. The Company does not expect the amendment to have any significant impact on its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact on its financial statements.

Ind AS 37 – Onerous Contracts - costs of fulfilling a contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that

relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact on its financial statements.

Ind AS 109 – Annual improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact on its financial statements.

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(All amounts in ₹ crores, unless stated otherwise)

2. Property, plant and equipment

Particulars	Freehold land	Leasehold land	Buildings	Leasehold improvements	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Total
A. Gross carrying amount									
Balance as at 31 March 2020	0.16	2.89	106.94	1.27	951.62	4.35	4.97	9.73	1,081.93
Additions during the year [refer note 1 below]	-	-	0.30	-	16.56	0.03	0.02	1.77	18.68
Disposals during the year	-	-	0.01	-	0.29	0.04	0.18	0.03	0.55
Balance as at 31 March 2021	0.16	2.89	107.23	1.27	967.89	4.34	4.81	11.47	1,100.06
Additions during the year	-	-	3.28	-	15.46	0.03	0.01	2.35	21.13
Disposals during the year	-	-	-	-	0.21	-	0.01	0.16	0.38
Balance as at 31 March 2022	0.16	2.89	110.51	1.27	983.14	4.37	4.81	13.66	1,120.81
B. Accumulated depreciation									
Balance as at 31 March 2020	-	0.20	18.83	1.27	370.78	1.34	2.26	4.73	399.41
Additions during the year	-	0.04	3.84	-	22.77	0.44	0.50	0.78	28.37
Disposals during the year	-	-	-	-	0.17	0.01	0.17	0.01	0.36
Balance as at 31 March 2021	-	0.24	22.67	1.27	393.38	1.77	2.59	5.50	427.42
Additions during the year	-	0.04	4.01	-	19.36	0.42	0.43	0.96	25.22
Disposals during the year	-	-	-	-	0.14	-	0.01	0.07	0.22
Balance as at 31 March 2022	-	0.28	26.68	1.27	412.60	2.19	3.01	6.39	452.42
Net carrying value									
As at 31 March 2021	0.16	2.65	84.56	-	574.51	2.57	2.22	5.97	672.64
As at 31 March 2022	0.16	2.61	83.83	-	570.54	2.18	1.80	7.27	668.39

Notes:

- Additions to plant and equipments include loss on foreign exchange fluctuation on long-term monetary items for purchase of plant and equipments amounting to nil [31 March 2021 : ₹1.57 crores].
- Refer note 36 for information on capital commitments for the acquisition of property, plant and equipment.
- Refer note 37 for information on assets under charge.
- Title deeds of all the immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) held by the Company are in the name of the Company.

3. Right of use assets

	As at 31 March 2022	As at 31 March 2021
Buildings		
A. Gross carrying amount		
Balance at the beginning of the year	24.38	24.38
Additions during the year	19.19	-
Balance as at end of the year	43.57	24.38
B. Accumulated amortisation		
Balance at the beginning of the year	9.49	4.15
Additions during the year	5.66	5.34
Balance as at end of the year	15.15	9.49
Net carrying value	28.42	14.89

Note:

- Refer note 42 for information on assets taken on lease

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

4. Capital work-in-progress

	As at 31 March 2022	As at 31 March 2021
Capital work-in-progress	32.25	8.80
Total	32.25	8.80

Note:

- Capital work-in-progress includes property, plant and equipment under construction, installation and cost of asset not ready for use as at year end.
- Refer note 37 for information on assets under charge.

(a) Capital work-in-progress ageing schedule as at 31 March 2022 and 31 March 2021

Projects in progress	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
31 March 2022	28.56	3.36	0.33	-	32.25
31 March 2021	8.11	0.52	0.17	-	8.80

(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 2022 and 31 March 2021.

5. Intangible assets

	As at 31 March 2022	As at 31 March 2021
Software		
A. Gross carrying amount		
Balance at the beginning of the year	0.25	0.24
Additions during the year	0.67	0.01
Balance as at end of the year	0.92	0.25
B. Accumulated amortisation		
Balance at the beginning of the year	0.17	0.10
Additions during the year	0.19	0.07
Balance as at end of the year	0.36	0.17
Net carrying value	0.56	0.08

6. Investments

	As at 31 March 2022	As at 31 March 2021
(a) Non-current investments		
Unquoted equity shares (at cost)		
Wholly owned subsidiaries [refer note 43 and 44]		
3,000,000 (31 March 2021: 3,000,000) equity shares of Indorama Yarns Private Limited (₹10 each, fully paid up)	3.00	3.00
3,000,000 (31 March 2021: Nil) equity shares of Indorama Ventures Yarns Private Limited (₹10 each, fully paid up)	3.00	-
Others		
1,500,000 [31 March 2021: 1,500,000] equity shares of Ritspin Synthetics Limited (₹10 each, fully paid up)	1.50	1.50
	7.50	4.50
Less: Provision for impairment in the value of investment	(1.50)	(1.50)
Total	6.00	3.00
Aggregate amount of unquoted investments	7.50	4.50
Aggregate amount of impairment in value of investments	1.50	1.50

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

	As at 31 March 2022	As at 31 March 2021
(b) Current investments		
Quoted equity shares		
Equity shares carried at fair value through profit or loss ['FVTPL']		
72,601 [31 March 2021 : 72,601] equity shares of Balasore Alloys Limited [₹5 each, fully paid up]	0.05	0.06
52,501 [31 March 2021 : 52,501] equity shares of Optel Telecommunications Limited [₹10 each, fully paid up]*	-	-
708,400 [31 March 2021 : 708,400] equity shares of Sanghi Polyesters Limited [₹10 each, fully paid up]*	-	-
20 [31 March 2021 : 20] equity shares of Reliance Industries Limited [₹10 each, fully paid up]**	-	-
Unquoted equity shares	0.05	0.06
Quoted preference shares		
Nil [31 March 2021 : 56,500] 0.01% cumulative redeemable preference of JSW Steel Limited [₹10 each, fully paid up]	-	0.01
	0.05	0.07
Aggregate amount of quoted investments	2.93	2.93
Market value of quoted investments	0.05	0.07

* Fair value of the investments are nil [31 March 2021 : nil]

** ₹52,695 [31 March 2021 : ₹40,113], amount in absolute rupees.

Note:

- Refer note 37 for information on assets under charge.

7. Other financial assets

	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Security deposits	4.04	3.56	-	-
Bank deposits with more than 12 months maturity	0.41	1.18	-	-
Interest accrued on deposits	-	-	0.20	0.15
Advance to employees	-	-	0.30	-
Claims and other receivables	-	-	278.65	257.13
Less : Provision for claims and other receivables	-	-	(67.84)	(67.84)
	4.45	4.74	211.31	189.44

Notes:

- Refer note 37 for information on assets under charge.

8 Deferred tax assets

I. Recognition of deferred tax assets and liabilities

	Deferred tax assets		Deferred tax (liabilities)		Net deferred tax assets (liabilities)	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Property, plant and equipment	-	-	(85.82)	(78.61)	(85.82)	(78.61)
Investment at FVTPL	0.71	0.72	-	-	0.71	0.72
Provision for employee benefits	8.41	6.87	-	-	8.41	6.87
Provision for doubtful debts and advances	32.79	33.10	-	-	32.79	33.10
Brought forward business losses/unabsorbed depreciation	291.20	235.57	-	-	291.20	235.57
Provision for contingencies	9.64	9.64	-	-	9.64	9.64

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

	Deferred tax assets		Deferred tax (liabilities)		Net deferred tax assets (liabilities)	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Other items	1.68	1.24	-	-	1.68	1.24
	344.43	287.14	(85.82)	(78.61)	258.61	208.53
Offsetting of deferred tax assets and deferred tax liabilities	(85.82)	(78.61)	85.82	78.61	-	-
Net deferred tax assets	258.61	208.53	-	-	258.61	208.53

Note: Based on the current developments and business plan, the Company is confident that the deferred tax assets carried at the end of the year is fully recoverable and there will be sufficient future taxable profits to adjust unabsorbed depreciation and carried forward business losses.

II. Movement in temporary differences

	As at 31 March 2022	As at 31 March 2021
Opening balance of deferred tax asset	208.53	110.01
Tax credit during the year recognised in the statement of profit or loss*	50.08	98.52
Closing balance of deferred tax asset	258.61	208.53

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

Deferred tax assets and liabilities are attributable to the following	Balance as at 31 March 2020	Recognised in statement of profit and loss	As at 31 March 2021	Recognised in statement of profit and loss	As at 31 March 2022
Property, plant and equipment	(151.02)	72.41	(78.61)	(7.21)	(85.82)
Investment at FVTPL	1.00	(0.28)	0.72	(0.01)	0.71
Provision for employee benefits	6.08	0.79	6.87	1.54	8.41
Provision for doubtful debts and advances	44.87	(11.77)	33.10	(0.31)	32.79
Brought forward business losses/ unabsorbed depreciation	189.21	46.36	235.57	55.63	291.20
Provision for contingencies	18.88	(9.24)	9.64	0.00	9.64
Other items	0.99	0.25	1.24	0.44	1.68
Total	110.01	98.52	208.53	50.08	258.61

III. Unrecognised deferred tax assets

	As at 31 March 2022		As at 31 March 2021	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Brought forward business losses and unabsorbed depreciation*	105.05	26.44	518.12	130.40

* Deferred tax assets have not been recognised in respect of above items, because it is not probable that future taxable profits will be available against which the Company can use the benefits therefrom.

IV. Effective tax rate

	For the year ended 31 March 2022	"For the year ended 31 March 2021
Profit before tax	218.11	2.73
Effective tax rate	25.17%	25.17%
Current tax expense/(income) on profit before tax at the effective income tax rate in India	54.89	0.69
(Recognition)/de-recognition of deferred tax asset*	(104.65)	(93.78)
Other adjustments	(0.32)	(16.96)
Tax (income)/expense reported in the statement of profit and loss	(50.08)	(110.05)
Tax (credit) during the year recognised in statement of profit or loss	(50.08)	(110.05)
Tax expense during the year recognised in other comprehensive income	-	-
Total	(50.08)	(110.05)

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

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

9 Non-current tax assets

	As at 31 March 2022	As at 31 March 2021
Advance tax [net of provisions ₹41.53 crores (31 March 2021: ₹49.15 crores)]	4.01	7.06
Total	4.01	7.06

10. Other assets

	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Capital advances	10.32	4.73	-	-
Deposits and other receivables	25.07	19.55	20.46	7.75
Balance with government authorities	-	-	20.72	17.54
Prepaid expenses	0.10	0.68	9.15	7.50
Advance rent	0.66	0.31	0.24	0.20
Advances to vendors	5.79	5.88	31.73	24.47
Less : Provision for doubtful advances to vendors	(5.79)	(5.88)	-	-
Total	36.15	25.27	82.30	57.46

Note:

1. Refer note 37 for information on other assets under charge.

11. Inventories

	As at 31 March 2022	As at 31 March 2021
[valued at lower of cost or net realisable value, unless otherwise stated]		
Raw materials [include in transit ₹80.13 crores (31 March 2021 : ₹121.05 crores)]	302.90	213.76
Work-in-progress	27.29	17.39
Finished goods [include in transit ₹34.49 crores (31 March 2021 : ₹30.99 crores)]*	154.66	119.21
Stores and spares [include in transit ₹0.02 crores (31 March 2021 : ₹0.90 crores)]	36.35	30.16
Packing material	3.56	2.33
Waste**	0.72	4.15
Total	525.48	387.00

* The inventories were reduced by ₹0.05 crores [31 March 2021 : ₹0.09 crores] on account of net realisable value being lower than the cost.

** valued at net realisable value.

Note:

1. Refer note 37 for information on assets under charge.

12. Trade receivables

	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good	184.42	105.21
Credit impaired	56.64	57.80
	241.06	163.01
Less : loss allowance [refer note 41]	(56.64)	(57.80)
Total	184.42	105.21

Notes:

- 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%.
- Refer note 37 for information on assets under charge.
- The Company's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in note 41.
- No amount is due from directors or officers of the Company.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

Trade receivables ageing schedule as at 31 March 2022 and 31 March 2021

31 March 2022	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months to 1 years	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	133.02	48.05	1.62	0.52	0.44	0.77	184.42
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	0.70	55.94	56.64
Disputed trade receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total trade receivables	133.02	48.05	1.62	0.52	1.14	56.71	241.06
Less: Loss allowance							(56.64)
							184.42

31 March 2021	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months to 1 years	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	63.42	37.01	3.44	0.76	0.53	0.05	105.21
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	1.09	1.10	55.61	57.80
Disputed trade receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total trade receivables	63.42	37.01	3.44	1.85	1.63	55.66	163.01
Less: Loss allowance							(57.80)
							105.21

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

13. Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Balances with banks	2.04	2.38
Cash on hand	0.06	0.04
	2.10	2.42

Note:

1. Refer note 37 for information on assets under charge.

14. Bank balances other than cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Deposits with original maturity more than three months but remaining maturity of less than twelve months	6.36	5.40
Unclaimed dividend	0.15	0.22
	6.51	5.62

Note:

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

1. Refer note 37 for information on assets under charge.

15. Loans (current)

	As at 31 March 2022	As at 31 March 2021
Loans to employees (considered good- unsecured) (at amortised cost)*	1.01	1.09
Total	1.01	1.09

* These loans given to employees are interest free and repayable as per terms specified in policies of the Company.

Note:

1. Refer note 37 for information on assets under charge.

16. Equity share capital

	As at 31 March 2022	As at 31 March 2021
Authorised		
275,000,000 equity shares of ₹10 each [31 March 2021 : 275,000,000]	275.00	275.00
	275.00	275.00
Issued, subscribed and fully paid up		
261,113,151 equity shares of ₹10 each fully paid-up [31 March 2021: 261,113,151]	261.11	261.11
	261.11	261.11

Notes:

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

	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning and end of the year	261,113,151	261.11	261,113,151	261.11

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% are as under:

Names of shareholders	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% of shareholding	Number of shares	% of shareholding
Indorama Netherlands B.V. [controlling Company, refer note vii below]	100,696,588	38.56	100,696,588	38.56
Brookgrange Investments Limited	53,564,057	20.51	53,564,057	20.51
Mr. Om Prakash Lohia [Chairman and Managing Director]	38,473,369	14.73	38,473,369	14.73
Siam Stock Holding Limited	17,200,000	6.59	17,200,000	6.59
Total	209,934,014	80.39	209,934,014	80.39

iv) Shares in the Company held by controlling Company are as under:

	As at 31 March 2022	As at 31 March 2021
Indorama Netherlands B.V. [controlling Company, refer note vii below]	100,696,588	100,696,588
	100,696,588	100,696,588

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

v) Shareholding of promoters is as under:

S. No.	Promoter Name	Shareholding at the end of the year				% change in shareholding during the year
		As at 31 March 2022		As at 31 March 2021		
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	
1	Brookgrange Investments Ltd.	5,35,64,057	20.51	5,35,64,057	20.51	-
2	Indorama Netherlands B.V.	10,06,96,588	38.56	10,06,96,588	38.56	-
3	Mr. Om Prakash Lohia	3,84,73,369	14.73	3,84,73,369	14.73	-
4	Mrs. Urmila Lohia	6,45,873	0.25	6,45,873	0.25	-
5	Mr. Aloke Lohia	99,200	0.04	99,200	0.04	-
6	Mr. Devang Kumar	4,14,796	0.16	4,14,796	0.16	-
7	Mr. Vishal Lohia	11,37,896	0.44	11,37,896	0.44	-
8	Ms. Aradhna Lohia	3,13,256	0.12	3,13,256	0.12	-
9	Mrs. Rimple Lohia	2,39,940	0.09	2,39,940	0.09	-
10	Mr. Yashovardhan Lohia	2,49,888	0.10	2,49,888	0.10	-
	Total	19,58,34,863	75.00	19,58,34,863	75.00	-

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

vii) During the year ended 31 March 2020 Indorama Netherlands B.V. ('INBV') acquired 38.56% shareholding in the Company through preferential allotment and open offer in accordance with SEBI Regulations. Pursuant to acquisition, INBV controls the Company through management control and also appointed additional key management personnel in the Company.

viii) The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. During the previous year, one of the promoter has sold 1,75,38,645 equity shares to reduce promoter's shareholding to 75% thereby complying with the requirement of 25% (twenty five percent) public shareholding as per Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 read with Rule 19A of the Securities Contracts (Regulation) Rules, 1957.

17. Other equity

	As at 31 March 2022	As at 31 March 2021
a. Capital reserve		
Balance at the beginning of the year	20.38	20.38
Balance at the end of the year	20.38	20.38
b. Securities premium		
Balance at the beginning of the year	447.59	447.59
Balance at the end of the year	447.59	447.59
c. General reserve		
Balance at the beginning of the year	58.13	58.13
Balance at the end of the year	58.13	58.13
d. Retained earnings		
Balance at the beginning of the year	(451.72)	(564.50)
Add : Profit during the year	268.19	112.78
Balance at the end of the year	(183.53)	(451.72)
e. Other comprehensive income		
Balance at the beginning of the year	(2.40)	(0.26)

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

Add: Loss during the year	(2.10)	(2.14)
Balance at the end of the year	(4.50)	(2.40)
Total other equity [a+b+c+d+e]	338.07	71.98

Nature of reserves

Capital reserve

Capital reserve comprises of money received against forfeiture of equity shares and preference share warrants. The reserve is not available for distribution as dividend. The reserve can be utilised in accordance with the specific provisions of Companies Act, 2013.

Securities premium

Securities premium comprises of the premium on issue of shares. The reserve can be utilised in accordance with the specific provision of the Companies Act, 2013

General reserve

General reserve is a free reserve and is utilised from time to time for appropriate purposes.

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.

