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INDORAMA YARNS PRIVATE LIMITED

ANNUAL REPORT 2022-23

NOTICE

NOTICE is hereby given that the Fourth Annual General Meeting of the Members of Indorama Yarns Private Limited will be held on Thursday, the 13th day of July 2023, at 11:00 AM IST, through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM"), deemed to be the Registered Office of the Company situated at A-31, MIDC Industrial Area, Butibori, Nagpur - 441122, Maharashtra, India, to transact the following business:

ORDINARY BUSINESS

1. Adoption of the Financial Statements.

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2023, together with the reports of the Board of Directors and the Statutory Auditors' thereon.

2. To appoint a director in place of Mr. Umesh Kumar Agrawal, (DIN: 08502514), who retires by rotation at this meeting, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. To consider and approve for entering into Related Party(s) Transactions for the financial year 2023-24 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 the Companies (Meetings of Board and its Powers) Rules, 2014 (including any 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 Board of Directors of the Company, to enter into contracts arrangements, transactions, whether by way of any individual transactions or transactions taken together or series of transactions or otherwise with PT Indorama Ventures Indonesia, Indonesia, a related party, on such terms and conditions as may be agreed between the Company and PT Indorama Ventures Indonesia, Indonesia, from time to time, for purchase of Bi-Shrinkage Yarns (BSY), for an aggregate amount of upto ₹200.00 Crores (Indian Rupees Two Hundred Crores only) to be entered during the financial year 2023-24, provided that such contacts, arrangements, transactions shall always be carried out at arm's length and in the ordinary course of business of the Company;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters, and things and execute all such deeds, documents, and writings, on an ongoing basis, as may be necessary, proper, or expedient for the purpose of giving effect to the above resolution."

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4. **Authority to the Board to Borrow up to ₹500 Crores (Indian Rupees Five Hundred Crores only) and in this regard, to consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:**

“RESOLVED THAT, in supersession to the Special Resolution passed by the members of the Company at their first Annual General Meeting held on August 25, 2020, pursuant to Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to the Board of Directors (the “Board”) to borrow such sum or sums of money at its discretion with or without security, and upon such terms and conditions as the Board may think fit, for the business of the Company, 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 ₹500 Crores (Indian Rupees Five Hundred Crores only) and that the Directors be and are hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as they may think fit”.

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

5. **To Sell, Lease or otherwise Dispose of the Assets(s) of the Company and in this regard, to consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:**

“RESOLVED THAT, in supersession to the Special Resolution passed by the members of the Company at their first Annual General Meeting held on August 25, 2020, pursuant to Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company for mortgaging and/or charging, on such terms and conditions and at such time or times and in such form and manner as the Board of Directors may at its sole discretion think fit, to sell, lease or otherwise dispose of the whole or substantially the whole of the undertakings of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of the Company’s undertakings, including the present and/or future properties, whether movable or immovable (including equipment under delivery contracts for expansion projects) tangible or intangible in any existing or new undertaking or undertakings of the Company as the case may be in favour of the Lenders, Financial Institutions, Banks, Agents and/or Trustees for securing the long term, short term and medium term borrowings of the Company availed/to be availed by way of loan(s) (in foreign currency and/or rupee currency), working capital limits and securities (comprising non-convertible debentures) issued/to be issued by the Company, from time to time, subject to the limits approved/as may be approved by the members under Section 180(1)(c) of the Companies Act, 2013 together with the interest on the principal amounts at the respective agreed rates, additional interest, compound interest

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in the case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, premium (if any) on redemption, remuneration of agent(s)/trustee(s), all other costs, charges and expenses, including any increase as a result of devaluation/revaluation/ fluctuations in the rates of exchange and all other monies payable by the Company in terms of loan agreement(s), heads of agreements, debenture trust deed(s) and/or any other deed(s) or document(s) entered into/to be entered into between the Company and the lender(s)/financial institution(s), bank(s), agent(s)/ trustee(s) and/or other agencies, etc., in respect of their respective loans/borrowings/debentures/ securities and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors of the Company and the lender(s)/financial institution(s)/bank(s)/agent(s)/trustee(s), etc.;

RESOLVED FURTHER THAT the securities to be created by the Company as aforesaid may be exclusive or rank prior/*pari-passu*/subservient with the mortgages and/or charges already created or to be created in future by the Company or in such other manner and ranking as may be thought expedient by the Board of Directors and as may be agreed to by and between the Company and the lender(s)/financial institution(s), banks, agents/trustee(s) and/or other agencies;

RESOLVED FURTHER THAT the Board of Director or Persons authorized by the Board, be and is/are hereby authorized to finalise, settle and execute any and all agreements, documents, deeds, writings and papers as may be necessary for creating the mortgages and/or charges as aforesaid and to do all such acts, deeds, matters and things as it/they may, in its/their absolute discretion consider necessary, desirable or expedient for implementing this resolution and to resolve any question, difficulty or doubt relating thereto, or otherwise considered to be in the best interests of the Company."

By Order of the Board



Umesh Kumar Agrawal
Director (DIN: 08502514)

Place: Gurugram
Date: May 12, 2023

NOTES:

1. The Ministry of Corporate Affairs, Government of India ("MCA") has vide its circular dated December 28, 2022, read with Circulars dated January 13, 2021, May 5, 2020, April 13, 2020 and April 8, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM" or "Meeting") through Video Conferencing/Other Audio Visual Means ("VC/OAVM"), on or before September 30, 2023, without the physical presence of the Members at a common venue.

In compliance with the provisions of the Companies Act, 2013 ("Act") and MCA Circular, the AGM of the Company will be held through VC/OVAM. Hence, Members can attend and participate in the AGM through VC/OAVM only. The Registered Office of the Company shall be deemed as the venue of the AGM.

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2. 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 Companies Act, 2013 (the "Act").
3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with.

Accordingly, the facility for the appointment of proxies by the Members will not be available for the AGM. Hence, the Proxy Form is not annexed to this Notice.

4. The relative Explanatory Statements, pursuant to Section 102 of the Act, in respect of Item Nos. 03 to 05 of the accompanying Notice are annexed hereto.
5. A statement giving the relevant details of the directors seeking appointment/re-appointment under Item No. 02 of the accompanying Notice, as required by Secretarial Standard-2 is annexed herewith.
6. The helpline E-mail ID regarding any query/for assistance in participation in AGM through VC is: info@irypl.com
7. 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.
8. Since the AGM will be held through VC/OAVM, the route map, proxy form, and attendance slips are not annexed in this notice.
9. The facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM.
10. Unless a poll is demanded, the resolution will be passed by a show of hands.
11. For the poll, the members have to send an email from their registered email address to the following designated email address: info@irypl.com.
12. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e., July 13, 2023. Members seeking to inspect such documents can send an email to info@irypl.com.

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EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 03

Pursuant to the provisions of Section 188 of the Companies Act, 2013 (the "Act"), read with the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules'), the Company is required to obtain the consent of the Board of Directors and prior approval of the Members by way of ordinary resolution in case certain transactions with related parties exceeds such sum as is specified in the said Rules.

For this purpose, a transaction is considered material, if the transaction(s) to be entered into individually or taken together with the previous transaction(s) during a financial year, 10% or more of the turnover of the Company, as per the last audited financial statements of the Company. All the Related Party Transactions entered into by the Company are on an arm's length basis and in the ordinary course of business, and approval of the Board is obtained, wherever required.

The Company has existing arrangements with the related parties which are in the ordinary course of business and on an arm's length basis. However, the estimated value of the transaction (existing and proposed) would exceed 10% of the turnover of the Company for the financial year ended March 31, 2023. Thus, these transactions would require the approval of the Members by way of Ordinary Resolution. PT Indorama Ventures Indonesia, Indonesia is "Related Party" as per definition under Section 2(76) of the Act.

Approval is sought to enable the Board for entering into contracts/arrangements/agreements/transactions (including any modifications, alterations, amendments, or renewal thereto) with the aforesaid party subject to the limits mentioned in the table below:

Sl. No.	Name(s) of the Related Party and nature of Relationship/Name of Director or KMP who is related, if any	Particulars/Nature of Contracts/ Arrangements/ Transactions	Duration of the Contracts/ Arrangements/ Transactions	Material terms of the Contracts/Arrangements/ Transactions including the monetary value if any	Date(s) of approval by the Board if any	Amount paid as advances if any
1	PT Indorama Ventures Indonesia, Indonesia, Relative, None of Director or KMP of the Company is related in the transaction	Purchase of BSY	General	₹200 Crores	8-Feb-23	Nil

The Directors consider that the existing arrangement with the related party is in the ordinary course of business and on an arm's length basis.

None of the Directors of the Company either directly or through their relatives is, in any way, concerned or interested, whether financially or otherwise, in the proposed resolution.

