

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 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), of the state of affairs of the Company as at 31 March 2021, and its profit (including Other Comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

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



Chartered Accountants

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

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



The annual 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 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 is responsible for the matters stated in section 134(5) of the Act with respect to the preparation 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 accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

7. 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.
8. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. 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

10. 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.
11. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
12. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying 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 2021 from being appointed as a director in terms of section 164(2) of the Act;
 - f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 19 May 2021 as per Annexure II expressed unmodified opinion; and
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations which would impact its financial position as at 31 March 2021;



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- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
- iii. there 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 2021; and
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker ChandioK & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Tarun

Tarun Gupta

Partner

Membership No.: 507892

UDIN: 21507892AAAACA6030



Place: New Delhi

Date: 19 May 2021

Walker Chandiook & Co LLP

Annexure I 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 2021

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant and equipment).
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The Company does not hold any immovable property (in the nature of 'property, plant and equipment'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. No material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Section 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) 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. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) There are no dues in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has no loans or borrowings payable to any financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The Company did not raise moneys by way of initial public offer/ further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.



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Annexure I 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 2021 (Cont'd)

- (xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company did not make preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Tarun

Tarun Gupta
Partner
Membership No.: 507892
UDIN: 21507892AAAACA6030



Place: New Delhi
Date: 19 May 2021

Annexure II

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 2021, 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 controls stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of



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Annexure II 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 2021 (Cont'd)

financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Tarun

Tarun Gupta
Partner
Membership No.: 507892



UDIN: 21507892AAAACA6030

Place: New Delhi
Date: 19 May 2021

	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
a) Property, plant and equipment	2	310.82	-
b) Non-current tax assets [net]	3	5.34	0.10
c) Other non-current assets	4	0.29	-
Total non-current assets		316.45	0.10
Current assets			
a) Inventories	5	1,588.53	-
b) Financial assets			
i) Cash and cash equivalents	6	127.27	52.42
ii) Other financial assets	7	-	0.13
c) Other current assets	8	65.66	6.59
Total current assets		1,781.46	59.14
Total assets		2,097.91	59.24
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	9	300.00	100.00
b) Other equity	10	16.57	(43.78)
Total equity		316.57	56.22
Liabilities			
Non-current liabilities			
a) Deferred tax liabilities	11	5.57	-
Total non-current liabilities		5.57	-
Current liabilities			
a) Financial liabilities			
i) Trade payables	12		
- total outstanding dues of micro enterprises and small enterprises; and		11.79	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,692.67	3.02
ii) Other financial liabilities	13	34.77	-
b) Other current liabilities	14	36.54	-
Total current liabilities		1,775.77	3.02
Total equity and liabilities		2,097.91	59.24

Notes 1 to 29 forms an integral part of these financial statements

This is the Balance Sheet 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: New Delhi
 Date: 19 May 2021

For Indorama Yarns Private Limited



M N Sudhindra Rao
 (Director)
 DIN Number: 01820347
 Place: Mumbai
 Date: 19 May 2021



Umesh Kumar Agrawal
 (Director)
 DIN Number: 08502514
 Place: Gurugram
 Date: 19 May 2021



Indorama Yarns Private Limited
Statement of Profit and Loss for the year ended 31 March 2021
(All amounts in ₹ lakhs, unless stated otherwise)
CIN: U17299MH2019PTC329375

	Notes	For the year ended 31 March 2021	For the period ended 31 March 2020
I INCOME			
Revenue from operations	15	2,100.59	-
Other income	16	2.32	1.02
Total income		2,102.91	1.02
II EXPENSES			
Purchases of stock-in-trade	17	1,898.21	-
Employee benefits expense	18	2.17	-
Other expenses	19	138.82	44.80
Expenses before depreciation, finance costs and foreign exchange fluctuation gain		2,039.20	44.80
Profit/(loss) before depreciation, finance costs and foreign exchange fluctuation gain		63.71	(43.78)
Depreciation	2	0.25	-
Finance costs	20	1.96	-
Foreign exchange fluctuation gain		(4.42)	-
Total expenses		2,036.99	44.80
III Profit/(loss) before tax [I-II]		65.92	(43.78)
IV Tax			
Deferred tax expense	11	5.57	-
Total tax expense		5.57	-
V Profit/(loss) for the year [III-IV]		60.35	(43.78)
VI Other comprehensive income (OCI)			
Items that will not be reclassified to income			
Re-measurement of defined benefit liability		-	-
Less/(add): Income tax relating to remeasurement of defined benefit liability		-	-
Other comprehensive income for the year, net of tax		-	-
VII Total comprehensive income for the year		60.35	(43.78)
VIII Earnings/(loss) per equity share [nominal value of equity share ₹ 10]			
Basic and diluted	21	2.97	(7.00)

Notes 1 to 29 forms an integral part of these financial statements

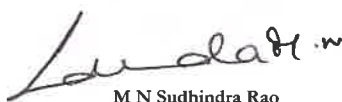
This is the Statement of Profit and Loss referred to in our report of even date