18. Borrowings

Names of shareholders	Non-current		Current-Maturities	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Secured loan				
Term loans - from banks				
Rupee loans	145.47	232.85	98.65	73.65
	145.47	232.85	98.65	73.65
Less : Current maturities on borrowings [refer note 21]	-	-	(98.65)	(73.65)
	145.47	232.85	-	-

Notes:

- Refer note 41 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.
- The Company has not defaulted in repayment of interest during the current financial year. Further, there have been no default in repayment of loan and no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.
- Terms of repayment and security details:

Nature of security	Terms of repayment
a) Rupee term loans from banks	
i) ₹47.50 crores (31 March 2021 : ₹85.50 crores) are secured primarily by first pari-passu charge on immovable fixed assets of the Company excluding those as provided under schedule III of the Memorandum of Entry dated 06 May 2021 executed in favor of bank, and first pari-passu charge on VAT/SGST Receivables.	Repayable in 12 equal quarterly installments each aggregating to ₹9.50 crores, repayment of which commenced on various dates from August 2020 and September 2020, of which 5 equal quarterly installments each aggregating to ₹9.50 crores is outstanding as on 31 March 2022. Rate of interest at 8.50% p.a to 8.80% p.a. (31 March 2021- 8.80% p.a. to 10.15% p.a)"
ii) ₹125.00 crores (31 March 2021 : ₹150.00 crores) are secured primarily by first pari-passu charge on immovable fixed assets of the Company excluding those provided under schedule IV of the Memorandum of Entry dated 14 December 2020 executed in favor of bank, and first pari-passu charge on VAT/SGST Receivables.	Repayable in 6 equal half yearly installments amounting to ₹25.00 crores each repayment of which commenced from 25 October 2021 onwards, of which 5 equal half yearly installments amounting to ₹25.00 crores each is outstanding as on 31 March 2022. Rate of interest at 8.25% p.a. to 9.96% p.a (31 March 2021- 9.96% p.a)"
iii) ₹60.36 crores (31 March 2021 : ₹71.00 crores) are secured primarily by first pari-passu charge on entire immovable fixed assets of the Company excluding those provided under schedule III of the Memorandum of Entry dated 06 May 2021 executed in favor of bank, and first pari-passu charge on VAT/SGST Receivables.	Repayable in 3 equal yearly installments each aggregating to ₹10.65 crores repayment of which commenced on various dates from June 2021 and July 2021 and 1 yearly installment aggregating to ₹39.06 crores in June 2024 and July 2024, of which 2 equal yearly installments amounting to ₹10.65 crores each and 1 yearly installment aggregating to ₹39.06 crores is outstanding as on 31 March 2022. Rate of interest at 7.75% p.a to 9.75% p.a (31 March 2021- 9.75% p.a)
iv) ₹11.26 crores (31 March 2021 : nil) are secured by Stand By Letter of Credit (SBLC) by promotor group company.	Repayable in 16 quarterly yearly installments aggregating to ₹0.42 crores each in FY 2024-25, ₹0.70 crores each in FY 2025-26, ₹0.85 crores each in FY 2026-27, ₹0.85 crores each in FY 2027-28, rate of interest at 6.25% p.a to 6.46% p.a.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

Reconciliation of movements of liabilities to cash flows arising from financing activities:

Borrowings:

	As at 31 March 2022		As at 31 March 2021	
	Non-current borrowings*	Current borrowings**	Non-current borrowings*	Current borrowings**
Balance at beginning of the year	306.50	71.18	378.50	92.87
Proceeds from non-current borrowings	11.26	-	-	-
Repayment of non-current borrowings	(73.64)	-	(72.00)	-
Movement in short-term borrowings [net]	-	(21.19)	-	(21.69)
Balance as at the end of the year	244.12	49.99	306.50	71.18

Lease liabilities:

	As at 31 March 2022	As at 31 March 2021
Balance at beginning of the year	17.49	21.56
Additions during the year	19.22	-
Payment of lease liabilities	(6.58)	(5.92)
Interest expense	1.78	1.85
Balance as at the end of the year	31.91	17.49

Interest accrued on borrowings

	As at 31 March 2022	As at 31 March 2021
Balance at beginning of the year	0.17	10.37
Finance costs paid	(59.13)	(74.27)
Finance costs debited to Statement of Profit and Loss (excluding interest on lease liabilities covered above)	60.10	64.07
Balance as at the end of the year	1.14	0.17

* Non-current borrowings includes current maturity of ₹98.65 crores (31 March 2021 : ₹73.65 crores).

** Refer note 21

19. Lease liabilities

	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Lease liabilities [refer note 42]*	26.16	12.46	5.75	5.03
Total	26.16	12.46	5.75	5.03

* Refer note 18 for movement of lease liabilities

20. Provisions

	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits				
Provision for gratuity [refer note 38]*	22.44	19.33	1.72	1.51
Provision for compensated absences [refer note 38]*	14.46	12.15	3.27	2.81
Others				
Provision for contingencies [refer note 35]**	-	-	38.30	38.30
Total	36.90	31.48	43.29	42.62

* Includes amounts due to Key Managerial Personnel [refer note 44]

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

** Movement in provision for contingencies

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	38.30	54.02
Less : Provision reversed during the year	-	(15.72)
Balance at the end of the year	38.30	38.30

21. Current borrowings

	As at 31 March 2022	As at 31 March 2021
Secured loan		
Short-term loans from banks	49.99	71.18
Current maturities of long-term borrowings (refer note 18)	98.65	73.65
Total	148.64	144.83

Note:

Details of rate of interest, terms of repayment and security for short-term loans from banks:

- Short-term loans from banks amounting to nil [31 March 2021: ₹35.50 cores] are secured by first pari-passu charge on current assets of the Company excluding the current assets pertaining to SGST/VAT incentive receivable from Government of Maharashtra and second pari-passu charge on the Company's entire present and future block of assets, excluding those provided under schedule IV of the Memorandum of Entry dated 14 December 2020 and those provided under schedule III of the Memorandum of Entry dated 06 May 2021 in favour of respective banks. These are repayable within 6 months and carry an interest rate in the range from 8.25% p.a. to 8.50% p.a [31 March 2021 - 8.25% p.a. to 8.50% p.a].
- ₹49.99 crores [31 March 2021: ₹35.68 crores] is backed by Stand By Letter of Credit (SBLC) by promotor group company, carry interest rate of 6.25% p.a [31 March 2021 - 6.25% p.a].

22. Trade payables

	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of micro enterprises and small enterprises [refer note 39]	5.72	1.56
Total outstanding dues of creditors other than micro enterprises and small enterprises##	994.62	852.44
	1,000.34	854.00

Includes amounts due to related entities [refer note 44]

182.65

50.44

* Includes acceptances/arrangements with operational suppliers of goods and services where the Company continues to recognise the liability till settlement with the banks.

Trade payables ageing schedule as at 31 March 2022 and 31 March 2021

31 March 2022	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	
Undisputed trade payables						
Outstanding due to micro enterprises and small enterprises	5.72	-	-	-	-	5.72
Others	961.91	22.39	0.29	0.88	9.15	994.62
Disputed trade payables						
Outstanding due to micro enterprises and small enterprises	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total trade payables	967.63	22.39	0.29	0.88	9.15	1,000.34

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

31 March 2021	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	
Undisputed trade payables						
Outstanding due to micro enterprises and small enterprises	1.56	-	-	-	-	1.56
Others	823.08	16.44	1.52	0.20	11.20	852.44
Disputed trade payables						
Outstanding due to micro enterprises and small enterprises	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total trade payables	824.64	16.44	1.52	0.20	11.20	854.00

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

23. Other financial liabilities

	As at 31 March 2022	As at 31 March 2021
Interest accrued and not due on borrowings	1.14	0.17
Book overdraft	4.96	3.71
Unclaimed dividends [refer note 1 below]	0.15	0.22
Forward cover payable	1.17	-
Payable to employees	15.52	8.77
Creditors towards property, plant and equipment	2.97	2.20
Total	25.91	15.07

Note:

1. There are no amounts due for payment to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013 as at the year end.

24. Other current liabilities

	As at 31 March 2022	As at 31 March 2021
Advances from customers*	11.52	19.17
Statutory dues	8.30	2.13
Others	0.56	0.59
Total	20.38	21.89

* Includes amounts due to related entities [refer note 44] 0.01 10.91

25. Revenue from operations

	For the year ended 31 March 2022	For the year ended 31 March 2021
Disaggregated revenue information		
Sale of products [refer notes below]		
Finished goods		
Domestic	2,902.04	1,620.46
Export	1,012.80	429.24
Traded goods	16.92	1.14
	3,931.76	2,050.84
Less: Rebates and discounts to customers	164.65	90.18
Sub-total (A)	3,767.11	1,960.66
Other operating income		

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

	For the year ended 31 March 2022	For the year ended 31 March 2021
Scrap sales	15.48	8.54
GST refund	112.32	48.33
Interest from customers	1.43	1.75
Others	4.79	3.51
Sub-total (B)	134.02	62.13
Total (A+B)	3,901.13	2,022.79

Notes:

i) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Gross sale of products	3,938.61	2,053.05
Less : Adjustment on account of returns	6.85	2.24
Less : Adjustment on account of discounts and price differences	164.65	90.15
	3,767.11	1,960.66

ii) Contract balances

Advance from customers [refer note 24]*	11.52	19.17
-----------------------------------------	-------	-------

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	16.98	5.50
b. Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous period	-	-

* The significant decrease in contract liabilities in FY 2021-2022 is mainly due to ₹10.91 crores advance received from related parties during the previous year, for which revenue has been recognised in the current year.

26. Other income

	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income		
from banks	0.33	0.53
from others	2.93	1.50
Gain on sale of property, plant and equipment	0.01	-
Other non operating income		
Unwinding of discount on security deposits	0.21	0.19
Fair valuation of investments through profit and loss	0.04	0.01
Liabilities/provisions no longer required, written back	-	16.47
Others	2.77	2.10
Total	6.29	20.80

27. Cost of materials consumed

	For the year ended 31 March 2022	For the year ended 31 March 2021
Category of materials consumed		
Purified terephthalic acid	2,079.74	1,013.86
Mono ethylene glycol	682.54	354.35
Others	98.73	61.51
Total	2,861.01	1,429.72

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

28. Purchase of stock in trade

	For the year ended 31 March 2022	For the year ended 31 March 2021
Purchase of stock-in-trade	15.61	1.65
Total	15.61	1.65

29. Changes in inventories of finished goods and work-in-progress

	For the year ended 31 March 2022	For the year ended 31 March 2021
Closing stock		
Finished goods	154.66	119.21
Work-in-progress	27.29	17.39
Waste	0.72	4.15
	182.67	140.75
Opening stock		
Finished goods	119.21	128.56
Work-in-progress	17.39	5.92
Waste	4.15	5.56
	140.75	140.04
	(41.92)	(0.71)
Write down of inventory, considered as exceptional item [refer note 45]	-	(11.63)
	(41.92)	(12.34)

30. Employee benefits expense

	For the year ended 31 March 2022	For the year ended 31 March 2021
Salary, wages and bonus	99.06	81.60
Contribution to provident and other funds [refer note 38(a)]	4.89	4.30
Staff welfare expenses	3.70	4.05
Total	107.65	89.95

31. Other expenses

	For the year ended 31 March 2022	For the year ended 31 March 2021
Consumption of stores and spares	49.64	41.77
Power and fuel	221.75	153.83
Rent and hire charges [refer note 42]	9.28	7.01
Repairs and maintenance	23.24	21.17
Insurance	6.91	5.10
Less : recovery	1.53	0.92
Rates and taxes	3.00	3.75
Packing materials consumed	101.96	57.57
Freight and forwarding charges	172.25	73.85
Less : recovery	14.20	9.57

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

	For the year ended 31 March 2022	For the year ended 31 March 2021
Brokerage and commission	8.45	4.53
Commission to chairman and managing director	4.50	-
Directors' sitting fees	0.21	0.30
Legal and professional charges*	11.39	5.15
Corporate social responsibility expenses (refer note 46)	0.05	0.07
Debts/advances/other assets written off	5.71	14.79
Loss on disposal/discard of property, plant and equipment	-	0.19
Capital work in progress written off	0.17	-
Contract labour cost	24.43	18.27
Miscellaneous expenses	29.17	24.45
	656.38	421.31
* Includes payment to auditors		
As auditor:		
Audit fee	0.38	0.36
Other services	0.19	0.15
Out of pocket expenses	0.03	0.02
	0.60	0.53

32. Depreciation and amortisation expense

	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on property, plant and equipment [refer note 2]	25.22	28.37
Amortisation on right of use assets [refer note 3]	5.66	5.34
Amortisation on intangible assets [refer note 5]	0.19	0.07
Total	31.07	33.78

33. Finance costs

	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest		
term loans	26.00	32.65
short-term loans	13.18	10.57
lease liabilities [refer note 42]	1.78	1.85
remeasurement of actuarial interest cost [refer note 38]	2.39	2.07
others	5.59	12.90
Other borrowing costs	12.94	5.88
Total	61.88	65.92

34. Earning per share

	For the year ended 31 March 2022	For the year ended 31 March 2021
Net profit attributable to the equity shareholders (A)	268.19	112.78
Number of equity shares at the beginning of the year (absolute)	261,113,151	261,113,151
Total number of shares outstanding at the end of the year (absolute)	261,113,151	261,113,151
Weighted-average number of equity shares (B) (absolute)	261,113,151	261,113,151
Earnings per share (₹) (A/B)- basic and diluted	10.27	4.32
Nominal value of equity share (₹)	10.00	10.00

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

35. Contingent liabilities

	As at 31 March 2022	As at 31 March 2021
There are contingent liabilities in respect of:		
a) Claims against the Company not acknowledged as debt # [refer note 1 below]		
Income tax matters under dispute	5.17	3.39
Excise/customs/service tax matters in dispute/under appeal [gross of amount paid under protest amounting to ₹3.31 crores (31 March 2021 : ₹3.18 crores)]	46.09	46.47
Sales tax/value added tax matters in dispute/under appeal [gross of amount paid under protest amounting to ₹0.54 crores (31 March 2021 : ₹0.54 crores)]	6.32	5.26
Others under dispute* [gross of amount paid under protest amounting to ₹14.93 crores (31 March 2021 : ₹14.93 crores)]	22.91	22.91
	80.49	78.03
b) Other money for which the Company is contingently liable # [refer note 1 below]		
Claims by ex-employees, vendors, customers and civil cases	1.74	1.92
	1.74	1.92

* Matter under dispute with Maharashtra State Electricity Distribution Company Limited and is pending for hearing with Nagpur bench, Bombay High Court.

It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of respective proceedings.

Notes:

- (i) Out of the above litigations, the Company has provided ₹38.30 crores (31 March 2021 : ₹38.30 crores) against various litigations and remaining contingent liabilities is ₹43.93 crores (31 March 2021 : ₹41.65 crores).
- (ii) Hon'ble Supreme Court of India has pronounced a ruling dated 28 February 2019 in which it is held that 'allowance' paid to employees, will be included in the scope of 'basic wages' and thus, will be subject to provident fund contributions. Petitions have been filed with Hon'ble Supreme Court of India seeking additional clarification with respect to the application of this ruling. As this ruling has not prescribed any clarification w.r.t. to its application, the Company is in the process of evaluating its impact. Management believes that this will not result in any material liability on the Company.
- (iii) Customs duty claims (including penalties) against the Company aggregating to ₹220.26 crores (31 March 2021 : ₹220.26 crores) have not been considered contingent as favourable orders have been received, in some of the cases, by the Company from the Custom Excise and Service Tax Appellate Tribunal. The Company believes that its position is strong in this regard. The matter is pending with the Hon'ble Supreme Court.

Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities."
- (iv) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its standalone financial statements. The Company also believes that the above issues, when finally settled, are not likely to have any significant impact on the financial position of the Company. The Company does not expect any reimbursements in respect of the above contingent liabilities.

36. Capital commitments and other commitments

	As at 31 March 2022	As at 31 March 2021
a) Capital commitments- Estimated amount of contracts remaining to be executed on capital account and not provided for [net of capital advances]	95.31	18.91

b) The Company has commitments to export 22,632 MT [31 March 2020 : 37,789 MT] of finished goods as per foreign trade policy pursuant to import of duty free material under advance license scheme.

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

37. Assets under charge

	As at 31 March 2022	As at 31 March 2021
The carrying amounts of assets under charge for current and non-current borrowings are:		
Current assets		
Financial assets		
Floating charge		
Investments	0.05	0.07
Trade receivables	184.42	105.21
Cash and cash equivalents	2.10	2.42
Bank balances other than cash and cash equivalents	6.51	5.62
Loans	1.01	1.09
Other financial assets	211.31	189.44
Non financial assets		
Floating charge		
Inventories	525.48	387.00
Other current assets	82.30	57.46
Total current assets under charge	1,013.18	748.31
Non-current assets		
Financial assets		
First charge		
Non-current bank balances	0.41	1.18
Non financial assets		
First charge		
Property, plant and equipment*	497.07	672.64
Capital work-in-progress	32.25	8.80
Other non-current assets	11.08	5.72
Total non-current assets under charge	540.81	688.34

*As at 31 March 2022, excludes assets amounting to ₹171.32 crores as provided under schedule IV of the Memorandum of Entry dated 14 December 2020 and those provided under schedule III of the Memorandum of Entry dated 06 May, 2021 executed in favor of banks by the Company.

38. Employee benefits

a) Defined contribution plan

An amount of ₹4.63 crores [31 March 2021 : ₹4.07 crores] for the year has been recognised as an expense in respect of the Company's contributions towards Provident Fund, an amount of ₹0.14 crores [31 March 2021 : ₹0.13 crores] for the year has been recognised as an expense in respect of Company's contributions towards Employee State Insurance and an amount of ₹0.12 crores [31 March 2021 : ₹0.10 crores] for the year has been recognised as an expense in respect of the Company's contributions towards National Pension Scheme, which are deposited with the government authorities and have been included under employee benefit expenses in the Statement of Profit and Loss.

b) Defined benefit plan

1) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

	As at 31 March 2022	As at 31 March 2021
(i) Changes in present value obligation		
Present value obligation as at the start of the year	20.84	17.39
Interest cost	1.39	1.17
Current service cost	1.33	1.17
Actuarial loss/(gain) on obligation	1.46	2.05
Benefits paid	(0.86)	(0.94)
Present value obligation as at the end of the year	24.16	20.84
(ii) Net liability recognised in the Balance Sheet		
Current liabilities	(1.72)	(1.51)
Non-current liabilities	(22.44)	(19.33)
Net liability in the Balance Sheet	(24.16)	(20.84)
(iii) Amount recognized in the statement of profit and loss		
	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	1.33	1.17
Interest cost	1.39	1.17
Expense recognised in the statement of profit and loss	2.72	2.34
(iv) Re-measurements recognised in the statement of other comprehensive income (OCI)		
	As at 31 March 2022	As at 31 March 2021
Changes in financial assumptions	(1.46)	(2.05)
Amount recognised in other comprehensive income	(1.46)	(2.05)
(v) Actuarial assumptions		
	As at 31 March 2022	As at 31 March 2021
Discount rate (p.a.)	7.14%	6.67%
Salary escalation rate (p.a.)	4.50%	3.00%
Withdrawal rates		
Upto 30 years	4.00%	4.00%
From 31 to 44 years	3.00%	3.00%
Above 44 years	1.00%	1.00%
Retirement age	58 years	58 years
Mortality rate	Indian Assured Lives Mortality (2012-14) (modified) Ultimate	Indian Assured Lives Mortality (2012-14) (modified) Ultimate

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

The above defined benefit plan exposes the Company to following risks:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

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 31 March 2022	As at 31 March 2021
The sensitivity of the overall plan obligations to changes in the weighted key assumptions are:		
Present value of obligation at the end of the year		
Impact of the change in discount rate (p.a.)		
Impact due to decrease of 0.50%	0.88	0.81
Impact due to increase of 0.50%	(0.84)	(0.77)
Impact of change in salary escalation rate (p.a.)		
Impact due to increase of 0.50%	0.90	0.83
Impact due to decrease of 0.50%	(0.86)	(0.80)

(vii) Expected future cash flows

	As at 31 March 2022	As at 31 March 2021
The expected future cash flows in respect of gratuity (undiscounted) were as follows:		
Year 1	1.72	1.51
Year 2	1.52	0.89
Year 3	1.25	1.28
Year 4	1.53	0.98
Year 5	1.32	1.28
Year 6	1.56	1.06
Year 6 onwards	15.26	13.84
Total	24.16	20.84

(viii) Expected contribution

The expected future employer contributions for defined benefit plan ₹3.14 crores as at 31 March 2022 [31 March 2021 : ₹2.58 crores].

c) Other long-term employee benefits

An amount of ₹3.59 crores [31 March 2021 : ₹2.71 crores] pertains to expense towards compensated absences.

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

39. 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 31 March 2022	As at 31 March 2021
Principal amount remaining unpaid	5.72	1.56
Interest due thereon	0.20	0.15
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	41.01	20.35
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
Interest accrued and remaining unpaid as at end of the year	0.73	0.53
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.	-	-

40. Segment information

Basis of segmentation:

The Company's primary business segment is reflected based on principal business activities carried on by the Company. Chairman and Managing Director has been identified as being the Chief Operating Decision Maker ('CODM') and evaluates the Company's performance and allocates resources based on analysis of the various performance indicators of the Company as a single unit. As per Indian Accounting Standard 108, Operating Segments, as notified under the Companies (Indian Accounting Standards) Rules 2015, the Company operates in one reportable business segment i.e., manufacturing and trading of polyester goods.