The Directors recommend the **Ordinary Resolution set out in Item No. 03 of the Notice for approval by the members.**

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ITEM NO. 04

Pursuant to Section 180(1)(c) of the Companies Act, 2013, Board of Directors shall not borrow money in excess of the company's paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of members of the Company accorded by way of a Special Resolution.

The Company for its day-to-day operations and future expansion will require funds. It is, therefore, proposed that in supersession to the Special Resolution passed by the Members of the Company at their first Annual General Meeting held on August 25, 2020, the Board of Directors of the Company be authorized to borrow funds upto a limit of ₹500 Crores (Indian Rupees Five Hundred Crores only).

Accordingly, consent of the members is sought for passing a Special Resolution as set out at Item No. 04 of the Notice.

None of the Directors and Key Managerial Personnel or their relative are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 04 of the Notice.

The Board commends the **Special Resolution set out at Item No. 04 of the Notice** for approval by the members.

ITEM NO. 05

The members of the Company, vide Special Resolution passed at their first Annual General Meeting held on August 25, 2020, had accorded their consent to the Board of Directors for creation of charges/mortgages/hypothecations for an amount not exceeding, subject to the limits approved/as may be approved by the members under Section 180(1)(c) of the Companies Act, 2013, at any one time together with interest thereon, further interest, if any, remuneration of the trustees for the holders of the said debentures, costs, charges, expenses and all other moneys payable to the trustee for holders of the said debentures/financial institutions/banks/other lenders and incurred in terms of the issue of the said debentures and/or terms and conditions of the term loans/financial assistance obtained.

Under the provisions of Section 180(1)(a) of the Companies Act, 2013, the above powers can be exercised by the Board only with the consent of the members obtained by a Special Resolution. As such, it is necessary to obtain fresh approval of the members by means of a Special Resolution, to enable the Board of Directors of the Company to create charge/mortgage/hypothecation on the Company's assets, both present and future, in favour of the lenders/trustees for the holders of debentures/ bonds, to secure the repayment of monies borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business). It is, therefore, necessary to obtain members' approval by way of a Special Resolution under Section 180(1)(a) of the Companies Act, 2013 for creation of charges/ mortgages/hypothecations for an amount not exceeding, subject to the limits approved/as may be approved by the members under Section 180(1)(c) of the Companies Act, 2013 or the aggregate of the paid-up share capital and free reserves of the Company, whichever is higher.

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Accordingly, consent of the members is sought for passing a Special Resolution as set out at Item No. 05 of the Notice.

None of the Directors and Key Managerial Personnel or their relative are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 05 of the Notice.

The Board commends the **Special Resolution set out at Item No. 05 of the Notice** for approval by the members.

By Order of the Board



Umesh Kumar Agrawal
Director (DIN: 08502514)

Place: Gurugram
Date: May 12, 2023

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ANNEXURE I TO THE NOTICE

Details of Directors seeking appointment/re-appointment at the fourth Annual General Meeting, in pursuance of Secretarial Standard on General Meeting (SS-2).

ITEM NO. 02**Mr. Umesh Kumar Agrawal, Non-Executive Director**

Name of Director	Mr. Umesh Kumar Agrawal
Father's Name	Shri Sat Narain Agrawal
Directors Identification Number (DIN)	08502514
Age and Date of Birth	55 Years and April 26, 1968
Date of First Appointment	August 16, 2019
Experience/Expertise in the specific functional area	Seasoned Chartered Accountants with 34 years of industry experience in Finance, Commercial, Accounts, Taxation, Borrowing, Treasury Management Taxation, Legal, Secretarial, and other allied areas.
Qualification	B. Com (Hons), CA and CS
Directorship/ Chairman/ CEO held in other Companies	i) Indorama Ventures Yarns Private Limited - Director ii) Indorama Sustainable Polymers (India) Private Limited - Director iii) Indorama Sustainable Polyester Yarns Private Limited - Director
Chairman/Member of the Committee of the Board of Directors of the Company, i.e., Indorama Yarns Private Limited.	Nil
Chairman/Member of the Committee of the Board of Directors of other Company in which he is Director	Nil
Shareholding (including shareholding as a beneficial owner) in Indorama Yarns Private Limited.	Holding 1 (one) equity shares as Nominee of Indo Rama Synthetics (India) Limited. For other person as beneficial basis : Nil

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No. of Board Meeting attended during the financial year 2022-23	9 (Nine)
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
Terms and conditions of appointment /re-appointment	Non-Executive Director liable to retire by rotation.
Details of Remuneration last drawn (2022-23)	Nil

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BOARD'S REPORT

To

The Members,

Your directors have the pleasure of presenting the Fourth Annual Report of your Company together with the Audited Financial Statements for the financial year ended March 31, 2023.

FINANCIAL PERFORMANCE

The highlights of your Company's financial performance, for the financial year ended March 31, 2023, are summarized below:

(Amounts in ₹ Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Total Revenue	18,362.23	15,529.83
Expenditure	18,646.65	15,327.71
Profit/(Loss) before exceptional, extraordinary items and tax	(502.15)	178.59
Tax Expenses/ (Credit)	(15.66)	45.92
Profit/(Loss) After Tax for the year	(486.49)	132.67

OPERATIONAL RESULTS AND THE STATE OF COMPANY AFFAIRS

Your Company is engaged in the business of trading of Polyester Yarn.

During the year under review, your Company has earned revenue from operations of ₹18,362.23 Lakhs as against ₹15,529.23 Lakhs in the previous year, i.e., an improvement of 18.24% over previous year. Further, other income out of Interest Income is ₹1.86 Lakh as against ₹3.57 Lakhs in the previous year. Your Company has incurred a Net Loss after Tax of ₹486.49 Lakhs as against a Net Profit after Tax of ₹132.67 Lakhs in the previous year.

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business during the year under review.

FUTURE GROWTH PLANS OF THE COMPANY

Your Company is in the process of setting up its 700 TPD Bottle grade Pet Resin manufacturing facility and is likely to start its commercial operation in June 2023.

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HOLDING, SUBSIDIARIES, JOINT VENTURES, AND ASSOCIATE COMPANIES

Your Company is a Wholly Owned Subsidiary Company of Indo Rama Synthetics (India) Limited (CIN: L17124MH1986PLC166615).

During the year under review, your Company does not have any subsidiaries, joint ventures, or associate companies.

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes or commitments which affect the financial position of your Company which occurred between the end of the financial year i.e., March 31, 2023, and the date of this Report.

DIVIDEND

Your directors are not recommending any dividend for the year under review.

TRANSFER TO RESERVES

No amount was transferred to the reserves during the financial year ended March 31, 2023.

CHANGES IN SHARE CAPITAL

The Authorized Capital of your Company as on March 31, 2023, was ₹10,00,00,000/- (Indian Rupees Ten Crores only) divided into 1,00,00,000 Equity Shares of ₹10/- each and issued, subscribed, and paid-up share capital of your Company as on March 31, 2023, was ₹9,00,00,000/- (Indian Rupees Five Crores only) divided into 90,00,000 Equity Shares of ₹10/- each.

During the year under review, the Authorized Capital of your Company has been increased by ₹5,00,00,000/- (Indian Rupees Five Crores only) divided into 50,00,000 Equity Shares of ₹10/- each in the Extra-Ordinary General Meeting held on September 14, 2022 and the issued, subscribed, and paid-up share capital of your Company has been increased by aggregating ₹6,00,00,000/- (Indian Rupees Six Crores only) divided into 60,00,000 Equity Shares of ₹10/- each as follows:

Date of Allotment	Method of Issuance	No. of Equity Shares	Face Value per Share	Total Amount
August 30, 2022	Right Issue to Existing Equity Shareholders	20,00,000	₹10/-	₹2,00,00,000/-
December 19, 2022	Right Issue to existing Equity Shareholders	40,00,000	₹10/-	₹4,00,00,000/-
Total		60,00,000		₹6,00,00,000/-

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DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on March 31, 2023, the Board was having four Directors as under:

- i) Mr. M.N. Sudhindra Rao (DIN: 01820347)
- ii) Mr. Umesh Kumar Agrawal (DIN: 08502514)
- iii) Mr. Hemant Balkrishna Bal (DIN: 08818797); and
- iv) Mr. Vijay Suri (DIN: 09396442)

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 (the "Act") and your Company's Articles of Association, Mr. Umesh Kumar Agrawal (DIN: 08502514), Director of your Company is liable to retire by rotation at the forthcoming Annual General Meeting (AGM), and being eligible, offers himself for re-appointment.

Further, the provisions of Section 203 of the Act relating to the appointment of Key Managerial Personnel are not applicable to your Company.

None of the Directors of your Company is disqualified under Section 164(2) (a) & (b) of the Act.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the financial year 2022-23, 9 (Nine) Meetings of the Board were held on April 27, 2022, May 24, 2022, July 29, 2022, August 18, 2022, October 28, 2022, November 25, 2022, January 31, 2023, February 8, 2023, and March 10, 2023.