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



Tarun Gupta
Partner
Membership No.: 507892
Place: New Delhi
Date: 19 May 2021

For Indorama Yarns Private Limited



M N Sudhindra Rao
(Director)
DIN Number: 01820347
Place: Mumbai
Date: 19 May 2021



Umesh Kumar Agrawal
(Director)
DIN Number: 08502514
Place: Gurugram
Date: 19 May 2021



Indorama Yarns Private Limited

Cash flow statement for the year ended 31 March 2021

(All amounts in ₹ lakhs, unless stated otherwise)

CIN: U17299MH2019PTC329375

	For the year ended 31 March 2021	For the period ended 31 March 2020
A. Cash flow from operating activities		
Profit/(loss) before tax	65.92	(43.78)
Add : Adjustment for non-cash and non-operating items		
Depreciation on property, plant, equipment	0.25	-
Finance costs	1.96	-
Interest income	(2.32)	(1.02)
Operating profit/(loss) before working capital changes	65.81	(44.80)
Adjustments for movement in:		
Changes in other assets	(59.07)	(6.59)
Changes in inventories	(1,588.53)	-
Changes in trade and other payables	1,701.44	3.02
Changes in other financial liabilities	0.45	-
Changes in other liabilities	36.54	-
Cash generated from/(used in) operating activities	156.64	(48.37)
Income tax paid	(5.24)	(0.10)
Net cash generated from/(used) in operating activities [A]	151.40	(48.47)
B. Cash flow from investing activities		
Purchase of property, plant and equipment [including capital work-in-progress, capital advances and creditors for capital goods]	(277.03)	-
Interest received	2.44	0.89
Net cash (used in)/generated from investing activities [B]	(274.59)	0.89
C. Cash flow from financing activities		
Proceeds from issue of share capital	200.00	100.00
Interest cost paid	(1.96)	-
Net cash generated from financing activities [C]	198.04	100.00
Net increase in cash and cash equivalents [A+B+C]	74.85	52.42
Cash and cash equivalents at the beginning of the year	52.42	-
Closing cash and cash equivalents	127.27	52.42
Cash and cash equivalents include:		
Cash on hand	0.09	0.09
Deposits with original maturity less than three months	125.00	45.45
Balances with banks	2.18	6.88
Cash and bank balances	127.27	52.42

Notes:

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 (Ind AS-7) on "Statements of Cash Flows".
- Negative figures have been shown in brackets.

Notes 1 to 29 forms an integral part of these financial statements

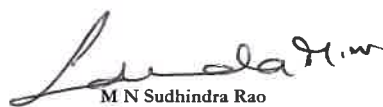
This is the Cash Flow Statement referred to in our report of even date

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



Tarun Gupta
Partner
Membership No.: 507892
Place: New Delhi
Date: 19 May 2021

For **Indorama Yarns Private Limited**



M N Sudhindra Rao
(Director)
DIN Number: 01820347
Place: Mumbai
Date: 19 May 2021



Umesh Kumar Agrawal
(Director)
DIN Number: 08502514
Place: Gurugram
Date: 19 May 2021



Indorama Yarns Private Limited
Statement of changes in equity for the year ended 31 March 2021
(All amounts in ₹ lakhs, unless stated otherwise)
 CIN: U17299MH2019PTC329375

	As at 31 March 2021	As at 31 March 2020
A. Equity share capital		
Balance at the beginning of the year	100.00	-
Issued during the year	200.00	100.00
Balance at the end of the year	300.00	100.00
B. Other equity		
Attributable to the equity holders		
Retained earnings		
Particulars		
Balance at the beginning of the year	(43.78)	-
Loss for the year	-	(43.78)
Balance at 31 March 2020	(43.78)	(43.78)
Profit for the year	60.35	-
Balance at 31 March 2021	16.57	(43.78)

Notes 1 to 29 forms an integral part of these financial statements

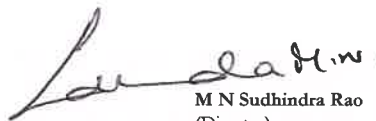
This is the Statement of Changes in Equity referred to in our report of even date

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



Tarun Gupta
 Partner
 Membership No.: 507892
 Place: New Delhi
 Date: 19 May 2021

For **Indorama Yarns Private Limited**



M N Sudhindra Rao
 (Director)
 DIN Number: 01820347
 Place: Mumbai
 Date: 19 May 2021



Umesh Kumar Agrawal
 (Director)
 DIN Number: 08502514
 Place: Gurugram
 Date: 19 May 2021



1. (i) Corporate information

Indorama Yarns Private Limited (hereinafter referred to as 'the Company' or 'TYPL') is a Private Company domiciled in India, with its registered office situated at A-31, MIDC Industrial Area, Butibori, Nagpur. The Company has been incorporated under the provisions of Companies Act, 2013 on 16 August 2019. The Company is engaged in manufacturing and trading of polyester yarn.

(ii) Basis of preparation and presentation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

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

(iii) Significant accounting policies

a. Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and other comprehensive income (OCI) that are reported and disclosed in the financial statements and accompanying notes. Accounting estimates could change from period to period. Actual results may differ from these estimates.