Geographical information:

The geographical information analyses the Company's revenue and trade receivables from such revenue in India and other countries. In presenting the geographical information, segment revenue and receivables has been based on the geographic location of customers.

a) Revenue:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Domestic	2,888.33	1,593.55
Overseas*	1,012.80	429.24
Total	3,901.13	2,022.79
*Revenue from overseas countries:		
Turkey	284.81	83.54
Nepal	235.68	106.89
Bangladesh	3.50	62.88
Egypt	72.11	9.05
Other overseas countries	416.70	166.88

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

b) Trade receivables:

	As at 31 March 2022	As at 31 March 2021
Domestic	88.62	52.35
Overseas*	95.80	52.86
Total	184.42	105.21
*Trade receivables from overseas countries:		
Turkey	31.22	7.32
Nepal	31.14	22.61
Bangladesh	0.12	6.95
Egypt	3.79	9.05
Other overseas countries	29.53	6.93
Total	95.80	52.86

c) Non-current assets:

	As at 31 March 2022	As at 31 March 2021
Domestic*	776.22	729.42
Overseas	-	-
Total	776.22	729.42

*excluding deferred tax and income tax assets

Note:

1. Gross revenues from none of the customer [31 March 2021 : none] exceed 10% or more of the Company's total gross revenue.

41. 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

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 2022	Carrying value				Fair value hierarchy		
	FVTPL*	FVOCI#	Amortized Cost	Total	Level 1	Level 2	Level 3
Financial assets							
Trade receivables	-	-	184.42	184.42	-	-	-
Cash and cash equivalents	-	-	2.10	2.10	-	-	-
Bank balances other than cash and cash equivalents	-	-	6.51	6.51	-	-	-
Loans	-	-	1.01	1.01	-	-	-
Other financial assets	-	-	215.76	215.76	-	-	-
Investments**	0.05	-	-	0.05	0.05	-	-
Total	0.05	-	409.80	409.85	0.05	-	-
Financial liabilities							
Borrowings	-	-	294.11	294.11	-	-	-
Trade payables	-	-	1,000.34	1,000.34	-	-	-
Other financial liabilities	-	-	25.91	25.91	-	-	-
Lease liabilities	-	-	31.91	31.91	-	-	-
Total	-	-	1,352.27	1,352.27	-	-	-

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

As at 31 March 2021	Carrying value				Fair value hierarchy		
	FVTPL*	FVOCI#	Amortized Cost	Total	Level 1	Level 2	Level 3
Financial assets							
Trade receivables	-	-	105.21	105.21	-	-	-
Cash and cash equivalents	-	-	2.42	2.42	-	-	-
Bank balances other than cash and cash equivalents	-	-	5.62	5.62	-	-	-
Loans	-	-	1.09	1.09	-	-	-
Other financial assets	-	-	194.18	194.18	-	-	-
Investments**	0.07	-	-	0.07	0.07	-	-
Total	0.07	-	308.52	308.59	0.07	-	-
Financial liabilities							
Borrowings	-	-	377.68	377.68	-	-	-
Trade payables	-	-	854.00	854.00	-	-	-
Other financial liabilities	-	-	15.07	15.07	-	-	-
Lease liabilities	-	-	17.49	17.49	-	-	-
Total	-	-	1,264.24	1,264.24	-	-	-

*Fair value through profit and loss

#Fair value through other comprehensive income

** Investment in equity shares of subsidiaries, carried at cost have not been disclosed in the statement above

Notes:

1. The amortised cost of all financial assets and liabilities approximate to the fair values on the respective reporting dates.
2. There have been no transfers between Level 1, Level 2 and Level 3 for the years ended 31 March 2022 and 31 March 2021.

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 carrying amounts of financial assets represent the maximum credit risk exposure.

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

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 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 2022		As at 31 March 2021	
	Gross carrying amount	Expected credit loss	Gross carrying amount	Expected credit loss
Less than 180 days	181.07	-	100.43	-
More than 180 days	59.99	56.64	62.58	57.80
Total	241.06	56.64	163.01	57.80

The movement in the allowance for impairment in respect of trade receivables and loans is as follows:

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	57.80	55.36
Expected credit loss during the year [net of reversal]	(1.16)	2.44
Balance at the end of the year	56.64	57.80

(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.

Details of undrawn facilities of the Company from bank (fund based as well as non fund based):

Particular	As at 31 March 2022	As at 31 March 2021
Term loan and working capital loan	290.99	53.19
Total	290.99	53.19

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

As at 31 March 2022	On demand	Less than 1 year	1- 5 years	More than 5 years	Total
Non current borrowings*	-	98.65	142.08	3.39	244.12
Trade payables	-	1,000.34	-	-	1,000.34
Current borrowings*	-	49.99	-	-	49.99
Lease liabilities	-	7.80	15.84	23.37	47.01
Other financial liabilities	-	25.91	-	-	25.91
Total	-	1,182.69	157.92	26.76	1,367.37

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

As at 31 March 2021	On demand	Less than 1 year	1- 5 years	More than 5 years	Total
Non current borrowings*	-	73.65	232.85	-	306.50
Trade payables	-	854.00	-	-	854.00
Current borrowings*	-	71.18	-	-	71.18
Lease liabilities	-	6.44	13.41	1.12	20.97
Other financial liabilities	-	15.07	-	-	15.07
Total	-	1,020.34	246.26	1.12	1,267.72

* excluding contractual interest payable at prevalent/agreed rate of interest.

The Company has secured bank loans that contains certain loan covenants. A future breach of covenant may require the Company to repay the loan earlier than indicated in the above table. Covenants are monitored on regular basis by the treasury department and regularly reported to management to ensure compliance with the agreement. Further, there have been no default in repayment of loan and no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

(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, Japanese Yen and Euro. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date, as and when required.

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 2022	31 March 2021
Variable rate borrowings	294.11	377.68
Total borrowings	294.11	377.68

Sensitivity

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

Particulars	31 March 2022	31 March 2021
Interest sensitivity*		
Interest rates – increase by 100 basis points (31 March 2021: 100 basis points)	2.94	3.78
Interest rates – decrease by 100 basis points (31 March 2021: 100 basis points)	-2.94	-3.78

* Holding all other variables constant

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure

Below is the overall exposure of the deposits:

Particulars	31 March 2022	31 March 2021
Fixed deposits	6.77	6.58
Total deposits	6.77	6.58

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:

Particulars	As at 31 March 2022			
	Currency	Amount in foreign currency (in million)	Exchange rate (in ₹)	Amount (in ₹ crores)
Trade payables	USD	40.59	75.80	307.66
	Euro	0.01	84.24	0.08
	JPY	91.97	0.62	5.72
Trade receivables	USD	(12.65)	75.79	(95.87)
Exposure in respect of recognised assets and liabilities				217.59

Particulars	As at 31 March 2021			
	Currency	Amount in foreign currency (in million)	Exchange rate (in ₹)	Amount (in ₹ crores)
Trade payables	USD	46.11	73.12	337.15
	Euro	0.02	85.80	0.19
	JPY	69.37	0.66	4.58
Trade receivables	USD	(7.23)	73.11	(52.86)
Exposure in respect of recognised assets and liabilities				289.06

(ii) Hedged foreign currency risk exposure:

Particulars	As at 31 March 2022			
	Currency	Amount in foreign currency (in million)	Strike Rate (in ₹)	Hedged Amount (in ₹ crores)
Forward contract				
To take protection against movement in foreign exchange rates in respect of receivable against exports	USD	0.93	77.32	7.19
To take protection against movement in foreign exchange rates in respect of payables against Imports	USD	22.24	76.65	170.50

Particulars	As at 31 March 2021			
	Currency	Amount in foreign currency (in million)	Strike Rate (in ₹)	Hedged Amount (in ₹ crores)
Forward contract				
To take protection against movement in foreign exchange rates in respect of receivable against exports	USD	-	-	-

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR, USD, JPY and Euro against all other currencies at year end would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Currency (changes in currency value by 5%)		As at 31 March 2022		As at 31 March 2021	
		Increase in profit	Decrease in profit	Increase in profit	Decrease in profit
USD	5% movement	10.59	(10.59)	14.22	(14.22)
Euro	5% movement	0.01	(0.01)	0.01	(0.01)
JPY	5% movement	0.28	(0.28)	0.23	(0.23)

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.

Particulars	As at 31 March 2022	As at 31 March 2021
Total liabilities	1,452.84	1,360.23
Less: cash and cash equivalents	2.10	2.42
Adjusted net debt	1,450.74	1,357.81
Total equity	599.18	333.09
Adjusted net debt to equity ratio	2.42	4.08

42. Leases

Lease liabilities are presented in the statement of financial position as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Current	5.75	5.03
Non-current	26.16	12.46
	31.91	17.49

The lease liabilities recognised in current year have average incremental borrowing rate of 8%.

The following are amounts recognised in profit or loss :

Particulars	31 March 2022	31 March 2021
Depreciation expense of right-of-use assets	5.66	5.34
Interest expense on lease liabilities	1.78	1.85
Rent expense*	9.28	7.01
Total	16.72	14.20

*Rent expense in term of short-term leases and low value leases

The Company has leases for office premises, residential properties and storage facilities. With the exception of short-term leases and low value leases, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. The Company is prohibited from selling or pledging the underlying leased assets as security.

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use asset	No of right-of-use assets leased	Range of remaining term (in years)	Average remaining lease term	No of leases with extension options	No of leases with termination options
Buildings					
- 31 March 2022	4	1-15 years	5.30	3	-
- 31 March 2021	3	3-7 years	3.20	2	-

The maturity analysis of lease liabilities are disclosed in note 41.

Lease payments not recognised as a liability

The Company has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The Company does not have any liability to make variable lease payments for the right-to-use the underlying asset recognised in the financials.

The expense relating to payments not included in the measurement of the lease liability for short-term leases and leases of low value is ₹9.28 crores (31 March 2021 : ₹7.01 crores).

At 31 March 2022, the Company was committed to short term-leases and leases of low value, and the total commitment as at that date was ₹4.83 crores (31 March 2021 : ₹5.24 crores).

Total cash outflow for short term-leases and leases of low value for the year ended 31 March 2022 was ₹9.28 crores (31 March 2021 : ₹7.23 crores).

Total cash outflow for leases for the year ended 31 March 2022 was ₹15.86 crores (31 March 2021 : ₹12.93 crores).

43. Particulars of investments made as required by clause (4) of Section 186 of the Companies Act, 2013 and as required by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been given under the investment schedule. Refer note 6(a).

44. Related party disclosure

a) Disclosure of related parties and relationship between the parties

Nature of relationship	Name of related party
i) Key managerial personnel	Mr. Om Prakash Lohia [Chairman and Managing Director ('CMD')]
	Mr. Vishal Lohia [Whole Time Director ('WTD')]
	Mrs. Urmila Lohia [Relative of CMD]
	Mr. Alope Lohia [Relative of CMD]
	Mrs. Ritika Kumar [Relative of CMD]
	Mrs. Rimple Lohia [Relative of WTD]
	Mr. Udey Paul Singh Gill [Non-Executive Non-Independent Director] [appointed w.e.f. 3 April 2019 till 20 January 2021]
	Mr. Dhanendra Kumar [Non-Executive Independent Director]
	Mr. Dilip Kumar Agarwal [Non-Executive Non-Independent Director] [appointed w.e.f. 20 January 2021]
	Mr. M N Sudhindra Rao [Chief Executive Officer]
	Mr. Hemant Balkrishna Bal [{Whole Time Director ('WTD')} appointed w.e.f 30 October 2020]
	Ms. Ranjana Agarwal [Non-Executive Independent Director]
	Mr. Suman Jyoti Khaitan [Non-Executive Independent Director]
	Mr. Dharampal Agarwal [Non-Executive Independent Director] [appointed w.e.f. 25 November 2021]
	Dr. Arvind Pandalai [Non-Executive Independent Director][resigned on 30 August 2021]
	Mr. Umesh Kumar Agrawal [Chief Commercial and Finance Officer]
	Mr. Susheel Kumar Mehrotra [Chief Finance Officer] [Ceased as Chief Finance Officer w.e.f. 13 January 2021]
	Mr. Pawan Kumar Thakur [Company Secretary]

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

Nature of relationship	Name of related party
ii) Other group entities over which Key Management Personnel and their relatives are able to exercise significant influence (with whom transaction have taken place)	Indorama Petrochem Limited
	Indorama Polyester Industries Public Company Limited
	Indorama India Private Limited
	TPT Petrochemicals Public Company Limited
	IVL Dhunseri Petrochem Industries Private Limited
	IRAMA Global Services Private Limited
	Trevira-Indorama Ventures Company
	PT. Indorama Polychem Indonesia
Indorama Ventures Global Services Ltd.	
iii) Enterprises having significant influence on the Company	Brookgrange Investments Limited
iv) Controlling Company	Indorama Netherlands BV [controlling company]*
	Indorama Ventures Public Company Limited [ultimate controlling company]
v) Subsidiary Company	Indorama Yarns Private Limited
	Indorama Ventures Yarns Private Limited [incorporated on 5 July 2021]

* INBV controls the Company through management control and also appointed additional Key Management Personnel in the Company, refer note 16.

**The Company and its subsidiary companies has availed of credit lines with the support of the promotor Group Company to the tune of USD 75 million [31 March 2021: USD 75 million] by way of Stand By Letter of Credit (SBL) to meet any unforeseen exigencies. Further, the Company has utilised credit lines towards fund based and non fund based facilities with the support of the promotor Group Company amounting to ₹341.08 crores [31 March 2021 : ₹292.46 crores].

b) Disclosure of transactions between the Company and its related parties	For the year ended 31 March 2022	For the year ended 31 March 2021
i) Other group entities over which Key Management Personnel and their relatives are able to exercise significant influence		
Purchases of goods and services		
Indorama India Private Limited	14.29	7.87
Indorama Petrochem Limited	419.02	78.95
TPT Petrochemicals Public Company Limited	5.52	-
IVL Dhunseri Petrochem Industries Private Limited	13.34	7.91
Trevira-Indorama Ventures Company	-	0.02
Indorama Polyester Industries Public Company Limited	0.32	-
Indorama Ventures Global Services Ltd.	5.53	-
Sale of goods and services		
Indorama Polyester Industries Public Company Limited	88.13	77.87
Indorama India Private Limited	-	0.71
Indorama Yarns Private Limited	20.77	1.06
IVL Dhunseri Petrochem Industries Private Limited	1.61	-
IRAMA Global Services Private Limited	0.35	-
ii) Controlling company		
Purchases of goods and services		
Indorama Ventures Public Company Limited	6.41	-

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

b) Disclosure of transactions between the Company and its related parties	For the year ended 31 March 2022	For the year ended 31 March 2021
iii) Key Managerial Personnel		
Remuneration		
Short-term employee benefits	14.97	9.24
Other long-term benefits	(0.07)	1.22
Post-employment defined benefit	0.06	0.11
	14.96	10.57
Other transactions [Non-executive independent director]		
Rent income	0.16	0.16
	0.16	0.16
Director sitting fees	0.21	0.30
	0.21	0.30

c) Disclosure of related parties year end balances	As at 31 March 2022	As at 31 March 2021
i) Other group entities over which Key Management Personnel and their relatives are able to exercise significant influence		
Trade payables		
Indorama India Private Limited	3.49	2.69
Indorama Petrochem Limited	178.37	47.75
Indorama Ventures Public Company Limited	0.79	-
Trade receivables		
Indorama Polyester Industries Public Company Limited	0.05	-
Indorama Yarns Private Limited	5.58	-
IRAMA Global Services Private Limited	0.35	-
Advance from customers		
Indorama India Private Limited	0.01	0.01
Indorama Polyester Industries Public Company Limited	-	10.90
ii) Key managerial personnel		
Provision for gratuity and compensated absences [based on actuarial valuation] (Employee benefits)	2.52	2.54
Employee payable	2.20	-

45. Exceptional item

The exceptional item for the year ended 31 March 2021 was towards significant write down in valuation of inventories below cost amounting to ₹11.63 crores which was on account of unprecedented decline in global crude oil prices as an outcome of Covid-19 Pandemic [31 March 2022: nil].

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

46. Corporate Social Responsibility

In accordance with the provisions of section 135 of the Companies Act 2013, the Board of Directors of the Company had constituted a Corporate Social Responsibility (CSR) committee. In terms with the provisions of the said Act, the Company is not required to spend any amount towards CSR activities during the current and previous year.

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) amount required to be spent by the Company during the year,	-	-
(b) amount of expenditure incurred,		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	0.05	0.07
(c) shortfall at the end of the year,	-	-
(d) total of previous years shortfall,	-	-
(e) reason for shortfall,	Not applicable	Not applicable
(f) nature of CSR activities	Note a	Note b
(g) details of related party transactions	Not applicable	Not applicable
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	Not applicable	Not applicable

Notes

a) the Company has made contribution towards Guardian Minister Assistance Fund Committee, Nagpur, Maharashtra

b) the Company has made contribution towards promotion of healthcare including preventive health care, disaster management and PM-Cares Fund to provide relief to those affected by emergency or distress situation of COVID-19.

47. In March 2020, World Health Organization (WHO) had declared the outbreak of Novel Corona virus "Covid-19" as a pandemic. Complying with the directives of Government, the plant and offices of the Company had been under lock-down impacting the operations for the previous year. However, the second wave of Covid-19 had resulted in re-imposition of partial lockdowns/restrictions, which impacted the Company's performance during the quarter ended 30 June 2021.

Post lifting of the lock down restrictions, the Company has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The Company does not foresee any significant incremental risk to the recoverability of its assets or in its ability to meet its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure. The management will continue to monitor any material change arising due to the impact of this pandemic on financial and operational performance of the Company and take necessary measures to address the situation.

48. Per transfer pricing legislation under section 92-92F of the Income-tax Act 1961, the Company is required to use certain specific methods in computing arm's length price of international transactions with associated enterprises and maintains adequate documentation in this respect. The legislations require that such information and documentation to be contemporaneous in nature. The Company has appointed independent consultants for conducting the Transfer Pricing Study to determine whether the transactions with associated

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

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

49. Ratio analysis and its elements

a) The following are analytical ratios for the year ended 31 March 2022 and 31 March 2021:

Particular	Note	As at 31 March 2022	As at 31 March 2021	Variance
(a) Current ratio	(i)	0.81	0.69	17.89%
(b) Debt equity ratio	(ii)	0.49	1.13	-56.71% ¹
(c) Debt service coverage ratio	(iii)	2.46	0.78	215.40% ²
(d) Return on equity ratio (%)	(iv)	58%	41%	41.70% ²
(e) Inventory turnover ratio	(v)	8.26	6.15	34.24% ³
(f) Trade receivable turnover ratio	(vi)	26.01	19.94	30.47% ³
(g) Trade payable turnover ratio	(vii)	3.37	2.43	38.45% ³
(h) Net capital turnover ratio	(viii)	-16.30	-5.85	178.59% ⁴
(i) Net profit ratio (%)	(ix)	7%	6%	23.76%
(j) Return on capital employed ratio (%)	(x)	44%	14%	222.98% ³
(l) Return on investment	(xi)	-	-	-

Reasons for variance

1. Lower ratio in the current year due to repayment of borrowings and higher earnings as compared to previous year
2. Increase in net profit in the current year in comparison to previous year resulting in improvement of ratio
3. Increase in business activity (increase in sales and corresponding net purchases) in comparison to previous year has resulted in improvement of ratio
4. Revenue growth along with increase in working capital has led to improvement in the ratio.