The gap between any two Board Meetings was less than One Hundred and Twenty (120) days.

The name of the Board Members and their attendance at the Board Meetings held during the financial year 2022-23, are as under:

Name of Directors	No. of Board Meetings attended/Total Meetings
Mr. M. N. Sudhindra Rao	7/9
Mr. Umesh Kumar Agrawal	9/9
Mr. Hemant Balkrishna Bal	9/9
Mr. Vijay Suri	8/9

DECLARATION BY INDEPENDENT DIRECTOR

The provisions of Section 149(6) of the Act with regard to the statements on declaration given by the Independent Director(s) are not applicable to your Company.

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AUDIT COMMITTEE

The provisions of Section 177 of the Act read with Rule 6 and Rule 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013, are not applicable to your Company.

NOMINATION AND REMUNERATION POLICY

The provisions of Section 178(1) of the Act relating to the constitution of the Nomination and Remuneration Committee, are not applicable to your Company.

SECRETARIAL STANDARDS

During the year under review, your Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

EXTRACTS OF ANNUAL RETURN

Pursuant to Sections 92(3) and 134(3)(a) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return as on 31st March 2023, is available on your Company's website, <https://www.indoramaindia.com/subsidiary-irypl.php>.

STATUTORY AUDITORS AND THEIR REPORT

Pursuant to the provisions of Section 139 of the Act and the Rules made thereunder, your Company at its first AGM appointed, M/s Walker Chandiok & Co., LLP (Firm Registration No. 001076N/N500013) as Statutory Auditors of your Company for an initial term of five consecutive years, i.e., from the conclusion of the first AGM of your Company held on August 25, 2020, until the conclusion of Sixth AGM of your Company to be held in the year 2025. The Statutory Auditors have confirmed they are not disqualified from continuing as Auditors of your Company.

The Report given by M/s Walker Chandiok & Co., LLP on the financial statements of your Company, for the financial year 2022-23, is 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 Act, therefore no details are required to be disclosed under Section 134 (3)(ca) of the Act.

COST AUDITORS

During the year under review, Cost Audit was not applicable to your Company.

INTERNAL AUDITOR

During the year under review, Internal Audit was not applicable to your Company.

INDORAMA YARNS PRIVATE LIMITED

Corp. Office: Plot No. 53 & 54, Delhi Press Building, Phase-IV, Udyog Vihar, Gurugram-122015, Haryana, India | Tel: 0124-4997000
Regd. Office: 31-A, MIDC Industrial Area, Butibori, Nagpur - 441122, Maharashtra, India | Tel : 07104-663000 / 01 | Fax : 07104-663200
CIN: U17299MH2019PTC329375 | E-mail: info@irypl.com | Website : www.indoramaindia.com

SECRETARIAL AUDITOR

During the year under review, the Secretarial Audit was not applicable to your Company.

VIGIL MECHANISM

In compliance with the provisions of Section 177 (9) of the Companies Act, 2013, your 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. The Vigil Mechanism provides adequate safeguards against victimization of Directors or Employees or any other person who avails themselves of the mechanism.

CORPORATE SOCIAL RESPONSIBILITY

During the year under review, the provisions related to Corporate Social Responsibility are not applicable to your Company.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

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".

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 received.

RISK MANAGEMENT

Your Company continuously monitors business and operational risks. At present, there are no risks identified by the Board of Directors which may threaten the existence of your Company.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

Your Company has in place adequate internal financial control commensurate with the size of your Company and the nature of its business.

DEPOSITS

During the year under review, your Company did not invite or accept any deposits from the public under Section 76 of the Act.

INDORAMA YARNS PRIVATE LIMITED

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INSURANCE

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS & OUTGO

The particulars relating to conservation of energy and technology absorption are not applicable to your Company. However, efforts are being made to conserve and optimize the use of energy, wherever possible.

The foreign exchange earnings or outgo during the period under review was NIL.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, your Directors, to the best of their knowledge and ability, confirm that:

- (i) in the preparation of the Annual Accounts, for the year ended March 31, 2023, the applicable accounting standards had been followed and there are no material departures;
- (ii) 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 loss of the Company for that period;
- (iii) 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) the Annual Accounts, during the year ended March 31, 2023, have been prepared on a going concern basis;
- (v) the internal financial controls laid down by the Board and being followed by the Company, are adequate and were operating effectively;
- (vi) the proper systems, devised by Directors to ensure compliance with the provisions of all applicable laws, were adequate and operating effectively.

PARTICULARS OF LOANS, GUARANTEES AND/OR INVESTMENTS

During the year under review, your Company has not given any loan and/or guarantee or provided security in connection with a loan to any other body corporate or person or made any investment under the provisions of Section 186 of the Act.

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CIN: U17299MH2019PTC329375 | E-mail: info@irypl.com | Website : www.indoramaindia.com

RELATED PARTY TRANSACTIONS

There are no materially significant related party transactions made by your Company which may have potential conflict with the interest of your 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 contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Act entered by your Company during the financial year ended March 31, 2023, are annexed hereto, in prescribed Form AOC-2, and form part of this report.

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.

PARTICULARS OF EMPLOYEES AND RELATED INFORMATION

There was no employee in respect of whom information is required to be given pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended up to date.

BUY-BACK OF SECURITIES

During the year under review, your Company has not bought back any of its securities.

GENERAL

Your directors state that no disclosures or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a) Your Company had not issued any equity shares with differential rights as to dividend or voting or otherwise;
- b) Your Company had not issued any shares (including sweat equity shares) to employees of your Company under any scheme;
- c) No significant or material order was passed by any Regulator/ Court/ Tribunal which impacts the going concern status of your Company or its future operations.
- d) Your Company has not resorted to any buy back of its Equity Shares during the year under review;

INDORAMA YARNS PRIVATE LIMITED

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- e) No fraud has been reported by auditors under sub-section (12) of Section 143;
- f) The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof - Not Applicable; and
- g) The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year- Not Applicable

ACKNOWLEDGEMENT

Your directors wish to place on record their appreciation for the continuous support extended by shareholders, customers, government authorities, bankers, and lenders and faith reposed in your Company.

By Order of the Board

Place: Gurugram
Date: May 12, 2023


M. N. Sudhindra Rao
Director (DIN: 01820347)


Umesh Kumar Agrawal
Director (DIN: 08502514)

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FORM NO. AOC - 2

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

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

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

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


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

Sl. No.	Name(s) of the Related Party and nature of Relationship**	Nature of Contracts/Arrangements/Transactions	Duration of the Contracts/Arrangements/Transactions	Main terms of the Contracts/Arrangements/ Transactions including the value, if any	Date(s) of approval by the Board, if any*	Amount paid as advances, if any
1	PT Indorama Ventures Indonesia, Indonesia, Relative	Purchase of BSY	General	39.90	29-Jul-22	Nil
2	PT Indorama Ventures Indonesia, Indonesia, Relative	Purchase of BSY	General	46.14	28-Oct-22	Nil
3	PT Indorama Ventures Indonesia, Indonesia, Relative	Purchase of BSY	General	35.84	08-Feb-23	Nil
4	PT Indorama Ventures Indonesia, Indonesia, Relative	Purchase of BSY	General	30.10	12-May-23	Nil
Total				151.98		

* The Board of Directors of the Company has given omnibus approval for the aforesaid transactions at its meeting held on February 8, 2022, for the financial year 2022-23 and it was subsequently noted at Board Meeting on actuals.

** The Shareholders of the Company have approved at their Annual General Meeting held on July 21, 2022, transactions with PT Indorama Ventures Indonesia, Indonesia for ₹300 Crores, being material related party transactions for the financial year 2022-23.

Place: Gurugram
Date: May 12, 2023


M. N. Sudhindra Rao
Director (DIN: 01820347)

For and on behalf of the Board


Umesh Kumar Agrawal
Director (DIN: 08502514)

Walker Chandiook & Co LLP

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Independent Auditor's Report

To the Members of Indorama Yarns Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Indorama Yarns Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including 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 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 2023, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

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



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

Walker Chandiook & Co LLP

Independent Auditor's Report of even date to the members of Indorama Yarns Private Limited, on the financial statement for the year ended 31 March 2023 (cont'd)

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

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

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

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

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, the Board of Directors 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.
7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible



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Independent Auditor's Report of even date to the members of Indorama Yarns Private Limited, on the financial statement for the year ended 31 March 2023 (cont'd)

for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed an unmodified opinion; and



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Independent Auditor's Report of even date to the members of Indorama Yarns Private Limited, on the financial statement for the year ended 31 March 2023 (cont'd)

- 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 does not have any pending litigation which would impact its financial position as at 31 March 2023;
 - 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 2023;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023.;
 - iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 37(e) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 37(f) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the year ended 31 March 2023.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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



Tarun Gupta
Partner
Membership No.: 507892
UDIN: 23507892BGXQVG7481



Place: Gurugram
Date: 12 May 2023

Walker Chandiook & Co LLP

Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Indorama Yarns Private Limited on the financial statements for the year ended 31 March 2023

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.
- (B) The Company does not have any intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Companies (Auditor's Report) Order, 2020 (hereinafter referred to as 'the Order') is not applicable to the Company.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
- (c) The Company does not own any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment 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 Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for inventory in transit. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records.
- (b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 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 not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.