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 2022 and 31 March 2021 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 on sale of property, plant & equipment etc.
Debt service = interest & lease payments + principal repayments
"Net profit after tax" means reported amount of "profit / (loss) for the period" and it does not include items of other comprehensive income.
- (B) Capital employed = tangible net worth + total debt + deferred tax liability (asset)

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

50. 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 financial year.
- (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 year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- (h) The Company is not declared wilful defaulter by any bank or financial institution or government or any government authority.

51. Pursuant to changes notified in Schedule-III, during the year ended 31 March 2022, the Company has reclassified/regrouped certain previous year's balances.

52. The standalone financial statements were approved for issue by the board of directors on 28 April 2022.

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

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

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

Tarun Gupta
Partner
Membership No.: 507892

Place: Gurugram
Date: 28 April 2022

Om Prakash Lohia
Chairman and Managing Director
DIN: 00206807
Place: Gurugram
Date: 28 April 2022

Dhanendra Kumar
Director
DIN: 05019411
Place: New Delhi
Date: 28 April 2022

M N Sudhindra Rao
Chief Executive Officer
Place: Gurugram
Date: 28 April 2022

Umesh Kumar Agrawal
Chief Commercial and Financial Officer
Place: Gurugram
Date: 28 April 2022

Pawan Kumar Thakur
Company Secretary
Place: Gurugram
Date: 28 April 2022

Consolidated Financial Statements

Independent Auditor's Report

To the Members of Indo Rama Synthetics (India) Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Indo Rama Synthetics (India) Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure A, which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('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 consolidated state of affairs of the Group as at 31 March 2022, and their consolidated profit (including other comprehensive income), consolidated

cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, 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 consolidated 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.

Key Audit Matter(s)

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Recognition of deferred tax assets (Refer note 8 to the accompanying consolidated financial statements)</p> <p>As detailed in note 8 to the accompanying consolidated financial statements, the Holding Company has deferred tax assets (net) aggregating to ₹258.61 crores as at 31 March 2022.</p> <p>During the current year, the Holding Company has recognised deferred tax assets amounting to ₹50.08 crores on the basis of improved operational and market performance achieved during the year.</p> <p>The Holding Company's ability to recover the deferred tax assets is assessed by the management at the close of each financial year which depends on the forecasts of the future results and taxable profits that Holding Company expects to earn within the period by which such brought forward losses can be adjusted against the taxable profits as governed by the Income-tax Act, 1961.</p> <p>The projected cash flows involve key assumptions such as future growth rate and market conditions including considering impact of COVID-19 pandemic. Any change in these assumptions could have a material impact on the carrying value of deferred tax assets. These assumptions and estimates are judgmental, subjective and depend on the future market and economic conditions, including industry focused trade policies, materialization of the Holding Company's expansion plans.</p> <p>We have identified the recoverability of deferred tax assets recognised on carried forward tax losses and unabsorbed depreciation as a key audit matter for the current year audit considering the materiality of the amounts, complexities and significant judgments involved, as described above.</p>	<p>Our audit procedures in relation to the recognition of deferred tax assets included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Evaluated the design and tested the operating effectiveness of key controls implemented by the Holding Company over recognition of deferred tax assets based on the assessment of Holding Company's ability to generate sufficient taxable profits in foreseeable future allowing the use of deferred tax assets within the time prescribed by income tax laws. • Reconciled the future taxable profit projections to future business plans of the Holding Company as approved by the management. • Tested the assumptions used in the aforesaid future projections such as growth rates, expected saving, increased utilization of plants, etc. considering our understanding of the business, actual historical results, other relevant existing conditions, external data and market conditions, including the impact of COVID-19 pandemic on such assumptions. • Tested the arithmetical accuracy of the calculations including those related to sensitivity analysis performed by the management. • Performed independent sensitivity analysis to test the impact of possible variations in key assumptions. • Reviewed the historical accuracy of the cash flow projections prepared by the management in prior periods. • Evaluated management's assessment of time period available for adjustment of such deferred tax assets as per provisions of the Income-tax Act, 1961 and appropriateness of the accounting treatment with respect to the recognition of deferred tax assets as per requirements of Ind AS 12, Income Taxes. • Evaluated the appropriateness for additional recognition of deferred tax asset during the year. Evaluated the appropriateness and adequacy of the disclosures made in the consolidated financial statements in respect of deferred tax assets in accordance with applicable accounting standards.



Provisions and contingent liabilities relating to litigations (refer note 20 and note 36 to the accompanying consolidated financial statements)

As detailed in note 20 and note 36 to the consolidated financial statements, the Holding Company is exposed to a large number of litigations including matters pertaining to income tax and prior years' matters pertaining to excise, customs, sales tax, value added tax, service tax, etc., which could have a significant impact on the financial position of the Holding Company, if the potential exposures were to materialize.

Provision for such litigations amounts to ₹38.30 crores as at 31 March 2022 based on its estimate of the likelihood of such liability devolving upon the Holding Company.

The amounts involved are material and the application of accounting principles as given under Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets', in order to determine the amount to be recognised as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management.

The key judgements involved are with respect to the potential exposure of each litigation and the likelihood and/or timing of cash outflows from the Holding Company, and requires interpretation of laws and past legal rulings.

Considering the significant judgments, materiality of the amounts involved, inherent high estimation uncertainty and reliance on legal and tax experts, this matter has been identified as a key audit matter for the current year audit.

Our audit procedures in relation to the assessment of litigations and provisions included, but were not limited to, the following:

- Obtained an understanding of the management process for:
 - identification of legal and tax matters initiated against the Holding Company,
 - assessment of accounting treatment for each such litigation identified under Ind AS 37 accounting principles, and
 - measurement of amounts involved.
- Evaluated the design and tested the operating effectiveness of key controls around above process including for completeness and accuracy of the list of litigations outstanding against the Holding Company.
- Obtained understanding of the developments during the year in each existing litigation, and understanding of the new litigations initiated against the Holding Company during the year by inquiry with the management, inspection of case related documents such as notices, orders, etc. and correspondence of the Holding Company with their external counsels handling such matters on behalf of the Holding Company.
- Conducted a critical review of the assessment done by the management with the help of its legal and tax experts for the likelihood and potential impact of each litigations, examining the available supporting documents. Tested the independence, objectivity and competence of such experts involved.
- Exercised our professional judgment to assess the management's assessment of the potential likelihood of liability devolving upon the Holding Company with respect to each legal case.
- Involved auditor's experts to assess the Holding Company's interpretation and application of relevant tax laws to evaluate the appropriateness of key assumptions used and the reasonableness of estimates made in relation to uncertain tax positions, taking into account past precedents.
- Reviewed significant movements in provision with supporting documents.
- Tested the underlying calculations of amount of liability recognized and contingent liability disclosed in the consolidated financial statements.
- Evaluated the appropriateness and adequacy of disclosures made in the consolidated financial statements with respect to provisions and contingent liability in accordance with applicable accounting standards

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

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of

Directors. The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

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

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 consolidated financial statements.
11. 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors.
12. 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.
 13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act based on our audit, we report that the Holding Company have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that subsidiary companies have not paid or provided for



- any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of subsidiary companies.
16. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.
 17. As required by section 143(3) of the Act, based on our audit on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
 - c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
 - e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary companies and taken on record by the Board of Directors of the Holding Company and its subsidiary companies covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure B' wherein we have expressed an unmodified opinion; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on our audit of separate financial statement and other financial information of the subsidiaries:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 36 to the consolidated financial statements;
 - ii. The Holding Company and its subsidiary companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary companies, during the year ended 31 March 2022;
 - iv. a. The respective managements of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in note 49(e) to the consolidated 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 Holding Company or its subsidiary companies 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 Holding Company, or any such subsidiary companies ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The respective managements of the Holding Company and its subsidiary companies, incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the note 49(f) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies 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 by us, 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 Holding Company and its subsidiary companies have not declared or paid any dividend during the year ended 31 March 2022.

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

Tarun Gupta
Partner
Membership No.: 507892
UDIN: 22507892AIDJZA4236

Place: Gurugram
Date: 28 April 2022



Annexure A to the Independent Auditor's Report of even date to the members of Indo Rama Synthetics (India) Limited on the consolidated financial statements for the year ended 31 March 2022

List of entities included in the Statement

Holding Company

- a. Indo Rama Synthetics (India) Limited

Wholly owned subsidiaries

- a. Indorama Yarns Private Limited
- b. Indorama Ventures Yarns Private Limited (w.e.f. 5 July 2021)

Annexure B to the Independent Auditor's Report of even date to the members of Indo Rama Synthetics (India) Limited on the consolidated financial statements for the year ended 31 March 2022

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Indo Rama Synthetics (India) Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

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

2. The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the Act, are 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 internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance

Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

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



Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Tarun Gupta

Partner

Membership No.: 507892

UDIN: 22507892AIDJZA4236

Place: Gurugram

Date: 28 April 2022

Consolidated Balance Sheet

as at 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
a) Property, plant and equipment	2	673.23	675.75
b) Right of use assets	3	28.42	14.89
c) Capital work-in-progress	4	35.07	8.80
d) Intangible assets	5	0.56	0.08
e) Financial assets			
i) Investments	6	-	-
ii) Other financial assets	7	4.45	4.74
f) Deferred tax assets [net]	8	258.61	208.53
g) Non-current tax assets [net]	9	4.01	7.11
h) Other non-current assets	10	62.42	25.28
Total non-current assets		1,066.77	945.18
Current assets			
a) Inventories	11	543.07	402.89
b) Financial assets			
i) Investments	6	0.05	0.07
ii) Trade receivables	12	182.98	105.21
iii) Cash and cash equivalents	13	5.76	3.69
iv) Bank balances other than cash and cash equivalents	14	6.51	5.62
v) Loans	15	1.01	1.09
vi) Other financial assets	7	211.31	189.44
c) Other current assets	10	88.00	58.11
Total current assets		1,038.69	766.12
Total assets		2,105.46	1,711.30
Equity and liabilities			
Equity			
a) Equity share capital	16	261.11	261.11
b) Other equity	17	339.10	72.14
Total equity		600.21	333.25
Liabilities			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	18	172.95	232.85
ii) Lease liabilities	19	26.16	12.46
b) Deferred tax liabilities [net]	8	0.16	0.06
c) Provisions	20	36.90	31.48
Total non-current liabilities		236.17	276.85
Current liabilities			
a) Financial liabilities			
i) Borrowings	21	148.64	144.83
ii) Lease liabilities	19	5.75	5.03
iii) Trade payables	22		
- total outstanding dues of micro enterprises and small enterprises; and		5.72	1.68
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,018.41	869.36
iv) Other financial liabilities	23	26.60	15.43
b) Other current liabilities	24	20.65	22.25
c) Provisions	20	43.29	42.62
d) Current tax liabilities (net)	25	0.02	-
Total current liabilities		1,269.08	1,101.20
Total equity and liabilities		2,105.46	1,711.30

Notes 1 to 52 forms an integral part of these Consolidated financial statements

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

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of

Indo Rama Synthetics (India) Limited

Tarun Gupta

Partner

Membership No.: 507892

Place: Gurugram

Date: 28 April 2022

Om Prakash Lohia

Chairman and Managing Director

DIN: 00206807

Place: Gurugram

Date: 28 April 2022

Dhanendra Kumar

Director

DIN: 05019411

Place: New Delhi

Date: 28 April 2022

M N Sudhindra Rao

Chief Executive Officer

Place: Gurugram

Date: 28 April 2022

Umesh Kumar Agrawal

Chief Commercial and Financial Officer

Place: Gurugram

Date: 28 April 2022

Pawan Kumar Thakur

Company Secretary

Place: Gurugram

Date: 28 April 2022

Consolidated Statement of Profit and Loss

for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

Particulars	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
I Income			
Revenue from operations	26	4,038.08	2,042.89
Other income	27	6.33	20.82
Total income		4,044.41	2,063.71
II Expenses			
Cost of materials consumed	28	2,861.01	1,429.72
Purchases of stock-in-trade	29	150.36	36.34
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	(43.62)	(28.23)
Employee benefits expense	31	107.72	89.97
Other expenses	32	658.68	421.98
Expenses before depreciation and amortisation expense, finance costs, foreign exchange fluctuation gain and exceptional item		3,734.15	1,949.78
Profit before depreciation and amortisation expense, finance costs, foreign exchange fluctuation gain and exceptional item		310.26	113.93
Depreciation and amortisation expense	33	31.26	33.78
Finance costs	34	61.89	65.93
Foreign exchange fluctuation gain		(2.33)	(0.80)
Total expenses		3,824.97	2,048.69
III Profit before exceptional item and tax [I-II]		219.44	15.02
IV Exceptional item	45	-	11.63
V Profit before tax [III-IV]		219.44	3.39
VI Tax			
Current tax expense/(credit)		0.36	(11.53)
Deferred tax credit (net)	8	(49.98)	(98.46)
Total tax credit		(49.62)	(109.99)
VII Profit for the year [V-VI]		269.06	113.38
VIII Other comprehensive income (OCI)			
Items that will not be reclassified to income			
Re-measurement of defined benefit liability		(2.10)	(2.14)
Less: Income tax relating to remeasurement of defined benefit liability		-	-
Other comprehensive income for the year		(2.10)	(2.14)
IX Total comprehensive income for the year		266.96	111.24
X Earnings per equity share [nominal value of equity share ₹ 10]			
Basic and diluted	35	10.30	4.34

Notes 1 to 52 forms an integral part of these Consolidated financial statements

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

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of

Indo Rama Synthetics (India) Limited

Tarun Gupta

Partner

Membership No.: 507892

Place: Gurugram

Date: 28 April 2022

Om Prakash Lohia

Chairman and Managing Director

DIN: 00206807

Place: Gurugram

Date: 28 April 2022

Dhanendra Kumar

Director

DIN: 05019411

Place: New Delhi

Date: 28 April 2022

M N Sudhindra Rao

Chief Executive Officer

Place: Gurugram

Date: 28 April 2022

Umesh Kumar Agrawal

Chief Commercial and Financial Officer

Place: Gurugram

Date: 28 April 2022

Pawan Kumar Thakur

Company Secretary

Place: Gurugram

Date: 28 April 2022

Consolidated Statement of Cash Flows

for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A. Cash flow from operating activities		
Profit before tax	219.44	3.39
Add : Adjustment for non-cash and non-operating items		
Re-measurement gains on defined benefit plan	(2.10)	(2.14)
Depreciation and amortisation expense	31.26	33.78
(Gain)/loss on disposal/discard of property, plant and equipment	(0.01)	0.19
Capital work-in-progress written off	0.17	-
Finance costs	61.89	65.93
Interest income	(4.94)	(3.99)
Liabilities/provisions no longer required, written back	-	(16.47)
Debts/advances written off	5.71	14.79
Fair valuation of investments through profit and loss	(0.04)	(0.01)
Operating profit before working capital changes	311.38	95.47
Adjustments for movement in:		
Changes in trade receivables	(77.70)	(16.19)
Changes in other financial assets and loans	(27.69)	(0.81)
Changes in other assets	(35.18)	(4.65)
Changes in inventories	(140.18)	(152.35)
Changes in trade payables	153.09	326.47
Changes in provisions	6.09	3.81
Changes in other financial liabilities	9.20	2.34
Changes in other liabilities	(1.58)	(86.90)
Cash generated from operating activities	197.43	167.19
Income tax refund (net)	2.74	14.96
Net cash generated from operating activities [A]	200.17	182.15
B. Cash flow from investing activities		
Purchase of property, plant and equipment [including capital work-in-progress, capital advances and creditors for capital goods]	(80.16)	(25.93)
Proceeds from sale of property plant and equipment	0.17	-
Proceeds from sale of investments	0.06	-
Bank balances other than cash and cash equivalents [net]	(0.19)	4.61
Interest received	4.68	3.82
Net cash used in investing activities [B]	(75.44)	(17.50)
C. Cash flow from financing activities		
Repayment of non-current borrowings	(73.64)	(72.00)
Proceeds from non-current borrowings	38.74	-
Movement in current borrowings [net]	(21.19)	(21.69)
Payment of lease liabilities	(6.58)	(5.93)
Payment of unclaimed dividend	(0.07)	(0.08)
Finance costs paid	(59.92)	(74.28)
Net cash used in financing activities [C]	(122.66)	(173.98)
Net increase/(decrease) in cash and cash equivalents [A+B+C]	2.07	(9.33)
Cash and cash equivalents at the beginning of the year	3.69	13.02
Closing cash and cash equivalents (refer note 13)	5.76	3.69

Notes:

- The above statement of cash flows 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 18 for reconciliation of movements of liabilities to cash flows arising from financing activities in accordance with Ind AS-7.

Notes 1 to 52 forms an integral part of these Consolidated financial statements

This is the Consolidated statement of cash flows referred to in our report of even date

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

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

Tarun Gupta
Partner
Membership No.: 507892

Place: Gurugram
Date: 28 April 2022

Om Prakash Lohia
Chairman and Managing Director
DIN: 00206807
Place: Gurugram
Date: 28 April 2022

Dhanendra Kumar
Director
DIN: 05019411
Place: New Delhi
Date: 28 April 2022

M N Sudhindra Rao
Chief Executive Officer
Place: Gurugram
Date: 28 April 2022

Umesh Kumar Agrawal
Chief Commercial and Financial Officer
Place: Gurugram
Date: 28 April 2022

Pawan Kumar Thakur
Company Secretary
Place: Gurugram
Date: 28 April 2022



Consolidated Statement of Changes in Equity

for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

A. Equity share capital

Particulars	Balance as at 1 April 2021	Changes in equity share capital during the year	Balance As at 31 March 2022
Equity share capital	261.11	-	261.11

Particulars	Balance as at 1 April 2020"	Changes in equity share capital during the year	Balance As at 31 March 2021
Equity share capital	261.11	-	261.11

B. Other equity

Attributable to the equity holders

Particulars	Reserve and surplus					Total
	Capital reserve	Securities premium	General reserve	Retained earnings	Other comprehensive income	
Balance at 31 March 2020	20.38	447.59	58.13	(564.94)	(0.26)	(39.10)
Profit for the year	-	-	-	113.38	-	113.38
Other comprehensive income for the year	-	-	-	-	(2.14)	(2.14)
Balance at 31 March 2021	20.38	447.59	58.13	(451.56)	(2.40)	72.14
Profit for the year	-	-	-	269.06	-	269.06
Other comprehensive income for the year	-	-	-	-	(2.10)	(2.10)
Balance at 31 March 2022	20.38	447.59	58.13	(182.50)	(4.50)	339.10

Notes 1 to 52 forms an integral part of these Consolidated financial statements

This is the Consolidated statement of changes in equity referred to in our report of even date

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

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

Tarun Gupta
Partner
Membership No.: 507892

Place: Gurugram
Date: 28 April 2022

Om Prakash Lohia
Chairman and Managing Director
DIN: 00206807
Place: Gurugram
Date: 28 April 2022

Umesh Kumar Agrawal
Chief Commercial and Financial Officer
Place: Gurugram
Date: 28 April 2022

Dhanendra Kumar
Director
DIN: 05019411
Place: New Delhi
Date: 28 April 2022

Pawan Kumar Thakur
Company Secretary
Place: Gurugram
Date: 28 April 2022

M N Sudhindra Rao
Chief Executive Officer
Place: Gurugram
Date: 28 April 2022

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

1. (i) Corporate information

Indo Rama Synthetics (India) Limited (hereinafter referred to as 'the Company' or 'the Holding Company'), together with its subsidiary companies (collectively referred to as 'the Group') is a Public Company domiciled in India, with its registered office situated at A-31, MIDC Industrial Area, Butibori, Nagpur. The Company has been incorporated under the provisions of Companies Act, 1956 and its equity shares are listed on the National Stock Exchange of India Limited and BSE Limited. The Group is into the business of trading and manufacture of polyester filament yarn (PFY), polyester staple fibre (PSF), draw texturised yarn (DTY), specialty fiber and chips. It is setting up project to manufacture Polyester chips and Draw Texturised Yarn. The Group is also engaged in trading of spun yarn, and also engaged in power generation, which is used primarily intended for captive consumption.

Following are the details of the subsidiary consolidated in these financial statements:

Name of the entity	Country of incorporation	Principal activities	Interest (in %)	
			31 March 2022	31 March 2021
Indorama Yarns Private Limited	India	Trading of polyester/ Manufacture of Polyester chips	100%	100%
Indorama Ventures Yarns Private Limited [w.e.f 5 July 2021]	India	Manufacture of Draw Texturised Yarn	100%	-

(ii) Basis of preparation and presentation

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 (the 'Act') and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI).

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest crores and two decimals thereof, unless otherwise indicated.

Transactions and balances with values below the rounding off norm adopted by the Group have been reflected as "0" in the relevant notes in these consolidated financial statements.

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

The consolidated financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities (including derivatives instruments) at fair value, if any.
- Defined benefit liabilities are measured at present value of defined benefit obligation.
- Property, plant and equipment and intangible assets have been carried at deemed cost on the date of transition using the optional exemption allowed under Ind AS 101.
- Certain financial assets and liabilities at amortised cost.

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

a. Ind AS 109 Financial Instruments; Ind AS 107 Financial Instruments: Disclosures and Ind AS 116 Leases (amendments related to Interest Rate Benchmark Reform)

The amendment to Ind AS 109, provides a practical expedient for assessment of contractual cash flow test, which is one of the criteria for being eligible to measure a financial asset at amortized cost, for the changes in the financial assets that may arise as a result of Interest Rate Benchmark Reform. An additional temporary exception from applying hedge accounting is also added for Interest Rate Benchmark Reform.

The amendment to Ind AS 107, clarifies the certain additional disclosures to be made on account of Interest Rate Benchmark Reform:

- the nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform;
- the entity's progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition;
- the instruments exposed to benchmark reform disaggregated by significant interest rate benchmark along with qualitative information about the financial instruments that are yet to transition to alternative benchmark rate;
- changes to entity's risk management strategy.

The amendments introduced a similar practical expedient in Ind AS 116. Accordingly, while accounting for lease modification i.e. remeasuring the lease liability, in case this is required by interest rate benchmark reform, the lessee will use a revised discount rate that reflects the changes in the interest rate.

These amendments did not have any material impact on the financial statements of the Group.

b. Ind AS 116 Leases (amendment related to rent concessions arising due to COVID-19 pandemic)

The amendment to Ind AS 116 Leases extended the practical expedient introduced for financial year 2020-21 related to rent concessions arising due to Covid-19 pandemic, that provides an option to the lessee to choose that rent concessions for



Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

lease payments due on or before 30 June 2022 (from erstwhile notified date of 30 June 2021), arising due to COVID-19 pandemic ('COVID-19 rent related concessions') need not be treated as lease modification. The amendment did not have any material impact on financial statements of the Group.

c. Amendments consequent to issue of Conceptual Framework for Financial reporting under Ind AS (Conceptual Framework)

- Ind AS 102 Share Based Payments - Amended the definition of 'liabilities' to 'a present obligation of the entity to transfer an economic resource as a result of past events'.
- Ind AS 103 Business Combinations - The MCA clarified that for the purpose of this Ind AS, acquirers are required to apply the definitions of an asset and a liability given in the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards rather than the Conceptual Framework.
- Ind AS 114 Regulatory Deferral Accounts - The amendment added a footnote against the term 'reliable' used in the Ind AS 114. The footnote clarifies that term 'faithful representation' used in the Conceptual Framework encompasses the main characteristics that the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards called 'reliability'. However, for the purpose of this Ind AS, the term 'reliable' would be based on the requirements of Ind AS 8.
- Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets - The MCA clarified that the definition of term 'liability' in this Ind AS is not being revised following the revision of the definition of liability in the Conceptual Framework.
- Ind AS 38 Intangible Assets - The MCA clarified that the definition of an 'asset' in this Ind AS is not being revised following the revision of the definition of asset in the Conceptual Framework.
- Ind AS 106 Exploration for and Evaluation of Mineral Resources; Ind AS 1 Presentation of Financial Statements; Ind AS 8 Accounting policies, Changes in Accounting Estimates and Errors and Ind AS 34 Interim Financial Reporting - The reference to the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards has been substituted with reference to the Conceptual Framework.

The above amendments did not have any material impact on the financial statements of the Group.

(iv) Basis of consolidation

Subsidiary is the entity over which the Holding Company has control. Control exists when the Holding Company has power over the entity, is exposed, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. The financial statement

of subsidiary is included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The financial statements of the Holding Company and the subsidiary Companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Indian Accounting Standard (Ind AS) 110 - "Consolidated Financial Statements".

As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

Consolidated financial statements include consolidated balance sheet, consolidated statement of profit and loss (including other comprehensive income), consolidated cash flow statement, consolidated statement of changes in equity and the summary of significant accounting policies and other explanatory information that form an integral part thereof.

Consolidated subsidiary is having consistent reporting date of 31 March 2022.

(v) Significant accounting policies

a. Use of estimates and judgements

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and other comprehensive income (OCI) that are reported and disclosed in the consolidated financial statements and accompanying notes. Accounting estimates could change from period to period. Actual results may differ from these estimates.

These estimates and judgment are based on the management's best knowledge of current events, historical experience, actions that the Group may undertake in the future and on various other estimates and judgments that are believed to be reasonable under the circumstances. Accounting estimates could change from period to period. Accounting estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the consolidated financial statements in the period in which changes are made. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have most significant effect of the amounts recognised in the consolidated financial statements is included in the following notes :

- Note 8 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

- Note 39 – measurement of defined benefit obligations: key actuarial assumptions
- Note 2 and 5 - estimation of useful lives of property, plant and equipment and intangible assets
- Note 3 and 19 - recognition and measurement of leases
- Note 36 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

b. Going concern

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

c. Current/non-current classification

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

Assets

An asset is classified as current when it satisfies any of the following criteria:

- 1) It is expected to be realised in, or is intended to be sold or consumed in, the Group's normal operating cycle;
- 2) It is held primarily for the purpose of being traded;
- 3) It is expected to be realised within twelve months after the reporting date; or
- 4) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- 1) It is expected to be settled in the Group's normal operating cycle;
- 2) It is held primarily for the purpose of being traded;
- 3) It is due to be settled within twelve months after the reporting date; or
- 4) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

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

d. Property, plant and equipment

Recognition 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 Group identifies and determines separate useful lives for each major component of the property, plant and equipment, if they have a useful life that is materially different from that of the asset as a whole.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Property, plant and equipment under construction and cost of assets not ready for use at the year-end are disclosed as capital work-in-progress.

Foreign currency exchange differences are capitalized as per the policy stated in note 1(v)(i) below.

Subsequent expenditure

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the year during which such expenses are incurred.

Depreciation

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

Based on technical assessment made by technical expert and management estimate, the Group have assessed the estimated useful lives of certain property, plant and equipment that are different from the useful life prescribed in Schedule II to the

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

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 (factory buildings/ non factory buildings) other than RCC frame structure	28 years	30 years
Buildings (factory buildings/ non factory buildings) RCC frame structure	58 years	60 years
Plant and equipments	45/20/18 years	25/3 years
Furniture and fixtures	15 years	10 years
Vehicles	10 years	8 years
Office equipments	20 years/6 years	5 years

Leasehold land is depreciated over the period of lease.

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

Assets costing less than ₹5,000 are fully depreciated over the period of one year from the date of purchase/acquisition and such treatment did not have any material impact on consolidated financial statements of the Group for the current year.

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

e. Intangible assets

Recognition and measurement

Intangible assets include software, that are acquired by the Holding Company, that are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss, if any.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Subsequent expenditure

Subsequent expenditure related to an item of intangible asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses are charged to the Statement of Profit and Loss for the year during which such expenses are incurred.

Amortisation

Intangible assets include software that are amortised over the useful economic life of 3 years. The amortisation period and the

amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

f. Impairment

(i) Impairment of financial assets

The Group recognises loss allowance for expected credit losses on financial assets measured at amortised cost. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract such as a default in payment within the due date;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for a security because of financial difficulties;
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The Group measures loss allowances at an amount equal to lifetime expected credit losses. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information. The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any) is held.

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of the assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying

amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

g. Right-of-use assets and lease liabilities

For all existing and new contract on or after 01 April 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Classification of leases

The Group enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

Transition

Effective 1 April 2019, the Group adopted Ind AS 116 "Leases", applied to all lease contracts existing on 1 April 2019 using the modified retrospective method along with the transition option to recognise Right-of-Use asset (ROU) at an amount equal to the Lease Liability.

Recognition and initial measurement

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-



Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

measured, the corresponding adjustment is reflected in the right-of-use asset.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in Statement of Profit and Loss on a straight-line basis over the lease term.

h. Inventories

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

Raw materials, 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.

i. Foreign exchange transactions

Transactions in foreign currencies are initially recorded by the Group at its functional currency spot rates at the date the transaction first qualifies for recognition.

All monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities if any that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

All exchange differences, except those relating to long-term monetary foreign currency items, are dealt with in the Statement of Profit and Loss. Exchange differences in respect of long-term monetary foreign currency items prior to 1 April 2016, are added to or deducted from the cost of asset and are depreciated over the balance life of the asset.

j. Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

The Group operates a defined benefit gratuity plan in India.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability or the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

iv. Other long-term employee benefits

Entitlements to annual leave are recognised when they accrue to employees. Leave entitlements may be availed while in service or encashed at the time of retirement/termination of employment, subject to a restriction on the maximum number of accumulations. The Group determines the liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the year end.

k. Revenue

i. Sale of goods

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue is recognised upon transfer of control of promised products to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over or managerial involvement with, the goods, and the amount of revenue can be measured reliably. Where the payment extends beyond normal credit period, interest is recovered separately.

ii. Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

l. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other gains/(losses).

Borrowings are classified as current financial liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender

agreed, after the reporting period and before the approval of the financial statements, not to demand payment as a consequence of the breach.

m. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Revenue grants are recognized over periods to which they relate.

n. Financial instruments

i. Recognition and initial measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability of another entity. Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A financial instrument is measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss (FVTPL) which are measured initially at fair value.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost or at FVTPL. Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL.

For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

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- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

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

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition. Financial assets at amortised cost are measured at amortised cost using the effective interest method. Interest income recognised in Statement of Profit and Loss.

Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

iii. Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Group enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

iv. Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

o. Measurement of fair values

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

Assets and liabilities are to be measured based on the following valuation techniques:

- Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- Income approach – Converting the future amounts based on market expectations to its present value using the discounting methodology.
- Cost approach – Replacement cost method.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable –inputs)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

p. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cheques on hand, 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 Group's cash management.

q. Earnings per share

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

r. Provisions, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future obligation at pre-tax rate that reflects current market assessments of the time value of money risks specific to liability. They are not discounted where they are assessed as current in nature. Provisions are not made for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made. Therefore, in order to determine the amount to be recognised as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management. In case of provision for litigations, the judgements involved are with respect to the potential exposure of each litigation and the likelihood and/or



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

timing of cash outflows from the Group and requires interpretation of laws and past legal rulings.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

s. Taxation

Income tax comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Pursuant to Sec 115BAA of the Income-tax Act, 1961 (inserted by Taxation Laws (Amendment) Act, 2019 w.e.f. 1 April 2019), domestic companies have the option to pay corporate income tax at a concessional tax rate of 22% with effective tax rate of 25.17%. The said concessional tax regime is accompanied with immediate expiry of carry forward balance of minimum alternative tax credit and certain other concessional tax rate benefits enjoyed by the Holding Company presently. During the previous year ended 31 March 2021, the Group had reviewed the implication of provision contained in section 115 BAA of the Income Tax Act'1961 on its tax liabilities and has opted to apply concessional tax rate of 25.17%. Accordingly, the Group has measured its current and deferred tax at concessional effective tax rate of 25.17% in current and previous year.

ii. Deferred tax

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

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

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

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset deferred tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle deferred tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously.

t. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's Chairman and Managing Director assesses the financial performance and position of the Group and makes strategic decision and has been identified as the chief operating decision maker. The Group's business activity is organised and managed separately according to the nature of the products, with each segment representing a strategic business unit that offers different products and serves different market. The Group's primary business segment is reflected based on principal business activities carried on by the Group. As per Indian Accounting Standard 108, Operating Segments, as notified under the Companies (Indian Accounting Standards) Rules, 2015, the Group operates in one reportable business segment i.e., manufacturing and trading of Polyester goods. The geographical information analyses the Group's revenue and trade receivables from such revenue in India and other countries. In presenting the geographical information, segment revenue and receivables has been based on the geographic location of customers. Refer note 41 for segment information presented.

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

The Group have elected to present profit before depreciation and amortisation expense, finance costs, foreign exchange fluctuation

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

and exceptional item as a separate line item on the face of the statement of Profit and Loss.

In the measurement, the Group includes interest income but does not include depreciation and amortization expense, finance costs, foreign exchange fluctuation, exceptional item and tax expense.

v. 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. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact on its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Group is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact on its financial statements.

Ind AS 37 – Onerous Contracts - costs of fulfilling a contract

The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification, and the Group does not expect the amendment to have any significant impact on its financial statements.

Ind AS 109 – Annual improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact on its financial statements.

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(All amounts in ₹ crores, unless stated otherwise)

2. Property, plant and equipment

Particulars	Freehold land	Leasehold land	Buildings	Leasehold improvements	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Total
A. Gross carrying amount									
Balance as at 31 March 2020	0.16	2.89	106.94	1.27	951.62	4.35	4.97	9.73	1,081.93
Additions during the year [refer note 1 below]	-	-	0.30	-	19.67	0.03	0.02	1.77	21.79
Disposals during the year	-	-	0.01	-	0.29	0.04	0.18	0.03	0.55
Balance as at 31 March 2021	0.16	2.89	107.23	1.27	971.00	4.34	4.81	11.47	1,103.17
Additions during the year	-	-	3.28	-	15.59	0.03	1.80	2.35	23.05
Disposals during the year	-	-	-	-	0.21	-	0.01	0.16	0.38
Balance as at 31 March 2022	0.16	2.89	110.51	1.27	986.38	4.37	6.60	13.66	1,125.84
B. Accumulated depreciation									
Balance as at 31 March 2020	-	0.20	18.83	1.27	370.78	1.34	2.26	4.73	399.41
Additions during the year	-	0.04	3.84	-	22.77	0.44	0.50	0.78	28.37
Disposals during the year	-	-	-	-	0.17	0.01	0.17	0.01	0.36
Balance as at 31 March 2021	-	0.24	22.67	1.27	393.38	1.77	2.59	5.50	427.42
Additions during the year	-	0.04	4.01	-	19.51	0.42	0.47	0.96	25.41
Disposals during the year	-	-	-	-	0.14	-	0.01	0.07	0.22
Balance as at 31 March 2022	-	0.28	26.68	1.27	412.75	2.19	3.05	6.39	452.61
Net carrying value									
As at 31 March 2021	0.16	2.65	84.56	-	577.62	2.57	2.22	5.97	675.75
As at 31 March 2022	0.16	2.61	83.83	-	573.63	2.18	3.55	7.27	673.23

Notes:

- Additions to plant and equipments include loss on foreign exchange fluctuation on long-term monetary items for purchase of plant and equipments amounting to nil [31 March 2021 : ₹1.57 crores].
- Refer note 37 for information on capital commitments for the acquisition of property, plant and equipment.
- Refer note 38 for information on assets under charge, of Holding Company.
- Title deeds of all the immovable property (other than properties where the Holding Company is the lessee and the lease agreements are duly executed in favour of the lessee) held by the Holding Company are in the name of the Holding Company.

3. Right of use assets

	As at 31 March 2022	As at 31 March 2021
Buildings		
A. Gross carrying amount		
Balance at the beginning of the year	24.38	24.38
Additions during the year	19.19	-
Balance as at end of the year	43.57	24.38
B. Accumulated amortisation		
Balance at the beginning of the year	9.49	4.15
Additions during the year	5.66	5.34
Balance as at end of the year	15.15	9.49
Net carrying value	28.42	14.89

Note:

- Refer note 43 for information on assets taken on lease

Notes

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(All amounts in ₹ crores, unless stated otherwise)

4. Capital work-in-progress

	As at 31 March 2022	As at 31 March 2021
Capital work-in-progress*	35.07	8.80
Total	35.07	8.80

*Includes finance costs capitalised amounting to ₹0.79 crores [31 March 2021: nil]

Note:

1. Capital work-in-progress includes property, plant and equipment under construction, installation and cost of asset not ready for use as at year end.
2. Refer note 38 for information on assets under charge, of Holding Company.

(a) Capital work-in-progress ageing schedule as at 31 March 2022 and 31 March 2021

Projects in progress	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
2021-22	31.38	3.36	0.33	-	35.07
2020-21	8.11	0.52	0.17	-	8.80

(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 2022 and 31 March 2021.

5. Intangible assets

	As at 31 March 2022	As at 31 March 2021
Software		
A. Gross carrying amount		
Balance at the beginning of the year	0.25	0.24
Additions during the year	0.67	0.01
Balance as at end of the year	0.92	0.25
B. Accumulated amortisation		
Balance at the beginning of the year	0.17	0.10
Additions during the year	0.19	0.07
Balance as at end of the year	0.36	0.17
Net carrying value	0.56	0.08

6. Investments

	As at 31 March 2022	As at 31 March 2021
(a) Non-current Investments		
Unquoted equity shares		
Equity shares carried at fair value through profit or loss ['FVTPL']		
1,500,000 [31 March 2021: 1,500,000] equity shares of Ritspin Synthetics Limited [₹10 each, fully paid up]	1.50	1.50
	1.50	1.50
Less: Provision for impairment in the value of investment	(1.50)	(1.50)
	-	-
Aggregate amount of unquoted investments	1.50	1.50
Aggregate amount of impairment in value of investments	1.50	1.50
(b) Current Investments		
Quoted equity shares		
Equity shares carried at fair value through profit or loss ['FVTPL']		
72,601 [31 March 2021 : 72,601] equity shares of Balasore Alloys Limited [₹5 each, fully paid up]	0.05	0.06
52,501 [31 March 2021 : 52,501] equity shares of Optel Telecommunications Limited [₹10 each, fully paid up]*	-	-

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(All amounts in ₹ crores, unless stated otherwise)

	As at 31 March 2022	As at 31 March 2021
708,400 [31 March 2021 : 708,400] equity shares of Sanghi Polyesters Limited [₹10 each, fully paid up]*	-	-
20 [31 March 2021 : 20] equity shares of Reliance Industries Limited [₹10 each, fully paid up]**	-	-
	0.05	0.06
Quoted preference shares		
Nil [31 March 2021 : 56,500] 0.01% cumulative redeemable preference of JSW Steel Limited [₹10 each, fully paid up]	-	0.01
	-	0.01
Total	0.05	0.07
Aggregate amount of quoted investments	2.93	2.93
Market value of quoted investments	0.05	0.07

Note:

1. Refer note 38 for information on assets under charge, of Holding Company.

* Fair value of the investments are nil [31 March 2021 : nil]

** ₹52,695 [31 March 2021 : ₹40,113], amount in absolute rupees.

7. Other financial assets

	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Security deposits	4.04	3.56	-	-
Bank deposits with more than 12 months maturity	0.41	1.18	-	-
Interest accrued on deposits	-	-	0.20	0.15
Advance to employees	-	-	0.30	-
Claims and other receivables	-	-	278.65	257.13
Less : Provision for claims and other receivables	-	-	(67.84)	(67.84)
Total	4.45	4.74	211.31	189.44

Notes:

1. Refer note 38 for information on assets under charge, of Holding Company.

8 Deferred tax assets

I. Recognition of deferred tax assets and liabilities

	Deferred tax assets		Deferred tax (liabilities)		Net deferred tax assets (liabilities)	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Property, plant and equipment	-	-	(85.98)	(78.67)	(85.98)	(78.67)
Investment at FVTPL	0.71	0.72	-	-	0.71	0.72
Provision for employee benefits	8.41	6.87	-	-	8.41	6.87
Provision for doubtful debts and advances	32.79	33.10	-	-	32.79	33.10
Brought forward business losses/ unabsorbed depreciation	291.20	235.57	-	-	291.20	235.57
Provision for contingencies	9.64	9.64	-	-	9.64	9.64
Other items	1.68	1.24	-	-	1.68	1.24
	344.43	287.14	(85.98)	(78.67)	258.45	208.47
Offsetting of deferred tax assets and deferred tax liabilities	(85.98)	(78.67)	85.98	78.67	-	-
Net deferred tax assets	258.45	208.47	-	-	258.45	208.47

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

Amounts presented in consolidated statement of financial position:

	As at 31 March 2022	As at 31 March 2021
Deferred tax assets	258.61	208.53
Deferred tax asset/(liabilities)	(0.16)	(0.06)
Net	258.45	208.47

Note: Based on the current developments and business plan, the Holding Company is confident that the deferred tax assets carried at the end of the year is fully recoverable and there will be sufficient future taxable profits to adjust unabsorbed depreciation and carried forward business losses.