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Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Indorama Yarns Private Limited on the financial statements for the year ended 31 March 2023 (cont'd)

- (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 to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.



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Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Indorama Yarns Private Limited on the financial statements for the year ended 31 March 2023 (cont'd)

- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.
- (xiv) According to the information and explanations given to us, the Company is not required to and consequently, does not have an internal audit system as per the provisions of section 138 of the Act Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi)(a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.
- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has incurred cash losses amounting to Rs. 478.86 lakhs in the current financial year but had not incurred cash losses in 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 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 indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not meet the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.



Walker Chandiook & Co LLP

Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Indorama Yarns Private Limited on the financial statements for the year ended 31 March 2023 (cont'd)

(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 Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Tarun

Tarun Gupta
Partner
Membership No.: 507892
UDIN: 23507892BGXQVG7481



Place: Gurugram
Date: 12 May 2023

Walker Chandiook & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of Indorama Yarns Private Limited on the financial statements for the year ended 31 March 2023

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

1. In conjunction with our audit of the financial statements of Indorama Yarns Private Limited ('the Company') as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management 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

Chartered Accountants



Walker ChandioK & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of Indorama Yarns Private Limited on the financial statements for the year ended 31 March 2023 (cont'd)

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 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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



Tarun Gupta
Partner
Membership No.: 507892
UDIN: 23507892BGXQVG7481



Place: Gurugram
Date: 12 May 2023

Indorama Yarns Private Limited
CIN: U17299MH2019PTC329375
Balance sheet as at 31 March 2023
(All amounts in ₹ lakhs, unless stated otherwise)


Particulars	Notes	As at 31 March 2023	As at 31 March 2022
Assets			
Non-current assets			
(a) Property, plant and equipment	2	132.67	483.70
(b) Capital work-in-progress	3	12,897.84	222.43
(c) Financial assets			
(i) Other financial assets	4	1.51	-
(d) Non-current tax assets (net)	5	18.50	-
(e) Other non-current assets	6	242.92	2,107.80
Total non-current assets		13,293.44	2,813.93
Current assets			
(a) Inventories	7	539.64	1,758.93
(b) Financial assets			
(i) Trade receivables	8	374.62	414.06
(ii) Cash and cash equivalents	9	260.29	151.98
(iii) Other financial assets	4	80.53	-
(c) Other current assets	6	1,058.63	546.34
Total current assets		2,313.71	2,871.31
Total assets		15,607.15	5,685.24
Equity and liabilities			
Equity			
(a) Equity share capital	10	900.00	300.00
(b) Other equity	11	(337.25)	149.24
Total equity		562.75	449.24
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	12,487.04	2,230.60
(b) Provisions	13	1.13	-
(c) Deferred tax liabilities (net)	14	-	15.66
Total non-current liabilities		12,488.17	2,246.26
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises; a	15	323.33	-
(b) total outstanding dues other than (a) above		1,590.60	2,925.81
(ii) Other financial liabilities	16	628.39	35.50
(b) Other current liabilities	17	13.87	26.31
(c) Provisions	13	0.04	-
(d) Current tax liabilities (net)	18	-	2.12
Total current liabilities		2,556.23	2,989.74
Total equity and liabilities		15,607.15	5,685.24

Notes 1 to 38 forms an integral part of these financial statements

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

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

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


Tarun Gupta
Partner
Membership No.: 507892




M N Sudhindra Rao
Director
DIN: 01820347


Umesh Kumar Agrawal
Director
DIN: 08502514

Place: Gurugram
Date: 12 May 2023

Place: Gurugram
Date: 12 May 2023

Place: Gurugram
Date: 12 May 2023



Indorama Yarns Private Limited

CIN: U17299MH2019PTC329375

Statement of Profit and Loss for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

Particulars	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
I Income			
Revenue from operations	19	18,360.37	15,526.26
Other income	20	1.86	3.57
Total income		18,362.23	15,529.83
II Expenses			
Purchases of stock-in-trade	21	16,939.00	15,093.83
Changes in inventories of stock-in-trade	22	1,219.29	(170.40)
Employee benefits expense	23	17.82	7.02
Other expenses	24	470.54	397.26
Expenses before depreciation expense, finance costs and foreign exchange fluctuation		18,646.65	15,327.71
Profit/ (loss) before depreciation expense, finance costs and foreign exchange fluctuation		(284.42)	202.12
Depreciation expense	25	23.29	19.43
Finance costs	26	66.99	0.66
Foreign exchange fluctuation loss		127.45	3.44
Total expenses		18,864.38	15,351.24
III Profit / (loss) before tax [I-II]		(502.15)	178.59
IV Tax expense :			
Current tax expenses		-	35.83
Deferred tax expenses/(credit)	14	(15.66)	10.09
Total tax expenses		(15.66)	45.92
V Profit / (loss) for the year [III-IV]		(486.49)	132.67
VI Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit liability		-	-
Less: Income tax relating to remeasurement of defined benefit liability		-	-
Other comprehensive income for the year		-	-
VII Total comprehensive income for the year		(486.49)	132.67
VIII Earnings per equity share [nominal value of equity share ₹ 10]			
Basic and diluted	27	(9.10)	4.42

Notes 1 to 38 forms an integral part of these financial statements

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

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

**Tarun Gupta**

Partner

Membership No.: 507892



Place: Gurugram

Date: 12 May 2023

For and on behalf of the Board of Directors of

Indorama Yarns Private Limited**M N Sudhindra Rao**

Director

DIN: 01820347

Place: Gurugram

Date: 12 May 2023

**Umesh Kumar Agrawal**

Director

DIN: 08502514



Place: Gurugram

Date: 12 May 2023

Indorama Yarns Private Limited
CIN: U17299MH2019PTC329375
Statement of Cash flows for the year ended 31 March 2023
(All amounts in ₹ lakhs, unless stated otherwise)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A. Cash flow from operating activities		
(Loss)/profit before tax	(502.15)	178.59
Add: Adjustment for non-cash and non-operating items		
Finance costs	66.99	0.66
Depreciation	23.29	19.43
Loss on sale of assets	82.06	-
Interest income	(1.86)	(3.57)
Operating (loss)/ profit before working capital changes	(331.67)	195.11
Adjustments for movement in:		
Changes in trade receivables	39.44	(414.06)
Changes in other assets	(512.29)	(480.68)
Changes in inventories	1,219.29	(170.40)
Changes in other financial assets	(82.04)	-
Changes in trade payables	(1,011.87)	1,221.35
Changes in other financial liabilities	2.44	2.75
Changes in other liabilities	(12.44)	(10.17)
Changes in provisions	1.18	-
Cash (used in)/ generated from operating activities	(687.96)	343.90
Income tax paid [net]	(20.62)	(28.37)
Net cash (used in)/generated from operating activities [A]	(708.58)	315.53
B. Cash flow from investing activities		
Purchase of property, plant and equipment [including capital work in progress, capital advances and creditors for capital goods]	(10,353.28)	(2,463.43)
Sale of property, plant and equipment	375.98	-
Interest received	1.86	3.57
Net cash used in investing activities [B]	(9,975.44)	(2,459.86)
C. Cash flow from financing activities		
Proceeds from non current borrowings	10,256.44	2,230.60
Proceeds from issue of share capital	600.00	-
Finance costs paid	(64.11)	(61.56)
Net cash generated from financing activities [C]	10,792.33	2,169.04
Net increase in cash and cash equivalents [A+B+C]	108.31	24.71
Cash and cash equivalents at the beginning of the year	151.98	127.27
Closing cash and cash equivalents (refer note 9)	260.29	151.98

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

Notes 1 to 38 forms an integral part of these financial statements
This is the statement of Cash Flow referred to in our report of even date

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

Tarun Gupta
Partner
Membership No.: 507892



Place: Gurugram
Date: 12 May 2023

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

M N Sudhindra Rao
Director
DIN: 01820347

Place: Gurugram
Date: 12 May 2023



Umesh Kumar Agrawal
Director
DIN: 08502514

Place: Gurugram
Date: 12 May 2023

Indorama Yarns Private Limited

CIN: U17299MH2019PTC329375

Statement of changes in equity for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

A. Equity share capital

Particulars	Balance as at 1 April 2022	Changes in equity share capital during the year	Balance as at 31 March 2023
Equity share capital	300.00	600.00	900.00

Particulars	Balance as at 1 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
Equity share capital	300.00	-	300.00

B. Other equity**Attributable to the equity holders****Retained earnings**

Particulars	Total
Balance at 31 March 2021	16.57
Profit for the year	132.67
Balance at 31 March 2022	149.24
Profit for the year	(486.49)
Balance at 31 March 2023	(337.25)

Notes 1 to 38 forms an integral part of these financial statements

This is the Statement of Changes in equity referred to in our report of even date

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of

Indorama Yarns Private Limited



Tarun Gupta

Partner

Membership No.: 507892

Place: Gurugram

Date: 12 May 2023



M N Sudhindra Rao

Director

DIN: 01820347

Place: Gurugram

Date: 12 May 2023



Umesh Kumar Agrawal

Director

DIN: 08502514

Place: Gurugram

Date: 12 May 2023



Indorama Yarns Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

- 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.