II. Movement in temporary differences

	As at 31 March 2022	As at 31 March 2021
Opening balance of deferred tax asset	208.47	110.01
Tax credit/(expense) during the year recognised in the statement of profit or loss*	49.98	98.46
Closing balance of deferred tax asset	258.45	208.47

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

Deferred tax assets and liabilities are attributable to the following	Balance as at 31 March 2020	Recognised in statement of profit and loss	As at 31 March 2021	Recognised in statement of profit and loss	As at 31 March 2022
Property, plant and equipment	(151.02)	72.35	(78.67)	(7.31)	(85.98)
Investment at FVTPL	1.00	(0.28)	0.72	(0.01)	0.71
Provision for employee benefits	6.08	0.79	6.87	1.54	8.41
Provision for doubtful debts and advances	44.87	(11.77)	33.10	(0.31)	32.79
Brought forward business losses/ unabsorbed depreciation	189.21	46.36	235.57	55.63	291.20
Provision for contingencies	18.88	(9.24)	9.64	0.00	9.64
Other items	0.99	0.25	1.24	0.44	1.68
Total	110.01	98.46	208.47	49.98	258.45

III. Unrecognised deferred tax assets

	As at 31 March 2022		As at 31 March 2021	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Brought forward business losses and unabsorbed depreciation*	105.05	26.44	518.12	130.40

* Deferred tax assets have not been recognised in respect of above items, because it is not probable that future taxable profits will be available against which the Holding Company can use the benefits therefrom.

IV. Effective tax rate

	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before tax	219.44	3.39
Effective tax rate	25.17%	25.17%
Current tax expense/(income) on profit before tax at the effective income tax rate in India	55.23	0.85
(Recognition)/de-recognition of deferred tax asset*	(104.12)	(93.78)
Other adjustments	(0.73)	(17.06)
Tax (income)/expense reported in the statement of profit and loss	(49.62)	(109.99)
Tax (credit) during the year recognised in statement of profit or loss	(49.62)	(109.99)
Tax expense during the year recognised in other comprehensive income	-	-
	(49.62)	(109.99)

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

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

9. Non-current tax assets

	As at 31 March 2022	As at 31 March 2021
Advance tax [net of provisions ₹41.53 crores (31 March 2021: ₹49.15 crores)]	4.01	7.11
Total	4.01	7.11

10. Other assets

	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Capital advances	36.59	4.74	-	-
Deposits and other receivables	25.07	19.55	20.46	7.75
Balance with government authorities	-	-	25.05	18.17
Prepaid expenses	0.10	0.68	9.74	7.50
Advance rent	0.66	0.31	0.24	0.20
Advances to vendors	5.79	5.88	32.51	24.49
Less : Provision for doubtful advances to vendors	(5.79)	(5.88)	-	-
Total	62.42	25.28	88.00	58.11

Note:

1. Refer note 38 for information on assets under charge, of Holding Company.

11. Inventories

	As at 31 March 2022	As at 31 March 2021
[valued at lower of cost or net realisable value, unless otherwise stated]		
Raw materials [include in transit ₹80.13 crores (31 March 2021 : ₹121.05 crores)]	302.90	213.76
Work-in-progress	27.29	17.39
Finished goods [include in transit ₹34.49 crores (31 March 2021 : ₹30.99 crores)]*	154.66	119.21
Stock-in-trade [include in transit ₹12.93 crores (31 March 2021 : ₹15.89 crores)]	17.59	15.89
Stores and spares [include in transit ₹0.02 crores (31 March 2021 : ₹0.90 crores)]	36.35	30.16
Packing material	3.56	2.33
Waste**	0.72	4.15
Total	543.07	402.89

Note:

1. Refer note 38 for information on assets under charge, of Holding Company.

* The inventories were reduced by ₹0.05 crores [31 March 2021 : ₹0.09 crores] on account of net realisable value being lower than the cost.

** valued at net realisable value.

12. Trade receivables

	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good	182.98	105.21
Credit impaired	56.64	57.80
	239.62	163.01
Less : loss allowance [refer note 42]	(56.64)	(57.80)
Total	182.98	105.21

Notes:

- The Group limits its exposure to credit risk from trade receivables by establishing a credit period for all customer categories. In case of delay beyond credit period, the interest is generally recovered at the rate of 12% to 18%
- Refer note 38 for information on assets under charge, of Holding Company.
- No amount is due from directors or officers of the Group.

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

Trade receivables ageing schedule as at 31 March 2022 and 31 March 2021

31 March 2022	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months to 1 years	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	136.99	42.64	1.62	0.52	0.44	0.77	182.98
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	0.70	55.94	56.64
Disputed trade receivables							
considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
Total trade receivables	136.99	42.64	1.62	0.52	1.14	56.71	239.62
Less: Loss allowance							(56.64)
							182.98

31 March 2021	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months to 1 years	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	63.42	37.01	3.44	0.76	0.53	0.05	105.21
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	1.09	1.10	55.61	57.80
Disputed trade receivables							
considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
Total trade receivables	63.42	37.01	3.44	1.85	1.63	55.66	163.01
Less: Loss allowance							(57.80)
							105.21

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule

13. Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Balances with banks	3.43	2.40
Deposits with original maturity less than three months	2.25	1.25
Cash on hand	0.08	0.04
Total	5.76	3.69

Note:

1. Refer note 38 for information on assets under charge, of Holding Company.

14. Bank balances other than cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Deposits with original maturity more than three months but remaining maturity of less than twelve months	6.36	5.40
Unclaimed dividend	0.15	0.22
Total	6.51	5.62

Note:

1. Refer note 38 for information on assets under charge, of Holding Company.

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

15. Loans (current)

	As at 31 March 2022	As at 31 March 2021
Loans to employees (considered good- unsecured) (at amortised cost)*	1.01	1.09
Total	1.01	1.09

* These loans given to employees are interest free and repayable as per terms specified in policies of the Holding Company.

Note:

1. Refer note 38 for information on assets under charge, of Holding Company.

16. Equity share capital

	As at 31 March 2022	As at 31 March 2021
Authorised		
275,000,000 equity shares of ₹10 each [31 March 2021 : 275,000,000]	275.00	275.00
	275.00	275.00
Issued, subscribed and fully paid up		
261,113,151 equity shares of ₹10 each fully paid-up [31 March 2021: 261,113,151]	261.11	261.11
	261.11	261.11

Notes:

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

	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	261,113,151	261.11	261,113,151	261.11
Add: Issued during the year	-	-	-	-
Balance at the end of the year	261,113,151	261.11	261,113,151	261.11

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

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

Names of shareholders	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% of shareholding	Number of shares	% of shareholding
Indorama Netherlands B.V. [controlling Company, refer note vii below]	100,696,588	38.56	100,696,588	38.56
Brookgrange Investments Limited	53,564,057	20.51	53,564,057	20.51
Mr. Om Prakash Lohia [Chairman and Managing Director]	38,473,369	14.73	38,473,369	14.73
Siam Stock Holding Limited	17,200,000	6.59	17,200,000	6.59
Total	209,934,014	80.39	209,934,014	80.39

iv) Shares in the Holding Company held by controlling Company are as under:

Indorama Netherlands B.V. [controlling Company, refer note vii below]	10,06,96,588	38.56	10,06,96,588	38.56
	10,06,96,588	38.56	10,06,96,588	38.56

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

v) Shareholding of promoters is as under:

S. No.	Promoter Name	Shareholding at the end of the year				% change in shareholding during the year
		As at 31 March 2022		As at 31 March 2021		
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	
1	Brookgrange Investments Ltd.	5,35,64,057	20.51	5,35,64,057	20.51	-
2	Indorama Netherlands B.V.	10,06,96,588	38.56	10,06,96,588	38.56	-
3	Mr. Om Prakash Lohia	3,84,73,369	14.73	3,84,73,369	14.73	-
4	Mrs. Urmila Lohia	6,45,873	0.25	6,45,873	0.25	-
5	Mr. Alope Lohia	99,200	0.04	99,200	0.04	-
6	Mr. Devang Kumar	4,14,796	0.16	4,14,796	0.16	-
7	Mr. Vishal Lohia	11,37,896	0.44	11,37,896	0.44	-
8	Ms. Aradhna Lohia	3,13,256	0.12	3,13,256	0.12	-
9	Mrs. Rimple Lohia	2,39,940	0.09	2,39,940	0.09	-
10	Mr. Yashovardhan Lohia	2,49,888	0.10	2,49,888	0.10	-
	Total	19,58,34,863	75.00	19,58,34,863	75.00	-

vi) The Holding Company has not issued any shares pursuant to a contract without payment being received in cash in the current year and preceding five years. The Holding Company has not issued any bonus shares nor has there been any buy-back of shares in the current year and preceding five years.

vii) During the year ended 31 March 2020 Indorama Netherlands B.V. ('INBV') acquired 38.56% shareholding in the Holding Company through preferential allotment and open offer in accordance with SEBI Regulations. Pursuant to acquisition, INBV controls the Holding Company through management control and also appointed additional key management personnel in the Holding Company.

viii) The equity shares of the Holding Company are listed on BSE Limited and National Stock Exchange of India Limited. During the previous year, one of the promoter has sold 1,75,38,645 equity shares to reduce promoter's shareholding to 75% thereby complying with the requirement of 25% (twenty five Percent) public shareholding as per Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 read with Rule 19A of the Securities Contracts (Regulation) Rules, 1957.

17. Other equity

	As at 31 March 2022	As at 31 March 2021
a. Capital reserve		
Balance at the beginning of the year	20.38	20.38
Balance at the end of the year	20.38	20.38
b. Securities premium		
Balance at the beginning of the year	447.59	447.59
Balance at the end of the year	447.59	447.59
c. General reserve		
Balance at the beginning of the year	58.13	58.13
Balance at the end of the year	58.13	58.13
d. Retained earnings		
Balance at the beginning of the year	(451.56)	(564.94)
Add : Profit during the year	269.06	113.38
Balance at the end of the year	(182.50)	(451.56)
e. Other comprehensive income		
Balance at the beginning of the year	(2.40)	(0.26)
Add : Loss during the year	(2.10)	(2.14)
Balance at the end of the year	(4.50)	(2.40)
Total other equity [a+b+c+d+e]	339.10	72.14

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

Nature of reserves

Capital reserve

Capital reserve comprises of money received against forfeiture of equity shares and preference share warrants. The reserve is not available for distribution as dividend. The reserve can be utilised in accordance with the specific provisions of Companies Act, 2013.

Securities premium

Securities premium comprises of the premium on issue of shares. The reserve can be utilised in accordance with the specific provision of the Companies Act, 2013.

General reserve

General reserve is a free reserve and is utilised from time to time for appropriate purposes.

Retained earnings

Retained earnings refer to the net profit/(loss) retained by the Group for its core business activities.

Other comprehensive income

Other comprehensive income comprise of re-measurement of defined benefit liability.

18. Borrowings

Names of shareholders	Non-current		Current Maturities	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Secured loan				
Term loans - from banks				
Rupee loans	172.95	232.85	98.65	73.65
	172.95	232.85	98.65	73.65
Less : Current maturities on borrowings [refer note 21]	-	-	(98.65)	(73.65)
	172.95	232.85	-	-

Notes:

- Refer note 42 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.
- The Group has not defaulted in repayment of interest during the current financial year. Further, there have been no default in repayment of loan and no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.
- Terms of repayment and security details:

Nature of security	Terms of repayment
a) Rupee term loans from banks	
i) ₹47.50 crores (31 March 2021 : ₹85.50 crores) are secured primarily by first pari-passu charge on immovable fixed assets of the Holding Company excluding those as provided under schedule III of the Memorandum of Entry dated 06 May 2021 executed in favor of bank, and first pari-passu charge on VAT/SGST receivables.	Repayable in 12 equal quarterly installments each aggregating to ₹9.50 crores, repayment of which commenced on various dates from August 2020 and September 2020, of which 5 equal quarterly installments each aggregating to ₹9.50 crores is outstanding as on 31 March 2022. Rate of interest at 8.50% p.a. to 8.80% p.a. (31 March 2021- 8.80% p.a. to 10.15% p.a)
ii) ₹125.00 crores (31 March 2021 : ₹150.00 crores) are secured primarily by first pari-passu charge on immovable fixed assets of the Holding Company excluding those provided under schedule IV of the Memorandum of Entry dated 14 December 2020 executed in favor of bank, and first pari-passu charge on VAT/SGST receivables.	Repayable in 6 equal half yearly installments amounting to ₹25.00 crores each repayment of which commenced from 25 October 2021 onwards, of which 5 equal half yearly installments amounting to ₹25.00 crores each is outstanding as on 31 March 2022. Rate of interest at 8.25% p.a. to 9.96% p.a (31 March 2021- 9.96% p.a)
iii) ₹60.36 crores (31 March 2021 : ₹71.00 crores) are secured primarily by first pari-passu charge on entire immovable fixed assets of the Holding Company excluding those provided under schedule III of the Memorandum of Entry dated 06 May 2021 executed in favor of bank, and first pari-passu charge on VAT/SGST receivables.	Repayable in 3 equal yearly installments each aggregating to ₹10.65 crores repayment of which commenced on various dates from June 2021 and July 2021 and 1 yearly installment aggregating to ₹39.06 crores in June 2024 and July 2024, of which 2 equal yearly installments amounting to ₹10.65 crores each and 1 yearly installment aggregating to ₹39.06 crores is outstanding as on 31 March 2022 Rate of interest at 7.75% p.a. to 9.75% p.a (31 March 2021- 9.75% p.a)
iv) ₹38.74 crores (31 March 2021 : nil) are secured by Stand By Letter of Credit (SBLC) by promotor group company	Repayable in 16 quarterly yearly installments aggregating to ₹1.45 crores each in FY 2024-25, ₹2.42 crores each in FY 2025-26, ₹2.91 crores each in FY 2026-27, ₹2.90 crores each in FY 2027-28, rate of interest at 6.25% p.a. to 6.46% p.a.

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

Reconciliation of movements of liabilities to cash flows arising from financing activities:

Borrowings:

Names of shareholders	As at 31 March 2022		As at 31 March 2021	
	Non-current borrowings*	Current borrowings**	Non-current borrowings*	Current borrowings**
Balance at beginning of the year	306.50	71.18	378.50	92.87
Proceeds from non-current borrowings	38.74	-	-	-
Repayment of non-current borrowings	(73.64)	-	(72.00)	-
Movement in short-term borrowings [net]	-	(21.19)	-	(21.69)
Balance as at the end of the year	271.60	49.99	306.50	71.18

Lease liabilities:

	As at 31 March 2022	As at 31 March 2021
Balance at beginning of the year	17.49	21.56
Additions during the year	19.22	-
Payment of lease liabilities	(6.58)	(5.92)
Interest expense	1.78	1.85
	31.91	17.49

Interest accrued:

	As at 31 March 2022	As at 31 March 2021
Balance at beginning of the year	0.17	10.37
Finance costs paid	(59.92)	(74.28)
Finance costs debited to Statement of Profit and Loss (excluding interest on lease liabilities covered above)	60.10	64.08
Finance costs capitalised	0.79	-
Balance as at the end of the year	1.14	0.17

* Non-current borrowings includes current maturity of ₹98.65 crores (31 March 2021 : ₹73.65 crores).

** Refer note 21

19. Lease liabilities

	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Lease liabilities [refer note 43]	26.16	12.46	5.75	5.03
Total	26.16	12.46	5.75	5.03

20. Provisions

	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits				
Provision for gratuity [refer note 39]*	22.44	19.33	1.72	1.51
Provision for compensated absences [refer note 39]*	14.46	12.15	3.27	2.81
Others				
Provision for contingencies [refer note 36]**	-	-	38.30	38.30
Total	36.90	31.48	43.29	42.62

* Includes amounts due to Key Managerial Personnel [refer note 44]

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

** Movement in provision for contingencies

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	38.30	54.02
Less : Provision reversed during the year	-	(15.72)
Less : Payment made during the year	-	-
Balance at the end of the year	38.30	38.30

21. Current borrowings

	As at 31 March 2022	As at 31 March 2021
Secured loan		
Short-term loans from banks	49.99	71.18
Current maturities of long-term borrowings (refer note 18)	98.65	73.65
Total	148.64	144.83

Note:

Details of rate of interest, terms of repayment and security for short-term loans from banks:

- Short-term loans from banks amounting to nil [31 March 2021: ₹35.50 crores] are secured by first pari-passu charge on current assets of the Holding Company excluding the current assets pertaining to SGST/VAT incentive receivable from Government of Maharashtra and second pari-passu charge on the Holding Company's entire present and future block of assets, excluding those provided under schedule IV of the Memorandum of Entry dated 14 December 2020 and those provided under schedule III of the Memorandum of Entry dated 06 May 2021 in favour of respective banks. These are repayable within 6 months and carry an interest rate in the range from 8.25% p.a. to 8.50% p.a [31 March 2021 - 8.25% p.a. to 8.50% p.a].
- ₹49.99 crores [31 March 2021: ₹35.68 crores] is backed by Stand By Letter of Credit (SBL) by promotor group company, carry interest rate of 6.25% p.a [31 March 2021 - 6.25% p.a].

22. Trade payables

	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of micro enterprises and small enterprises [refer note 40]	5.72	1.68
Total outstanding dues of creditors other than micro enterprises and small enterprises##	1,018.41	869.36
	1,024.13	871.04

Includes amounts due to related entities [refer note 44]

* Includes acceptances/arrangements with operational suppliers of goods and services where the Group continues to recognise the liability till settlement with the banks.