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.



Indorama Yarns Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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
Plant and equipments	45/20 years	25/3 years
Vehicles	10 years	8 years
Furniture and fixtures	15 years	10 years
Office equipments	5 years	5 years

Assets costing less than Rs. 5,000 are fully depreciated over the period of one year from the date of purchase/acquisition and such treatment did not have any material impact on financial statements of the Company for the current year.

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

e. Impairment

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

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

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.



Indorama Yarns Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of the assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.



Indorama Yarns Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

f. Inventories

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

Stock-in-trade: 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. Traded goods and other supplies held for use in trading are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished goods will exceed their net realisable value.

g. Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

The Company operates a defined benefit gratuity plan in India.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability or the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the 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.



Indorama Yarns Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

iv. Other long-term employee benefits

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

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

h. Revenue

i. Sale of goods

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue is recognised upon transfer of control of promised products to customers being when the goods are shipped to the customers or dispatched from warehouse basis the contract with customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over or managerial involvement with, the goods, and the amount of revenue can be measured reliably. Where the payment extends beyond normal credit period, interest is recovered separately.

ii. Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

i. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other gains/(losses).

Borrowings are classified as current financial liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the



Indorama Yarns Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements, not to demand payment as a consequence of the breach.

j. Financial instruments

i. Recognition and initial measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability of another entity. Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial instrument is measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss (FVTPL) which are measured initially at fair value.

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

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost or at FVTPL. Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL.

For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that 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



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

- the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

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

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

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

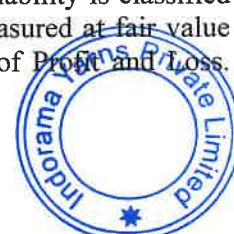
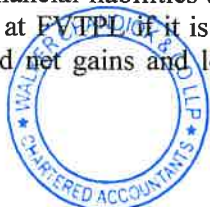
A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition. Financial assets at amortised cost are measured at amortised cost using the effective interest method. Interest income recognised in Statement of Profit and Loss.

Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss.



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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.

k. 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.

- 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)



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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.

l. 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.

m. 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.

n. 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.



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

o. Foreign exchange transactions

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition.

All monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities if any that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

All exchange differences are dealt with in the Statement of Profit and Loss.

Taxation

Income tax comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

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

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

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

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



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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.

p. Measurement of profit before depreciation expense, finance costs and foreign exchange fluctuation

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

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

q. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors 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., trading of Polyester goods. The Company does not have any revenue from entities outside India.

r. 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. MCA, vide its circular dated 31 March 2023 has issued Companies (Indian Accounting Standards) Amendment Rules, 2023 to further amend the Companies (Indian Accounting Standards) Rules, 2015 as below:

Ind AS 1 Presentation of Financial Statement

Requirement to disclose 'material accounting policies' instead of 'significant accounting policies' and related guidance included to determine whether the policy is material or not.

Ind AS 8 Accounting Policies, Change in Accounting Estimates and Errors

Definition of 'accounting estimates' now included in the standard enabling distinction between change in accounting estimates from change in accounting policies.

Ind AS 12 Income Taxes

Transactions that does not give rise to equal taxable and deductible temporary differences at the time of initial transaction have now been included in the exemptions for recognition of deferred tax liability and deferred tax assets in case of taxable temporary differences.

The Company is currently evaluating the impact of amendments to the aforementioned accounting standards on its financial statements



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(All amounts in ₹ lakhs, unless stated otherwise)

2. Property, plant and equipment

Particulars	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Total
A. Gross carrying amount					
Balance as at 31 March 2021	311.07	-	-	-	311.07
Additions during the year	13.19	-	179.12	-	192.31
Disposals during the year	-	-	-	-	-
Balance as at 31 March 2022	324.26	-	179.12	-	503.38
Additions during the year	127.60	0.16	-	2.55	130.31
Disposals during the year	319.05	-	179.12	-	498.17
Balance as at 31 March 2023	132.81	0.16	-	2.55	135.52
B. Accumulated depreciation					
Balance as at 31 March 2021	0.25	-	-	-	0.25
Additions during the year	15.23	-	4.20	-	19.43
Disposals during the year	-	-	-	-	-
Balance as at 31 March 2022	15.48	-	4.20	-	19.68
Additions during the year	11.56	0.10	11.38	0.25	23.29
Disposals during the year	24.54	-	15.58	-	40.12
Balance as at 31 March 2023	2.50	0.10	-	0.25	2.85
Net carrying value					
As at 31 March 2022	308.78	-	174.92	-	483.70
As at 31 March 2023	130.31	0.06	-	2.30	132.67

Note

1. Refer note 30 for information on capital commitments for acquisitions of property, plant and equipment.



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3. Capital work-in-progress

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	222.43	-
Additions during the year	12,805.72	414.74
Less: amount capitalised during the year	(130.31)	(192.31)
Total	12,897.84	222.43

Notes

1. The costs that are directly attributable to the acquisition or construction of property, plant and equipment has been capitalised during the year, refer note 34

(a) Capital work-in-progress ageing schedule as at 31 March 2023 and 31 March 2022

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 2023	12,755.43	142.41	-	-	12,897.84
31 March 2022	222.43	-	-	-	222.43

(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 2023 and 31 March 2022.

4. Other financial assets

	Non- Current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Security deposits	1.51	-	-	-
Advance to employees	-	-	0.05	-
Claims and other receivables	-	-	80.48	-
Total	1.51	-	80.53	-

5. Non current tax assets

	As at 31 March 2023	As at 31 March 2022
Advance tax	18.50	-
Total	18.50	-

6. Other assets

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Capital advances	242.92	2,107.80	-	-
Balances with government authorities	-	-	915.89	424.79
Advance to vendors	-	-	7.03	76.66
Prepaid expenses	-	-	135.71	44.89
Total	242.92	2,107.80	1,058.63	546.34

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023
(All amounts in ₹ lakhs, unless stated otherwise)

7. Inventories

	As at 31 March 2023	As at 31 March 2022
[Valued at lower of cost or net realisable value, unless otherwise stated]		
Stock-in-trade [include in transit Rs 539.64 lakhs (31 March 2022 : Rs 1,292.99 lakhs)]	539.64	1,758.93
	<u>539.64</u>	<u>1,758.93</u>

8. Trade receivables

	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good	374.62	414.06
Total	<u>374.62</u>	<u>414.06</u>

1. The Company limits its exposure to credit risk from trade receivables by establishing a credit period for all customer categories . In case of delay beyond credit period the interest is generally recovered at the rate of 12% to 18%.
2. No amount is due from directors or officers of the Company.

Trade receivable ageing schedule as at 31 March 2023 and 31 March 2022

31 March 2023	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	134.19	240.43	-	-	-	-	374.62
Total	<u>134.19</u>	<u>240.43</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>374.62</u>

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	397.14	16.92	-	-	-	-	414.06
Total	<u>397.14</u>	<u>16.92</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>414.06</u>

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

9. Cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Balances with banks	258.29	124.95
Deposits with original maturity less than three months	-	25.00
Cash on hand	2.00	2.03
Total	<u>260.29</u>	<u>151.98</u>

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023
(All amounts in ₹ lakhs, unless stated otherwise)

10. Equity share capital

	As at 31 March 2023	As at 31 March 2022
Authorised		
10,000,000 equity shares of ₹ 10 each [31 March 2022: 5,000,000]	1,000.00	500.00
	<u>1,000.00</u>	<u>500.00</u>
Issued, subscribed and fully paid up		
Balance at the beginning of the year	300.00	300.00
Add: Issued during the year	600.00	-
Balance at the end of the year	<u>900.00</u>	<u>300.00</u>

Notes:

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	30,00,000	300.00	30,00,000	300.00
Add: Issued during the year	60,00,000	600.00	-	-
Balance at the end of the year	<u>90,00,000</u>	<u>900.00</u>	<u>30,00,000</u>	<u>300.00</u>

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:

Name of Shareholder	As at 31 March 2023		As at 31 March 2022	
	Number of shares	% of shareholding	Number of shares	% of shareholding
Indo Rama Synthetics (India) Limited [Holding Company]*	90,00,000	100.00	30,00,000	100.00
	<u>90,00,000</u>	<u>100.00</u>	<u>30,00,000</u>	<u>100.00</u>

* including nominee shareholders

(iv) Shareholding held by promoter is as follows:

Promoter Name	Shareholding at the end of the year				% change in shareholding during the year
	As at 31 March 2023		As at 31 March 2022		
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	
Indo Rama Synthetics (India) Limited [holding Company]	90,00,000	100.00	30,00,000	100.00	-

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	
Indo Rama Synthetics (India) Limited [holding Company]	30,00,000	100.00	30,00,000	100.00	-

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

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023
(All amounts in ₹ lakhs, unless stated otherwise)

11. Other equity

	As at 31 March 2023	As at 31 March 2022
a. Retained earnings		
Balance at the beginning of the year	149.24	16.57
Add : Profit/(loss) during the year	(486.49)	132.67
Balance at the end of the year	(337.25)	149.24
Total other equity	(337.25)	149.24

Nature of reserves

Retained earnings

Retained earnings refer to the net profit/(loss) retained by the Company for its core business activities.