Trade payables ageing schedule as at 31 March 2022 and 31 March 2021

31 March 2022	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	
Undisputed trade payables						
Outstanding due to micro enterprises and small enterprises	5.72	-	-	-	-	5.72
Others	985.59	22.50	0.29	0.88	9.15	1,018.41
Disputed trade payables						
Disputed dues – micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-
Total trade payables	991.31	22.50	0.29	0.88	9.15	1,024.13

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

31 March 2021	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	
Undisputed trade payables						
Outstanding due to micro enterprises and small enterprises	1.68	-	-	-	-	1.68
Others	840.00	16.44	1.52	0.20	11.20	869.36
Disputed trade payables						
Disputed dues – micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-
Total trade payables	841.68	16.44	1.52	0.20	11.20	871.04

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

23. Other financial liabilities

	As at 31 March 2022	As at 31 March 2021
Interest accrued and not due on borrowings	1.14	0.17
Book overdraft	4.96	3.71
Unclaimed dividends [refer note 1 below]	0.15	0.22
Forward cover payable	1.20	-
Payable to employees	15.53	8.78
Creditors towards property, plant and equipment	3.62	2.55
Total	26.60	15.43

Note:

1. There are no amounts due for payment to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013 as at the year end.

24. Other current liabilities

	As at 31 March 2022	As at 31 March 2021
Advances from customers*	11.52	19.49
Statutory dues	8.57	2.17
Others	0.56	0.59
Total	20.65	22.25

* Includes amounts due to related entities [refer note 44]

25. Current tax liabilities (net)

	As at 31 March 2022	As at 31 March 2021
Current tax [net of advance tax ₹0.33 crores (31 March 2021: nil)]	0.02	-
Total	0.02	-

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

26. Revenue from operations

	For the year ended 31 March 2022	For the year ended 31 March 2021
Disaggregated revenue information		
Sale of products [refer notes below]		
Finished goods		
Domestic	2,887.39	1,620.29
Export	1,012.80	429.24
Traded goods	172.30	22.43
	4,072.49	2,071.96
Less: Rebates and discounts to customers	166.30	90.47
Sub-total (A)	3,906.19	1,981.49
Other operating income		
Scrap sales	15.48	8.54
GST refund	112.32	48.33
Interest from customers	1.43	1.75
Others	2.66	2.78
Sub-total (B)	131.89	61.40
Total (A+B)	4,038.08	2,042.89

Notes:

i) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Gross sale of products	4,079.35	2,074.17
Less : Adjustment on account of returns	6.85	2.24
Less : Adjustment on account of discounts and price differences	166.31	90.44
	3,906.19	1,981.49

ii) Contract balances

Advance from customers [refer note 24]*	11.52	19.49
-----------------------------------------	-------	-------

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	17.30	5.50
b. Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous period	-	-

* The significant decrease in contract liabilities in FY 2021-2022 is mainly due to ₹10.91 crores advance received from related parties during the previous year, for which revenue has been recognised in the current year on completion of performance obligations.

27. Other income

	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income		
from banks	0.37	0.55
from others	2.93	1.50
Gain on sale of property, plant and equipment	0.01	-
Other non operating income		
Unwinding of discount on security deposits	0.21	0.19
Fair valuation of investments through profit and loss	0.04	0.01
Liabilities/provisions no longer required, written back	-	16.47
Others	2.77	2.10
Total	6.33	20.82

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

28. Cost of materials consumed

	For the year ended 31 March 2022	For the year ended 31 March 2021
Category of materials consumed		
Purified terephthalic acid	2,075.72	1,013.86
Mono ethylene glycol	681.70	354.35
Others	103.59	61.51
Total	2,861.01	1,429.72

29. Purchase of stock in trade

	For the year ended 31 March 2022	For the year ended 31 March 2021
Purchase of stock-in-trade	150.36	36.34
Total	150.36	36.34

30. Changes in inventories of finished goods and work-in-progress

	For the year ended 31 March 2022	For the year ended 31 March 2021
Closing stock		
Finished goods	154.66	119.21
Stock-in-trade	17.59	15.89
Work-in-progress	27.29	17.39
Waste	0.72	4.15
	200.26	156.64
Opening stock		
Finished goods	119.21	128.56
Stock-in-trade	15.89	-
Work-in-progress	17.39	5.92
Waste	4.15	5.56
	156.64	140.04
	(43.62)	(16.60)
Write down of inventory, considered as exceptional item [refer note 45]	-	(11.63)
Total	(43.62)	(28.23)

31. Employee benefits expense

	For the year ended 31 March 2022	For the year ended 31 March 2021
Salary, wages and bonus	99.13	81.62
Contribution to provident and other funds [refer note 39]	4.89	4.30
Staff welfare expenses	3.70	4.05
Total	107.72	89.97

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

32. Other expenses

		For the year ended 31 March 2022	For the year ended 31 March 2021
Consumption of stores and spares		49.64	41.77
Power and fuel		221.75	153.83
Rent and hire charges [refer note 43]		9.59	7.09
Repairs and maintenance		23.68	21.17
Insurance	6.91		5.10
Less : recovery	1.53	5.38	0.95
Rates and taxes		3.36	3.80
Packing materials consumed		101.96	57.57
Freight and forwarding charges	172.25		73.86
Less : recovery	14.20	158.05	9.58
Brokerage and commission		9.11	4.83
Commission to chairman and managing director		4.50	-
Directors' sitting fees		0.21	0.30
Legal and professional charges*		11.91	5.25
Corporate social responsibility expenses (refer note 46)		0.05	0.07
Debts/advances/other assets written off		5.71	14.79
Loss on disposal/discard of property, plant and equipment		-	0.19
Capital work in progress written off		0.17	-
Contract labour cost		24.43	18.27
Miscellaneous expenses		29.18	24.62
Total		658.68	421.98
* Includes payment to auditors			
As auditor:			
Audit fee		0.53	0.39
Other services		0.16	0.15
Out of pocket expenses		0.03	0.02
		0.72	0.56

33. Depreciation and amortisation expense

		For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on property, plant and equipment [refer note 2]		25.41	28.37
Amortisation on right of use assets [refer note 3]		5.66	5.34
Amortisation on intangible assets [refer note 5]		0.19	0.07
Total		31.26	33.78

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

34. Finance costs

	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest		
term loans	26.00	32.65
short-term loans	13.18	10.57
lease liabilities [refer note 43]	1.78	1.85
Remeasurement of actuarial interest cost [refer note 39]	2.39	2.07
others	5.59	12.90
Other borrowing cost	12.95	5.89
Total	61.89	65.93

35. Earning per share

	For the year ended 31 March 2022	For the year ended 31 March 2021
Net profit attributable to the equity shareholders (A)	269.06	113.38
Number of equity shares at the beginning of the year (absolute)	261,113,151	261,113,151
Total number of shares outstanding at the end of the year (absolute)	261,113,151	261,113,151
Weighted-average number of equity shares (B) (absolute)	261,113,151	261,113,151
Earnings per share (₹) (A/B)- Basic and diluted	10.30	4.34
Nominal value of equity share (₹)	10.00	10.00

36. Contingent liabilities

	As at 31 March 2022	As at 31 March 2021
There are contingent liabilities in respect of:		
a) Claims against the Holding Company not acknowledged as debt # [refer note 1 below]		
Income tax matters under dispute	5.17	3.39
Excise/customs/service tax matters in dispute/under appeal [gross of amount paid under protest amounting to ₹2.61 crores (31 March 2021 : ₹3.18 crores)]	46.09	46.47
Sales tax/value added tax matters in dispute/under appeal [gross of amount paid under protest amounting to ₹0.54 crores (31 March 2021 : ₹0.54 crores)]	6.32	5.26
Others under dispute* [gross of amount paid under protest amounting to ₹14.93 crores (31 March 2021 : ₹14.93 crores)]	22.91	22.91
	80.49	78.03
b) Other money for which the Holding Company is contingently liable # [refer note 1 below]		
Claims by ex-employees, vendors, customers and civil cases	1.74	1.92
	1.74	1.92

* Matter under dispute with Maharashtra State Electricity Distribution Company Limited and is pending for hearing with Nagpur bench, Bombay High Court.

It is not practicable for the Holding Company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of respective proceedings.

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

Notes:

(i) Out of the above litigations, the Group has provided ₹38.30 crores (31 March 2021 : ₹38.30 crores) against various litigations and remaining contingent liabilities is ₹43.93 crores (31 March 2021 : ₹41.65 crores).

(ii) Hon'ble Supreme Court of India has pronounced a ruling dated 28 February 2019 in which it is held that 'allowance' paid to employees, will be included in the scope of 'basic wages' and thus, will be subject to provident fund contributions. Petitions have been filed with Hon'ble Supreme Court of India seeking additional clarification with respect to the application of this ruling. As this ruling has not prescribed any clarification w.r.t. to its application, the Holding Company is in the process of evaluating its impact. Management believes that this will not result in any material liability on the Holding Company.

(iii) Customs duty claims (including penalties) against the Holding Company aggregating to ₹220.26 crores (31 March 2021 : ₹220.26 crores) have not been considered contingent as favourable orders have been received, in some of the cases, by the Holding Company from the Custom Excise and Service Tax Appellate Tribunal. The Holding Company believes that its position is strong in this regard. The matter is pending with the Hon'ble Supreme Court.

Pending resolution of the respective proceedings, it is not practicable for the Holding Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

(iv) The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its standalone financial statements. The Group also believes that the above issues, when finally settled, are not likely to have any significant impact on the financial position of the Group. The Group does not expect any reimbursements in respect of the above contingent liabilities.

37. Capital commitments and other commitments

	As at 31 March 2022	As at 31 March 2021
a) Capital commitments- estimated amount of contracts remaining to be executed on capital account and not provided for [net of capital advances]	220.77	19.08
b) The Holding Company has commitments to export 22,632 MT [31 March 2021 : 37,789 MT] of finished goods as per foreign trade policy pursuant to import of duty free material under advance license scheme.		

38. Assets under charge

	As at 31 March 2022	As at 31 March 2021
Current assets		
Financial assets		
Floating charge		
Investments	0.05	0.07
Trade receivables	184.42	105.21
Cash and cash equivalents	2.10	2.42
Bank balances other than cash and cash equivalents	6.51	5.62
Loans	1.01	1.09
Other financial assets	211.31	189.44
Non financial assets		
Floating charge		
Inventories	525.48	387.00
Other current assets	82.30	57.46
Total current assets under charge	1,013.18	748.31
Non-current assets		
Financial assets		
First charge		
Non-current bank balances	0.41	1.18
Non financial assets		
First charge		
Property, plant and equipment *	497.07	672.64
Capital work-in-progress	32.25	8.80

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

	As at 31 March 2022	As at 31 March 2021
Other non-current assets	11.08	5.72
Total non-current assets under charge	540.81	688.34

*As at 31 March 2022, excludes assets amounting to ₹171.32 crores as provided under schedule IV of the Memorandum of Entry dated 14 December 2020 and those provided under schedule III of the Memorandum of Entry dated 06 May, 2021 executed in favor of banks by the Holding Company.

39. Employee benefits

a) Defined contribution plan

An amount of ₹4.63 crores [31 March 2021 : ₹4.07 crores] for the year has been recognised as an expense in respect of the Group's contributions towards Provident Fund, an amount of ₹0.14 crores [31 March 2021 : ₹0.13 crores] for the year has been recognised as an expense in respect of Holding Company's contributions towards Employee State Insurance and an amount of ₹0.12 crores [31 March 2021 : ₹0.10 crores] for the year has been recognised as an expense in respect of the Holding Company's contributions towards National Pension Scheme, which are deposited with the government authorities and have been included under employee benefit expenses in the Statement of Profit and Loss.

b) Defined benefit plan

1) Gratuity

The Holding Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

(i) Changes in present value obligation

	As at 31 March 2022	As at 31 March 2021
Present value obligation as at the start of the year	20.84	17.39
Interest cost	1.39	1.17
Current service cost	1.33	1.17
Actuarial loss/(gain) on obligation	1.46	2.05
Benefits paid	(0.86)	(0.94)
Present value obligation as at the end of the year	24.16	20.84

(ii) Net liability recognised in the Balance Sheet

	As at 31 March 2022	As at 31 March 2021
Current liabilities	(1.72)	(1.51)
Non-current liabilities	(22.44)	(19.33)
Net liability in the Balance Sheet	(24.16)	(20.84)

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

	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	1.33	1.17
Interest cost	1.39	1.17
Expense recognised in the statement of profit and loss	2.72	2.34

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

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

	As at 31 March 2022	As at 31 March 2021
Changes in financial assumptions	(1.46)	(2.05)
Amount recognised in other comprehensive income	(1.46)	(2.05)

(v) Actuarial assumptions

	As at 31 March 2022	As at 31 March 2021
Discount rate (p.a.)	7.14%	6.67%
Salary escalation rate (p.a.)	4.50%	3.00%
Withdrawal rates		
Upto 30 years	4.00%	4.00%
From 31 to 44 years	3.00%	3.00%
Above 44 years	1.00%	1.00%
Retirement age	58 years	58 years
Mortality rate	Indian Assured Lives Mortality (2012-14)(modified) Ultimate	Indian Assured Lives Mortality (2012-14)(modified) Ultimate

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

The above defined benefit plan exposes the Company to following risks:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Expected increases in salary will increase the defined benefit obligation.

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.

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Particulars	As at 31 March 2022	As at 31 March 2021
The sensitivity of the overall plan obligations to changes in the weighted key assumptions are:		
Present value of obligation at the end of the year		
Impact of the change in discount rate (p.a.)		
Impact due to decrease of 0.50%	0.88	0.81
Impact due to increase of 0.50%	(0.84)	(0.77)
Impact of change in salary escalation rate (p.a.)		
Impact due to increase of 0.50%	0.90	0.83
Impact due to decrease of 0.50%	(0.86)	(0.80)

(vii) Expected future cash flows

Particulars	As at 31 March 2022	As at 31 March 2021
The expected future cash flows in respect of gratuity (undiscounted) were as follows:		
Year 1	1.72	1.51
Year 2	1.52	0.89
Year 3	1.25	1.28
Year 4	1.53	0.98
Year 5	1.32	1.28
Year 6	1.56	1.06
Year 6 onwards	15.26	13.84
Total	24.16	20.84

(viii) Expected contribution

The expected future employer contributions for defined benefit plan ₹3.14 crores as at 31 March 2022 [31 March 2021 : ₹2.58 crores].

c) Other long-term employee benefits

An amount of ₹3.59 crores [31 March 2021 : ₹2.71 crores] pertains to expense towards compensated absences.

40. Dues to micro, small and medium enterprises

On the basis of confirmations obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Group, the following are the details:

Particulars	As at 31 March 2022	As at 31 March 2021
Principal amount remaining unpaid	5.72	1.68
Interest due thereon	0.20	0.15
Interest paid by the Group in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	41.01	21.23
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
Interest accrued and remaining unpaid as at end of the year	0.73	0.53
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.	-	-

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

41. Segment information

Basis of segmentation:

The Group's primary business segment is reflected based on principal business activities carried on by the Group. Chairman and Managing Director has been identified as being the Chief Operating Decision Maker ('CODM') and evaluates the Group's performance and allocates resources based on analysis of the various performance indicators of the Group as a single unit. As per Indian Accounting Standard 108, Operating Segments, as notified under the Companies (Indian Accounting Standards) Rules 2015, the Group operates in one reportable business segment i.e., manufacturing and trading of polyester goods.

Geographical information:

The geographical information analyses the Group's revenue and trade receivables from such revenue in India and other countries. In presenting the geographical information, segment revenue and receivables has been based on the geographic location of customers.

	For the year ended 31 March 2022	For the year ended 31 March 2021
a) Revenue:		
Domestic	3,025.28	1,613.65
Overseas*	1,012.80	429.24
	4,038.08	2,042.89
*Revenue from overseas countries:		
Turkey	284.81	83.54
Nepal	235.68	106.89
Bangladesh	3.50	62.88
Egypt	72.11	9.05
Other overseas countries	416.70	166.88
b) Trade receivables:		
Domestic	87.18	52.35
Overseas*	95.80	52.86
	182.98	105.21
*Trade receivables from overseas countries:		
Turkey	31.22	7.32
Nepal	31.14	22.61
Bangladesh	0.12	6.95
Egypt	3.79	9.05
Other overseas countries	29.53	6.93
	95.80	52.86
c) Non-current assets:		
Domestic*	804.15	729.54
Overseas	-	-
	804.15	729.54

*excluding deferred tax and income tax assets

Note:

1. Gross revenues from none of the customer [31 March 2021 : none] exceed 10% or more of the Group's total gross revenue.

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

42. 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.

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.

Particulars	Carrying value				Fair value hierarchy		
	FVTPL*	FVOCI#	Amortized Cost	Total	Level 1	Level 2	Level 3
Financial assets							
Trade receivables	-	-	182.98	182.98	-	-	-
Cash and cash equivalents	-	-	5.76	5.76	-	-	-
Bank balances other than cash and cash equivalents	-	-	6.51	6.51	-	-	-
Loans	-	-	1.01	1.01	-	-	-
Other financial assets	-	-	215.76	215.76	-	-	-
Investments	0.05	-	-	0.05	0.05	-	-
Total	0.05	-	412.02	412.07	0.05	-	-
Financial liabilities							
Borrowings	-	-	321.59	321.59	-	-	-
Trade payables	-	-	1,024.13	1,024.13	-	-	-
Other financial liabilities	-	-	26.60	26.60	-	-	-
Lease liabilities	-	-	31.91	31.91	-	-	-
Total	-	-	1,404.23	1,404.23	-	-	-

Particulars	Carrying value				Fair value hierarchy		
	FVTPL*	FVOCI#	Amortized Cost	Total	Level 1	Level 2	Level 3
Financial assets							
Trade receivables	-	-	105.21	105.21	-	-	-
Cash and cash equivalents	-	-	3.69	3.69	-	-	-
Bank balances other than cash and cash equivalents	-	-	5.62	5.62	-	-	-
Loans	-	-	1.09	1.09	-	-	-
Other financial assets	-	-	194.18	194.18	-	-	-
Investments	0.07	-	-	0.07	0.07	-	-
Total	0.07	-	309.79	309.86	0.07	-	-
Financial liabilities							
Borrowings	-	-	377.68	377.68	-	-	-
Trade payables	-	-	871.04	871.04	-	-	-
Other financial liabilities	-	-	15.43	15.43	-	-	-
Lease liabilities	-	-	17.49	17.49	-	-	-
Total	-	-	1,281.64	1,281.64	-	-	-

*Fair Value through profit and loss

#Fair value through other comprehensive income

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

Notes:

1. The amortised cost of financial assets and liabilities approximate to the fair values on the respective reporting dates.
2. There have been no transfers between Level 1, Level 2 and Level 3 for the years ended 31 March 2022 and 31 March 2021

B. Financial risk management

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

- credit risk
- liquidity risk
- market risk

(i) Risk management framework

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

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

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

(ii) Credit risk

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

The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Group limits its exposure to credit risk from trade receivables by establishing a credit period for all customer categories. In case of delay beyond credit period, the interest is generally recovered at the rate of 12% to 18%. Most of the Group's customers have been transacting with the Group from past few years, and most of these customers' balances are not credit-impaired at the reporting date except in few cases reported. Identifying concentrations of credit risk requires judgement in the light of specific circumstances. The Group monitors ageing of its trade receivables regularly and based on the same takes corrective action. Trade receivables having ageing more than 180 days is monitored individually and loss allowance is created based on such assessment.