12. Borrowings

	As at 31 March 2023	As at 31 March 2022
Secured loan		
Term loan from banks		
Rupee loans	11,987.04	2,230.60
Unsecured loan		
from holding company	500.00	-
	12,487.04	2,230.60

(a) Details of rate of interest, terms of repayment and security for long-term loans from banks:

Secured term loan from banks

₹ 11,987.04 lakhs (31 March 2022 : 2,230.60 lakhs) are secured by Stand By Letter of Credit (SBLC) by promotor group company of Holding Company, repayable in 16 quarterly yearly installments aggregating to ₹ 449.50 lakhs each in FY 2024-2025, ₹ 749.19 lakhs each in FY 2025-2026, ₹ 899.02 lakhs each in FY 2026-2027, ₹ 899.02 lakhs each in FY 2027-2028, rate of interest range from 6.25% p.a to 10.09% p.a (31 March 2022 : 6.25% p.a to 6.49% p.a.)

Unsecured loan

Name of related party	Nature of loan	Rate of interest Per annum	Repayment terms	As at 31 March 2023	As at 31 March 2022
Indo Rama Synthetics (India) Limited	Non current	9.00%	Unsecured, repayable with in 15 months from date of agreement	500.00	-
Total				500.00	-

The purpose of the loan is for meeting the funding requirements for ongoing project capex execution support.

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

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance		
Non current borrowings	2,230.60	-
Cash flows		
Proceeds from non current borrowings	10,256.44	2,230.60
Closing		
Non current borrowings	12,487.04	2,230.60

13. Provisions

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits				
Provision for gratuity [refer note 29]	0.40	-	0.00	-
Provision for compensated absences [refer note 29]	0.73	-	0.04	-
Total	1.13	-	0.04	-

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

14. Deferred tax liabilities

I. Recognition of deferred tax assets and liabilities

	Deferred tax assets		Deferred tax (liabilities)		Net deferred tax assets (liabilities)	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Property, plant and equipment	4.22	-	-	15.66	-	15.66
Brought forward business losses	(4.22)	-	-	-	-	-
	-	-	-	15.66	-	15.66
Offsetting of deferred tax assets and deferred tax liabilities	-	-	-	-	-	-
Net deferred tax liability	-	-	-	15.66	-	15.66

II. Movement in temporary differences

	As at 31 March 2023	As at 31 March 2022
Opening balance of deferred tax liability	15.66	5.57
Tax expense during the year recognised in the statement of profit or loss	(15.66)	10.09
Closing balance of deferred tax liability	-	15.66

III. Effective tax rate

	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit/(loss) before tax	(502.15)	178.59
Effective tax rate	25.17%	25.17%
Current tax expense/(income) on profit before tax at the effective income tax rate in India	(126.38)	44.95
Recognition of deferred tax asset	(4.22)	-
Deferred tax asset not recognised	(106.50)	-
Other adjustments	-	(0.97)
Tax expense/ (credit) reported in the statement of profit and loss	15.66	(45.92)
Tax expense/ (credit) during the year recognised in statement of profit or loss	15.66	(45.92)
Tax expense/ (credit) during the year recognised in other comprehensive income	-	-
	15.66	(45.92)

C. Unrecognised deferred tax assets

	As at 31 March 2023		As at 31 March 2022	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Brought forward business losses and unabsorbed depreciation	423.14	106.50	-	-



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15. Trade payables

	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises	323.33	-
Total outstanding dues of creditors other than micro enterprises	1,590.60	2,925.81
Total	1,913.93	2,925.81
Outstanding towards related parties (refer note 32)	1,570.75	2,560.57

Trade Payable Ageing Schedule as at 31 March 2023 and 31 March 2022

31 March 2023	Outstanding for the following periods from the 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	316.97	-	6.36	-	-	323.33
Others	1,588.18	-	0.28	2.14	-	1,590.60
Total	1,905.15	-	6.64	2.14	-	1,913.93

31 March 2022	Outstanding for the following periods from the 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	-	-	-	-	-	-
Others	2,367.81	558.00	-	-	-	2,925.81
Total	2,367.81	558.00	-	-	-	2,925.81

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

16. Other financial liabilities

	As at 31 March 2023	As at 31 March 2022
Interest accrued and not due on borrowings	3.26	0.38
Forward cover payable	4.74	3.21
Payable to employees	0.79	0.01
Creditors towards property, plant & equipment*	619.46	31.90
Others	0.14	-
Total	628.39	35.50

* Includes Rs. 452.85 lacs (31 March 2022: nil) towards dues of micro enterprise and small enterprise

17. Other current liabilities

	As at 31 March 2023	As at 31 March 2022
Advances from customers	0.02	0.05
Statutory dues	12.51	26.26
Others	1.34	-
Total	13.87	26.31

18. Current tax liabilities (net)

	As at 31 March 2023	As at 31 March 2022
Current tax (net of advance tax)	-	2.12
Total	-	2.12

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19 Revenue from operations

	For the year ended 31 March 2023	For the year ended 31st March 2022
a) Sale of products		
Traded goods	18,360.37	15,526.26
	<u>18,360.37</u>	<u>15,526.26</u>

Notes:

i) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Gross sale of products	18,588.62	15,691.64
Less: Adjustments on account of discounts and price differences	228.25	165.38
	<u>18,360.37</u>	<u>15,526.26</u>

ii) Contract balances

Advance from customers[refer note 17]	0.02	0.05
---------------------------------------	------	------

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 year	0.05	32.38
b. Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous year	-	-

20 Other Income

	For the year ended 31 March 2023	For the year ended 31st March 2022
Interest income		
from banks	0.62	3.28
from others	1.24	0.29
Total	<u>1.86</u>	<u>3.57</u>

21 Purchases of stock-in-trade

	For the year ended 31 March 2023	For the year ended 31st March 2022
Purchases of stock-in-trade	16,939.00	15,093.83
Total	<u>16,939.00</u>	<u>15,093.83</u>

22 Changes in inventories of stock-in-trade

	For the year ended 31 March 2023	For the year ended 31st March 2022
Stock in trade		
Opening stock (A)	1,758.93	1,588.53
Closing stock (B)	539.64	1,758.93
Changes in inventories of stock- in-trade(A-B)	<u>1,219.29</u>	<u>(170.40)</u>

23 Employee benefit expenses

	For the year ended 31 March 2023	For the year ended 31st March 2022
Salaries, wages and bonus	16.29	6.67
Contribution to provident and other funds	1.03	0.35
Staff welfare expenses	0.50	-
Total	<u>17.82</u>	<u>7.02</u>

Note: The costs that are directly attributable to the acquisition or construction of property, plant and equipment has been capitalised during the year, refer note 34

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24 Other expenses

	For the year ended 31 March 2023	For the year ended 31st March 2022
Rates and taxes	3.05	36.17
Rent and hire charges	24.61	30.71
Legal and professional charges	249.08	256.87
Auditor's remuneration		
- for audit	4.00	3.00
- for other services	2.50	2.50
- for out of pocket expenses	-	0.32
Freight and forwarding charges	10.73	-
Loss on disposal/discard of property, plant and equipment	82.06	-
Brokerage & commission	81.64	65.58
Miscellaneous expenses	12.87	2.11
Total	470.54	397.26

Note: The costs that are directly attributable to the acquisition or construction of property, plant and equipment has been capitalised during the year, refer note 34

25 Depreciation expense

	For the year ended 31 March 2023	For the year ended 31st March 2022
Depreciation on property, plant and equipments [refer note 2]	23.29	19.43
Total	23.29	19.43

26 Finance costs

	For the year ended 31 March 2023	For the year ended 31st March 2022
Interest		
term loans	1.78	-
others	59.39	-
Other borrowing cost	5.82	0.66
Total	66.99	0.66

Note: The costs that are directly attributable to the acquisition or construction of property, plant and equipment has been capitalised during the year, refer note 34

27 Earning per share

	For the year ended 31 March 2023	For the year ended 31st March 2022
Profit/(Loss) attributable to the equity shareholders (A)	(486.49)	132.67
Number of equity shares at the beginning of the year (absolute)	30,00,000	30,00,000
Total number of shares outstanding at the end of the year(absolute)	90,00,000	30,00,000
Weighted-average number of equity shares (B)(absolute)	53,45,205	30,00,000
Earnings/(loss) per share (₹) (A/B) - Basic and Diluted	(9.10)	4.42
Nominal value of equity share (₹)	10.00	10.00

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28. 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 2023

Particulars	Carrying value				Fair value hierarchy		
	FVTPL*	FVOCI#	Amortized Cost	Total	Level 1	Level 2	Level 3
Financial assets at amortised cost							
Trade receivables	-	-	374.62	374.62	-	-	-
Other financial assets	-	-	82.04	82.04	-	-	-
Cash and cash equivalents	-	-	260.29	260.29	-	-	-
Total	-	-	716.95	716.95	-	-	-
Financial liabilities at amortised cost							
Trade payables	-	-	1,913.93	1,913.93	-	-	-
Non current borrowings	-	-	12,487.04	12,487.04	-	-	-
Other financial liabilities	-	-	628.39	628.39	-	-	-
Total	-	-	15,029.36	15,029.36	-	-	-

As at 31 March 2022

Particulars	Carrying value				Fair value hierarchy		
	FVTPL*	FVOCI#	Amortized Cost	Total	Level 1	Level 2	Level 3
Financial assets at amortised cost							
Trade receivables	-	-	414.06	414.06	-	-	-
Cash and cash equivalents	-	-	151.98	151.98	-	-	-
Total	-	-	566.04	566.04	-	-	-
Financial liabilities at amortised cost							
Trade payables	-	-	2,925.81	2,925.81	-	-	-
Non current borrowings	-	-	2,230.60	2,230.60	-	-	-
Other financial liabilities	-	-	35.50	35.50	-	-	-
Total	-	-	5,191.91	5,191.91	-	-	-

*Fair value through profit and loss

#Fair value through other comprehensive income

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 2023 and 31 March 2022.



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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 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.

(ii) Credit risk

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

The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

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 2023		As at 31 March 2022	
	Gross carrying amount	Expected credit loss	Gross carrying	Expected credit loss
Less than 180 days	374.62	-	414.06	-
More than 180 days	-	-	-	-
Total	374.62	-	414.06	-

(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:

	As at 31 March 2023	As at 31 March 2022
Rupee term loan	1,901.00	559.50
Total undrawn facility	1,901.00	559.50

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments :

As at 31 March 2023	On demand	Less than 1 year	1- 5 years	More than 5 years	Total
Trade payables	-	1913.93	-	-	1,913.93
Non current borrowings*	-	-	12,487.04	-	12,487.04
Other financial liabilities	-	628.39	-	-	628.39
Total	-	2,542.32	12,487.04	-	15,029.36

As at 31 March 2022	On demand	Less than 1 year	1- 5 years	More than 5 years	Total
Trade payables	-	2,925.81	-	-	2,925.81
Non current borrowings*	-	-	1,561.42	669.18	2,230.60
Other financial liabilities	-	35.50	-	-	35.50
Total	-	2,961.31	1,561.42	669.18	5,191.91

* excluding contractual interest payable at prevalent/ agreed rate of interest

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(iv) Market risk

Market risk is the risk that changes in market prices – such as interest rates, commodity prices and foreign exchange rates – 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.

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 2023	31 March 2022
Variable rate borrowing	12,487.04	2,230.60
Total borrowings	12,487.04	2,230.60

Sensitivity

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

Particulars	31 March 2023	31 March 2022
Interest sensitivity*		
Interest rates – increase by 100 basis points (31 March 2022: 100 basis points)	124.87	22.31
Interest rates – decrease by 100 basis points (31 March 2022: 100 basis points)	(124.87)	(22.31)

* Holding all other variables constant

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 2023	31 March 2022
Fixed rate deposits	-	25.00
Total deposits	-	25.00

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. The selling price of finished goods and purchases price of stock-in-trade fluctuates due to fluctuation in prices of crude oil and the Company expects that the net impact of such fluctuation would not be material.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated. The currencies in which these transactions are primarily denominated are US dollars. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date, as and when required.

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 2023			Amount (in ₹ lacs)
	Currency	Amount in foreign currency (in million)	Exchange rate (in ₹)	
Trade payables	USD	1.90	82.17	1,561.23
Exposure in respect of recognised liabilities				1,561.23

Particulars	As at 31 March 2022			Amount (in ₹ lacs)
	Currency	Amount in foreign currency (in million)	Exchange rate (in ₹)	
Trade payables	USD	2.64	75.80	2,002.57
Exposure in respect of recognised liabilities				2,002.57



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(ii) Hedged foreign currency risk exposure:

Particulars		As at 31 March 2023			
		Currency	Amount in foreign currency (in million)	Strike rate (in ₹)	Hedged amount (in ₹ lakhs)
Forward contract	To take protection against movement in foreign exchange rates in respect of payables against Imports	USD	1.14	82.68	942.55

Particulars		As at 31 March 2022			
		Currency	Amount in foreign currency (in million)	Strike rate (in ₹)	Hedged amount (in ₹ lakhs)
Forward contract	To take protection against movement in foreign exchange rates in respect of payables against Imports	EUR	1.10	84.75	932.08

Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR and USD against all other currencies at year end would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Currency (changes in currency value by 5%)		As at 31 March 2023		As at 31 March 2022	
		Increase in profit	Decrease in profit	Increase in profit	Decrease in profit
USD	5% movement	78.06	(78.06)	100.13	(100.13)

C. Capital management

The Company's capital includes issued share capital and all other distributable reserves. The primary objective of the Company's capital management is to maximise shareholder value and to maintain an optimal capital structure to reduce the cost of capital.

	As at 31 March 2023	As at 31 March 2022
Total liabilities*	15,044.40	5,220.34
Less: cash and cash equivalents	260.29	151.98
Adjusted net debt	14,784.11	5,068.36
Total equity	562.75	449.24
Adjusted net debt to equity ratio	26.27	11.28

*Excludes deferred tax liabilities (net)

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29. Employee benefits

a) Defined contribution plan

An amount of ₹ 3.98 lakhs [31 March 2022 : ₹ 0.24 lakhs] for the year has been recognised as an expense in respect of the Company's contributions towards Provident Fund, an amount of ₹ 0.19 lakhs [31 March 2022 : nil] for the year has been recognised as an expense in respect of Company's contributions towards Employee State Insurance which are deposited with the government authorities and have been included under employee benefit expenses.

b) Defined benefit plan

1) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

	As at 31 March 2023	As at 31 March 2022
(i) Changes in present value obligation		
Present value obligation as at the beginning of the year	-	-
Interest cost	-	-
Current service cost	0.40	-
Actuarial loss on obligation	-	-
Benefits paid	-	-
Present value obligation as at the end of the year	0.40	-

(ii) Net liability recognised in the Balance Sheet

	As at 31 March 2023	As at 31 March 2022
Current liabilities	-	-
Non-current liabilities	0.40	-
Net liability in the Balance Sheet	0.40	-

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

	For the year ended 31 March 2023	For the year ended 31 March 2022
Current service cost	0.40	-
Interest cost	-	-
Expense recognised in the statement of profit and loss	0.40	-

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

	As at 31 March 2023	As at 31 March 2022
Changes in financial assumptions	-	-
Amount recognised in other comprehensive income	-	-

(v) Actuarial assumptions

	As at 31 March 2023	As at 31 March 2022
Discount rate (p.a.)	7.35%	-
Salary escalation rate (p.a.)	4.50%	-
Withdrawal rates		
Upto 30 years	4.00%	-
From 31 to 44 years	3.00%	-
Above 44 years	1.00%	-
Retirement age	58 years	-
Mortality rate	Indian Assured Lives Mortality (2012-14) (modified) Ultimate	-

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These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

The above defined benefit plan exposes the Company to following risks:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Expected increases in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Funding

This is an unfunded benefit plan for qualifying employees.