A summary of the Company's exposure to credit risk for trade receivables based on the ageing is as follows:

Ageing of receivables	As at 31 March 2022		As at 31 March 2021	
	Gross carrying amount	Expected credit loss	Gross carrying amount	Expected credit loss
Less than 180 days	179.63	-	100.43	-
More than 180 days	59.99	56.64	62.58	57.80
	239.62	56.64	163.01	57.80

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

The movement in the allowance for impairment in respect of trade receivables and loans is as follows:

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	57.80	55.36
Expected credit loss during the year [net of reversal]	(1.16)	2.44
Balance at the end of the year	56.64	57.80

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group uses activity-based costing to cost its products, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

Details of undrawn facilities of the group (fund based as well as non fund based):

Particular	As at 31 March 2022	As at 31 March 2021
Term loan and working capital loan	357.41	53.19
Total	357.41	53.19

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

As at 31 March 2022	On demand	Less than 1 year	1- 5 years	More than 5 years	Total
Non current borrowings*	-	98.65	161.31	11.64	271.60
Trade payables	-	1024.13	-	-	1,024.13
Current borrowings*	-	49.99	-	-	49.99
Lease liabilities	-	7.80	15.84	23.37	47.01
Other financial liabilities	-	26.60	-	-	26.60
Total	-	1,207.17	177.15	35.01	1,419.33

As at 31 March 2021	On demand	Less than 1 year	1- 5 years	More than 5 years	Total
Non current borrowings*	-	73.65	232.85	-	306.50
Trade payables	-	-	871.04	-	871.04
Current borrowings*	-	-	71.18	-	71.18
Lease liabilities	-	6.44	13.41	1.12	20.97
Other financial liabilities	-	15.43	-	-	15.43
Total	-	95.52	1188.48	1.12	1,285.12

* excluding contractual interest payable at prevalent/agreed rate of interest.

The Holding Company has secured bank loans that contains certain loan covenants. A future breach of covenant may require the Holding Company to repay the loan earlier than indicated in the above table. Covenants are monitored on regular basis by the treasury department and regularly reported to management to ensure compliance with the agreement. Further, there have been no default in repayment of loan and no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

(iv) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and commodity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

Interest rate risk

i) Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long term financing. The Group 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 2022	31 March 2021
Variable rate borrowing	321.59	377.68
Total borrowings	321.59	377.68

Sensitivity

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

Particulars	31 March 2022	31 March 2021
Interest sensitivity*		
Interest rates – increase by 100 basis points (31 March 2021: 100 basis points)	3.22	3.78
Interest rates – decrease by 100 basis points (31 March 2021: 100 basis points)	(3.22)	(3.78)

* Holding all other variables constant

ii) Assets

The Group's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure

Below is the overall exposure of the deposits:

Particulars	31 March 2022	31 March 2021
Fixed rate deposits	9.02	7.83
Total deposits	9.02	7.83

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 Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated. The currencies in which these transactions are primarily denominated are US dollars, Japanese Yen and Euro. The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date, as and when required.

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

Exposure to currency risk

The summary quantitative data about the Groups exposure to currency risk (based on notional amounts) as reported to the management is as follows.

(i) Unhedged foreign currency risk exposure:

As at 31 March 2022	Currency	Amount in foreign currency (in million)	Exchange rate (in ₹)	Unhedged Amount (in ₹ crores)
Trade payables	USD	43.23	75.80	327.67
	Euro	0.01	84.24	0.08
	JPY	91.97	0.62	5.72
Trade receivables	USD	(12.65)	75.79	(95.87)
Net exposure in respect of recognised assets and liabilities				237.60

As at 31 March 2021	Currency	Amount in foreign currency (in million)	Exchange rate (in ₹)	Unhedged Amount (in ₹ crores)
Trade payables	USD	48.28	73.12	353.03
	Euro	0.02	85.80	0.19
	JPY	69.37	0.66	4.58
Trade receivables	USD	(7.23)	73.11	(52.86)
Net exposure in respect of recognised assets and liabilities				304.94

(ii) Hedged foreign currency risk exposure:

As at 31 March 2022	Currency	Amount in foreign currency (in million)	Strike rate (in ₹)	Hedged Amount (in ₹ crores)
Forward contract	USD	0.93	77.32	7.19
To take protection against movement in foreign exchange rates in respect of receivable against exports	USD	22.24	76.65	170.50
To take protection against movement in foreign exchange rates in respect of payables against Imports	Euro	1.10	84.71	9.32

As at 31 March 2021	Currency	Amount in foreign currency (in million)	Strike rate (in ₹)	Hedged Amount (in ₹ crores)
Forward contract				
To take protection against movement in foreign exchange rates in respect of receivable against exports	USD	-	-	-

Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR, USD, JPY and Euro against all other currencies at year end would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Currency (changes in currency value by 5%)		As at 31 March 2022		As at 31 March 2021	
		Increase in profit	Decrease in profit	Increase in profit	Decrease in profit
USD	5% movement	11.59	(11.59)	15.02	(15.02)
Euro	5% movement	0.01	(0.01)	0.01	(0.01)
JPY	5% movement	0.28	(0.28)	0.23	(0.23)

C. Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The primary objective of the Group's Capital Management is to maximise the shareholder's value. Management

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

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.

Particulars	As at 31 March 2022	As at 31 March 2021
Total liabilities*	1,505.09	1,378.05
Less: cash and cash equivalents	5.76	3.69
Adjusted net debt	1,499.33	1,374.36
Total equity	600.21	333.25
Adjusted net debt to equity ratio	2.50	4.12

*Excludes Deferred tax liabilities (net)

43. Leases

Lease liabilities are presented in the statement of financial position as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Current	5.75	5.03
Non-current	26.16	12.46
	31.91	17.49

The lease liabilities recognised in current year have average incremental borrowing rate of 8%.

The following are amounts recognised in profit or loss :

Particulars	31 March 2022	31 March 2021
Depreciation expense of right-of-use assets	5.66	5.34
Interest expense on lease liabilities	1.78	1.85
Rent expense*	9.59	7.09
Total	17.03	14.28

*Rent expense in term of short-term leases and low value leases

The Group has leases for office premises, residential properties and storage facilities. With the exception of short-term leases and low value leases, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. The Group is prohibited from selling or pledging the underlying leased assets as security.

The table below describes the nature of the Holding Company's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use asset	No of right-of-use assets leased	Range of remaining term (in years)	Average remaining lease term	No of leases with extension options	No of leases with termination options
Buildings					
- 31 March 2022	4	1-15 years	5.30	3	-
- 31 March 2021	3	3-7 years	3.20	2	-

Lease payments not recognised as a liability

The Holding Company has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The Group does not have any liability to make variable lease payments for the right-to-use the underlying asset recognised in the financials.

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

The expense relating to payments not included in the measurement of the lease liability for short-term leases and leases of low value is ₹9.59 crores (31 March 2021 : ₹7.09 crores).

At 31 March 2022, the Holding Company was committed to short term-leases and leases of low value, and the total commitment as at that date was ₹4.83 crores (31 March 2021 : ₹5.24 crores).

Total cash outflow for short term-leases and leases of low value for the year ended 31 March 2022 was ₹9.59 crores (31 March 2021 : ₹7.23 crores).

Total cash outflow for leases for the year ended 31 March 2022 was ₹16.17 crores (31 March 2021 : ₹13.01 crores).

44. Related party disclosure

a) Disclosure of related parties and relationship between the parties

Nature of relationship	Name of related party
i) Key managerial personnel	Mr. Om Prakash Lohia [Chairman and Managing Director ('CMD')]
	Mr. Vishal Lohia [Whole Time Director ('WTD')]
	Mrs. Urmila Lohia [Relative of CMD]
	Mr. Alope Lohia [Relative of CMD]
	Mrs. Ritika Kumar [Relative of CMD]
	Mrs. Rimple Lohia [Relative of WTD]
	Mr. Udey Paul Singh Gill [Non-Executive Non-Independent Director] [appointed w.e.f. 3 April 2019 till 20 January 2021]
	Mr. Dhanendra Kumar [Non-Executive Independent Director]
	Mr. Dilip Kumar Agarwal [Non-Executive Non-Independent Director] [appointed w.e.f. 20 January 2021]
	Mr. M N Sudhindra Rao [Chief Executive Officer] [also appointed as Executive Director w.e.f. 3 April 2019 till 29 October 2020]
	Mr. Hemant Balkrishna Bal [Whole Time Director ('WTD')] appointed w.e.f. 30 October 2020]
	Ms. Ranjana Agarwal [Non-Executive Independent Director]
	Mr. Suman Jyoti Khaitan [Non-Executive Independent Director]
	Mr. Dharampal Agarwal [Non-Executive Independent Director] [appointed w.e.f. 25 November 2021]
	Dr. Arvind Pandalai [Non-Executive Independent Director][resigned on 30 August 2021]
	Mr. Umesh Kumar Agrawal [Chief Commercial and Finance Officer]
Mr. Susheel Kumar Mehrotra [Chief Finance Officer] [Ceased as Chief Finance Officer w.e.f. 13 January 2021]	
Mr. Pawan Kumar Thakur [Company Secretary]	
ii) Other group entities over which Key Management Personnel and their relatives are able to exercise significant influence (with whom transaction have taken place)	Indorama Petrochem Limited
	Indorama Polyester Industries Public Company Limited
	Indorama India Private Limited
	TPT Petrochemicals Public Company Limited
	IVL Dhunseri Petrochem Industries Private Limited
	IRAMA Global Services Private Limited
	Trevira-Indorama Ventures Company
PT. Indorama Polychem Indonesia	
Indorama Ventures Global Services Ltd.	
iii) Enterprises having significant influence on the Company	Brookgrange Investments Limited
iv) Controlling Company	Indorama Netherlands BV [controlling company]*
	Indorama Ventures Public Company Limited [ultimate controlling company]**

* INBV controls the Holding Company through management control and also appointed additional Key Management Personnel in the Holding Company, refer note 16.

**The Group has availed credit lines with the support of the promoter Group Company to the tune of USD 75 million [31 March 2021 : USD 75 million] by way of stand by letter of credit (SBLC) to meet any unforeseen exigencies. Further, Group has utilised credit lines towards fund based and non fund based facilities with the support of the promoter Group Company amounting to ₹439.61 crores [31 March 2021 : ₹292.46 crores].

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

b) Disclosure of transactions between the Company and its related parties	For the year ended 31 March 2022	For the year ended 31 March 2021
i) Other group entities over which Key Management Personnel and their relatives are able to exercise significant influence		
Purchases of goods and services		
Indorama India Private Limited	14.29	7.87
Indorama Petrochem Limited	419.02	78.95
TPT Petrochemicals Public Company Limited	5.52	-
IVL Dhunseri Petrochem Industries Private Limited	13.34	7.91
Trevira-Indorama Ventures Company	-	0.02
Indorama Polyester Industries Public Company Limited	0.32	-
PT Indorama Ventures Indonesia	116.37	27.08
Indorama Ventures Global Services Ltd.	5.53	-
Indorama Ventures Public Company Limited	7.36	-
Sale of goods and services		
Indorama Polyester Industries Public Company Limited	88.13	77.87
Indorama India Private Limited	-	0.71
IVL Dhunseri Petrochem Industries Private Limited	1.61	-
IRAMA Global Services Private Limited	0.35	-
ii) Key Managerial Personnel		
Remuneration		
Short-term employee benefits	14.97	9.24
Other long-term benefits	(0.07)	1.22
Post-employment defined benefit	0.06	0.11
	14.96	10.57
Other transactions [Non-executive independent director]		
Rent income	0.16	0.16
	0.16	0.16
Director sitting fees	0.21	0.30
	0.21	0.30
c) Disclosure of related parties year end balances	As at 31 March 2022	As at 31 March 2021
i) Other group entities over which Key Management Personnel and their relatives are able to exercise significant influence		
Trade payables		
Indorama India Private Limited	3.49	2.69
Indorama Petrochem Limited	178.37	47.75
Indorama Ventures Public Company Limited	0.79	-
PT Indorama Ventures Indonesia	20.03	15.89
Trade receivables		
Indorama Polyester Industries Public Company Limited	0.05	-
IRAMA Global Services Private Limited	0.35	-
Advance from customers		
Indorama India Private Limited	0.01	0.01
Indorama Polyester Industries Public Company Limited	-	10.90
ii) Key managerial personnel		
Provision for gratuity and compensated absences [based on actuarial valuation] (Employee benefits)	2.53	2.54
Employee payable	2.20	-

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

45. Exceptional item

The exceptional item for the year ended 31 March 2021 was towards significant write down in valuation of inventories below cost amounting to ₹11.63 crores which was on account of unprecedented decline in global crude oil prices as an outcome of Covid-19 Pandemic [31 March 2022: nil]

46. Corporate Social Responsibility

In accordance with the provisions of section 135 of the Companies Act 2013, the Board of Directors of the Holding Company had constituted a Corporate Social Responsibility (CSR) committee. In terms with the provisions of the said Act, the Company is not required to spend any amount towards CSR activities during the current and previous year.

Details of Corporate Social Responsibility (CSR) are as under:-

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) amount required to be spent by the Company during the year,	-	-
(b) amount of expenditure incurred,	-	-
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	0.05	0.07
(c) shortfall at the end of the year,	-	-
(d) total of previous years shortfall,	-	-
(e) reason for shortfall,	Not applicable	Not applicable
(f) nature of CSR activities	Note a	Note b
(g) details of related party transactions	Not applicable	Not applicable
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	Not applicable	Not applicable

Notes

- a) the Holding Company has made contribution towards Guardian Minister Assistance Fund Committee, Nagpur, Maharashtra
b) the Holding Company has made contribution towards promotion of healthcare including preventive health care, disaster management and PM-Cares Fund to provide relief to those affected by emergency or distress situation of COVID-19.

47. In March 2020, World Health Organization (WHO) had declared the outbreak of Novel Corona virus "Covid-19" as a pandemic. Complying with the directives of Government, the plant and offices of the Group had been under lock-down impacting the operations for the previous year.

However, the second wave of Covid-19 had resulted in re-imposition of partial lockdowns/restrictions, which impacted the Group's performance during the quarter ended 30 June 2021

Post lifting of the lock down restrictions, the Group has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The Group does not foresee any significant incremental risk to the recoverability of its assets or in its ability to meet its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure. The management will continue to monitor any material change arising due to the impact of this pandemic on financial and operational performance of the Company and take necessary measures to address the situation.

48. Per transfer pricing legislation under section 92-92F of the Income-tax Act 1961, the Group is required to use certain specific methods in computing arm's length price of international transactions with associated enterprises and maintains adequate documentation in this respect. The legislations require that such information and documentation to be contemporaneous in nature. The Group has appointed independent consultants for conducting the Transfer Pricing Study to determine whether the transactions with associated enterprises undertake during the financial year are on an "arm's length basis". The Group is in the process of conducting a transfer pricing study for the current financial year and expects such records to be in existence latest by the due date as required by law. However, in the opinion of the management the update would not have a material impact on these financial statements. Accordingly, these financial statements do not include any adjustments for the transfer pricing implications, if any.

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

49. Other statutory information

- (a) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (b) The Group do not have any transactions with companies struck off.
- (c) The Group do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (d) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (e) The Group 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:
- 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
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries"
- (f) The Group 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 Group shall:
- 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,
- (g) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- (h) None of the entities in the group have been declared wilful defaulter by any bank or financial institution or government or any government authority.

50. Pursuant to changes notified in Schedule-III, during the year ended 31 March 2022, the Group has reclassified/regrouped certain previous year's balances.

51. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets*	Amount (₹ crores)	As % of consolidated profit or loss*	Amount (₹ crores)	As % of consolidated other comprehensive income*	Amount (₹ crores)	As % of consolidated net assets*	Amount (₹ crores)
Holding Company								
Indo Rama Synthetics (India) Limited								
31 March 2022	99.83%	599.18	99.68%	268.19	100.00%	(2.10)	99.68%	266.09
31 March 2021	[99.95%]	[333.09]	[99.47%]	[112.78]	[100.00%]	[-2.14]	[99.46%]	[110.64]
Subsidiary								
Indorama Yarns Private Limited								
31 March 2022	0.75%	4.48	0.49%	1.33	0.00%	-	0.50%	1.33
31 March 2021	[1.05%]	[3.16]	[0.53%]	[0.60]	0.00%	-	[0.54%]	[0.60]
Subsidiary								
Indorama Venture Yarns Private Limited**								
31 March 2022	0.42%	2.55	(0.17%)	(0.46)	0.00%	-	(0.17%)	(0.46)

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ crores, unless stated otherwise)

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets*	Amount (₹ crores)	As % of consolidated profit or loss*	Amount (₹ crores)	As % of consolidated other comprehensive income*	Amount (₹ crores)	As % of consolidated net assets*	Amount (₹ crores)
Intercompany elimination and consolidation adjustments								
31 March 2022	(1.00%)	(6.00)	0.00%	-	0.00%	-	0.00%	-
31 March 2021	[1.00%]	[3.00]	0.00%	-	0.00%	-	0.00%	-
Total	100.00%	600.21	100.00%	269.06	100.00%	(2.10)	100.00%	266.96
	[100.00%]	[333.25]	[100.00%]	[113.38]	[100.00%]	[-2.14]	[100.00%]	[111.24]

*The above amounts/percentage of net assets and net loss in respect of Indo Rama Synthetics (India) Limited and its subsidiaries are determined based on the amounts of the respective entities included in consolidated financial statements before inter-company eliminations/consolidation adjustments.

** The subsidiary has been incorporated in the current year. Previous year comparative not applicable

52. The consolidated financial statements were approved for issue by the board of directors on 28 April 2022.

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

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

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

Tarun Gupta
Partner
Membership No.: 507892

Place: Gurugram
Date: 28 April 2022

Om Prakash Lohia
Chairman and Managing Director
DIN: 00206807
Place: Gurugram
Date: 28 April 2022

Dhanendra Kumar
Director
DIN: 05019411
Place: New Delhi
Date: 28 April 2022

M N Sudhindra Rao
Chief Executive Officer
Place: Gurugram
Date: 28 April 2022

Umesh Kumar Agrawal
Chief Commercial and Financial Officer
Place: Gurugram
Date: 28 April 2022

Pawan Kumar Thakur
Company Secretary
Place: Gurugram
Date: 28 April 2022

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the Financial Statements of Subsidiaries / Associates / Joint Ventures as per the Companies Act, 2013

Part "A" : Subsidiaries

Sr. No.	Name of Subsidiary Company	The date since when subsidiary was acquired	Reporting Period	Reporting Currency	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Total Income	Profit/(Loss) before Taxation	Provision for Taxation	Profit/(Loss) after Taxation	Proposed Dividend	Effective Shareholding	Country
1	Indorama Yarns Private Limited	16 August 2019	1 April 2021 to 31 March 2022	INR	3.00	1.49	56.85	52.36	-	155.30	1.79	0.46	1.33	0	100%	India
2	Indorama Ventures Yarns Private Limited	05 July 2021	5 July 2021 to 31 March 2022	INR	3.00	(0.45)	8.17	5.62	-	0.01	(0.45)	-	(0.45)	0	100%	India

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

Om Prakash Lohia Chairman and Managing Director DIN: 00206807 Place: Gurugram Date: 28 April 2022	Dhanendra Kumar Director DIN: 05019411 Place: New Delhi Date: 28 April 2022	M N Sudhindra Rao Chief Executive Officer Place: Gurugram Date: 28 April 2022
Umesh Kumar Agrawal Chief Commercial and Financial Officer Place: Gurugram Date: 28 April 2022	Pawan Kumar Thakur Company Secretary Place: Gurugram Date: 28 April 2022	



Marketing Offices

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Tel.: 91-7888516752

Gurugram

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