(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 2023	As at 31 March 2022
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%	0.03	-
Impact due to increase of 0.50%	0.04	-
Impact of change in salary escalation rate (p.a.)		
Impact due to increase of 0.50%	0.04	-
Impact due to decrease of 0.50%	(0.04)	-

(vii) Expected future cash flows

	As at 31 March 2023	As at 31 March 2022
The expected future cash flows in respect of gratuity (undiscounted) were as follows:		
Year 1*	-	-
Year 2*	-	-
Year 3*	-	-
Year 4*	-	-
Year 5	0.01	-
Year 6	0.01	-
Year 6 onwards	0.38	-
Total	0.40	-

* Amount below rounding off norms

(viii) Expected contribution

The expected future employer contributions for defined benefit plan ₹ 1.07 lakhs as at 31 March 2023 [31 March 2022 : nil].

(ix) Weighted average duration

The weighted average duration for defined benefit plan is 19.09 years as at 31 March 2023 [31 March 2022 : nil].

c) Other long-term employee benefits

An amount of ₹ 0.77 lakhs [31 March 2022 : nil] pertains to expense towards compensated absences.



30. Capital commitments

	As at 31 March 2023	As at 31 March 2022
Capital commitments - estimated amount of contracts remaining to be executed on capital account and not provided for [net of capital advances]	1,348.98	7,880.84

31. 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:

	Year ended 31 March 2023	Year ended 31 March 2022
Principal amount remaining unpaid*	776.18	-
Interest due thereon	21.48	-
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	5,138.44	-
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	37.37	-
Interest accrued and remaining unpaid as at end of the year	59.09	0.24
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

* Includes creditors towards property, plant and equipment amounting to Rs. 452.89 lakhs. (31 March 2022 : nil).

32. Related party disclosure

a) Disclosure of related parties and relationship between the parties

Nature of relationship	Name of related party
i) Key managerial personnel	Mr. M N Sudhindra Rao [Director] Mr. Umesh Kumar Agrawal [Director] Mr. Hemant Balkrishna Bal [Director] Mr. Vijay Yashpal Suri [Director] [appointed w.e.f. 15 November 2021]
ii) Other group entities over which Key Management Personnel and their relatives are able to exercise significant influence (with whom transaction have taken place)	1. PT. Indorama Ventures Indonesia 2. Indorama Ventures Global Services Limited 3. IVL Dhunseri Petrochem Industries Private Limited
iii) Holding Company	Indo Rama Synthetics (India) Limited
iv) Ultimate controlling Company	Indorama Netherlands BV [controlling company of holding Company] Indorama Ventures Public Company Limited [ultimate controlling company]*
v) Fellow subsidiaries	Indorama Ventures Yarns Private Limited Indorama Sustainable Polymers (India) Private Limited (w.e.f. 17 December 2022) Indorama Sustainable Polyester Yarns Private Limited (w.e.f. 17 December 2022)

*The Company, its holding company and fellow subsidiary (herein referred to as Group) have availed credit lines with the support of the promotor Group Company to the tune of USD 75 million [31 March 2022: USD 75 million] by way of Stand By Letter of Credit (SBLC) to meet any unforeseen exigencies. Further, the Group has utilised credit lines towards fund based and non fund based facilities with the support of the promotor Group Company amounting to ₹ 48,689 lakhs [31 March 2022 :43,961 lakhs].

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

	For the year ended 31 March 2023	For the year ended 31 March 2022
i) Other group entities over which Key Management Personnel and their relatives are able to exercise significant influence		
Purchases of goods and services		
PT Indorama Ventures Indonesia	15,193.85	11,636.84
Indorama Ventures Global Services Limited	58.58	-
Indo Rama Synthetics (India) Limited	595.96	2,077.00
IVL Dhunseri Petrochem Industries Private Limited	17.51	-
	15,865.90	13,713.84
Sale of goods and services		
Indo Rama Synthetics (India) Limited	296.00	-
	296.00	-
Unsecured loans taken		
Indorama Synthetics (India) Limited	500.00	-
	500.00	-
Interest payable		
Indorama Synthetics (India) Limited	2.00	-
	2.00	-
ii) Ultimate controlling company		
Purchases of goods and services		
Indorama Ventures Public Company Limited	225.88	71.87
	225.88	71.87

Note: The disclosure of transactions between the Company and its related parties presented above are inclusive of taxes, where applicable

c) Disclosure of related parties year end balances

	As at 31 March 2023	As at 31 March 2022
i) Other group entities over which Key Management Personnel and their relatives are able to exercise significant influence		
Trade payables		
PT Indorama Ventures Indonesia	1,438.91	2,002.57
Indo Rama Synthetics (India) Limited	1.24	558.00
Indorama Ventures Public Company Limited	130.60	-
	1,570.75	2,560.57
Unsecured loans taken		
Indorama Synthetics (India) Limited	500.00	-
	500.00	-
Interest payable		
Indorama Synthetics (India) Limited	2.00	-
	2.00	-

33. Segment information

Basis of segmentation:

The Company's primary business segment is reflected based on principal business activities carried on by the Company. The Board of Directors has been identified as being the Chief Operating Decision Maker ('CODM') and evaluates the Company's performance and allocates resources based on analysis of the various performance indicators of the Company as a single unit. As per Indian Accounting Standard 108, Operating Segments, as notified under the Companies (Indian Accounting Standards) Rules 2015, the Company operates in one reportable business segment i.e., trading of polyester goods.

Geographical information:

The Company does not have any revenue or trade receivable outside India.

34. Capitalisation of expenditure incurred during construction period

The costs that are directly attributable to the acquisition of certain property, plant and equipment are capitalised as under:

	For the year 31 March 2023	For the year 31 March 2022
Opening balance	80.02	-
Incurred during the year :		
Employee benefit expenses*	61.45	-
Other expenses	82.51	28.30
Finance cost**	740.00	51.72
Total	963.98	80.02

* includes Rs 3.63 lakhs paid towards contribution to provident and other funds

**Finance cost is capitalised in accordance with Ind AS 23, Borrowing Costs.



35. Per transfer pricing legislation under section 92-92F of the Income-tax Act 1961, the Company is required to use certain specific methods in computing arm's length price of international transactions with associated enterprises and maintains adequate documentation in this respect. The legislations require that such information and documentation to be contemporaneous in nature. The Company has appointed independent consultants for conducting the Transfer Pricing Study to determine whether the transactions with associated enterprises undertake during the financial year are on an "arm's length basis". The Company is in the process of conducting a transfer pricing study for the current financial year and expects such records to be in existence latest by the due date as required by law. However, in the opinion of the management the update would not have a material impact on these financial statements. Accordingly, these financial statements do not include any adjustments for the transfer pricing implications, if any.

36. Ratio analysis and its elements

a) The following are analytical ratios for the year ended 31 March 2023 and 31 March 2022:

Particular	Note	As at	As at	Variance
		31 March 2023	31 March 2022	
(a) Current ratio	(i)	0.91	0.96	-5.75%
(b) Debt equity ratio	(ii)	22.19	4.97	346.89% ¹
(c) Debt service coverage ratio	(iii)	-5.89	2.65	-322.64% ²
(d) Return on equity ratio (%)	(iv)	(96%)	35%	-377.50% ²
(e) Inventory turnover ratio	(v)	15.98	8.83	80.98% ³
(f) Trade receivable turnover ratio	(vi)	46.56	37.50	24.17%
(g) Trade payable turnover ratio	(vii)	7.00	6.52	7.38%
(h) Net capital turnover ratio	(viii)	-75.71	-131.10	-42.25% ³
(i) Net profit ratio (%)	(ix)	(3%)	1%	-410.09% ²
(j) Return on capital employed ratio (%)	(x)	(3%)	8%	-144.32% ²
(k) Return on investment ratio (%)	(xi)	NA	NA	NA

Reasons for variance

¹ Higher ratio in the current year due to proceeds from borrowings and lower earnings as compared to previous year

² Decrease in profit in the current year in comparison to previous year resulting in deterioration of ratio

³ Increase in business activity (decrease in sales and corresponding net purchases) in comparison to previous year and increase in capital employed has resulted in movement of 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 = Net Profits after taxes / average Shareholder's Equity

(v) Inventory turnover ratio = Sales / closing inventory (average not considered as there was no inventory as at 31 March 2020)

(vi) Trade receivables turnover ratio = Net credit sales/ Closing accounts receivable

(vii) Trade payables turnover ratio = Net credit purchases (comprise of purchase of stock-in-trade) / average trade payable

(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 is not applicable to the Company as no investment is held by the Company.



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Indorama Yarns Private Limited
CIN: U17299MH2019PTC329375

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

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 PPE 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

37. 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.

38. The financial statements were approved for issue by the Board of Directors on 12 May 2023.

This is the summary of significant accounting policies and other explanatory information 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
Indorama Yarns Private Limited



Tarun Gupta
Partner
Membership No.: 507892





M N Sudhindra Rao
Director
DIN: 01820347



Umesh Kumar Agrawal
Director
DIN: 08502514

Place: Gurugram
Date: 12 May 2023

Place: Gurugram
Date: 12 May 2023



Place: Gurugram
Date: 12 May 2023