These estimates and judgment are based on the management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other estimates and judgments that are believed to be reasonable under the circumstances. Accounting estimates could change from period to period. Accounting estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial statements in the period in which changes are made. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have most significant effect of the amounts recognized in the financial statements is included in Note 2 - estimation of useful lives of plant and equipment.

b. Current/ non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of business and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- 1) It is expected to be realised in, or is intended to be sold or consumed in, the Company's normal operating cycle;
- 2) It is held primarily for the purpose of being traded;
- 3) It is expected to be realised within twelve months after the reporting date; or
- 4) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- 1) It is expected to be settled in the Company's normal operating cycle;
- 2) It is held primarily for the purpose of being traded;
- 3) It is due to be settled within twelve months after the reporting date; or
- 4) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.



Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

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

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

Particulars	Management estimate of useful life	Useful life as per Schedule II
Plant and equipment	20 years	15 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.

d. Impairment

(i) Impairment of financial assets

The Company recognises loss allowance for expected credit losses on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract such as a default in payment within the due date;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having



- granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for a security because of financial difficulties;
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The Company measures loss allowances at an amount equal to lifetime expected credit losses. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information. The Company considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any) is held.

Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the balance sheet

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

Write-off

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

(ii) Impairment of non-financial assets

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

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

e. Inventories

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



Traded finished goods: 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 of finished goods 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.

f. Revenue

i. Sale of goods

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

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

ii. Interest income

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

g. Financial instruments

i. Recognition and initial measurement

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

ii. Classification and subsequent measurement

Financial assets

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

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

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

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

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

Financial assets: Business model assessment

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



- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management’s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company’s management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

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

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

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

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

Subsequent measurement and gains and losses

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

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.



iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

iv. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

h. Measurement of fair values

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

i. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cheques on hand and cash on hand, which are not subject to risk of changes in value. Also, for the purpose of the statement of cash flows, cash and cash equivalents consist of cash at banks, cheques on hand and cash on hand.

j. 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



decrease earnings per share or increase loss per share from continuing operations.

k. 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.

l. 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 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.



m. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company's management 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 geographical entities outside India.

n. 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.

o. Recent accounting pronouncements

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



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Indorama Yarns Private Limited

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

(All amounts in ₹ lakhs, unless stated otherwise)

CIN: U17299MH2019PTC329375

2. Property, plant and equipment

Particulars	Plant and equipment	Total
A. Gross carrying amount		
Balance as at 31 March 2020	-	-
Additions during the year	311.07	311.07
Disposals during the year	-	-
Balance as at 31 March 2021	311.07	311.07
B. Accumulated depreciation		
Balance as at 31 March 2020	-	-
Additions during the year	0.25	0.25
Disposals during the year	-	-
Balance as at 31 March 2021	0.25	0.25
Net carrying value		
As at 31 March 2020	-	-
As at 31 March 2021	310.82	310.82

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Indorama Yarns Private Limited

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

(All amounts in ₹ lakhs, unless stated otherwise)

CIN: U17299MH12019PTC329375

	As at 31 March 2021	As at 31 March 2020
3. Non-current tax assets		
Advance tax	5.34	0.10
	<u>5.34</u>	<u>0.10</u>
4. Other assets		
Capital advances	0.29	-
	<u>0.29</u>	<u>-</u>
5. Inventories [valued at lower of cost or net realisable value, unless otherwise stated]		
Stock-in-trade [include in transit ₹ 1,588.53 lacs (31 March 2020 : nil)]	1,588.53	-
	<u>1,588.53</u>	<u>-</u>
6. Cash and cash equivalents		
Cash on hand	0.09	0.09
Balances with banks	2.18	6.88
Deposits with original maturity less than three months	125.00	45.45
	<u>127.27</u>	<u>52.42</u>
7. Other financial assets		
Interest accrued on deposits	-	0.13
	<u>-</u>	<u>0.13</u>
8. Other current assets		
Advances to vendors	1.73	-
Balance with government authority	63.93	6.59
	<u>65.66</u>	<u>6.59</u>
9. Equity share capital		
Authorised		
5,000,000 [31 March 2020: 1,000,000] equity shares of ₹ 10 each	500.00	100.00
	<u>500.00</u>	<u>100.00</u>
Issued, subscribed and fully paid up		
Balance at the beginning of the year	100.00	100.00
Add: Issued during the year	200.00	-
Balance at the end of the year	<u>300.00</u>	<u>100.00</u>
3,000,000 [31 March 2020 : 1,000,000] equity shares of ₹ 10 each fully paid-up		

Notes:

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

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	10,00,000	100.00	10,00,000	100.00
Add: Issued during the year	20,00,000	200.00	-	-
Balance at the end of the year	<u>30,00,000</u>	<u>300.00</u>	<u>10,00,000</u>	<u>100.00</u>

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

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

Names of shareholders	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% of shareholding	Number of shares	% of shareholding
Indo Rama Synthetics (India) Limited [holding Company]*	3,000,000	100.00%	1,000,000	100.00%
	<u>3,000,000</u>	<u>100.00%</u>	<u>1,000,000</u>	<u>100.00%</u>

* including nominee shareholders

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

	As at 31 March 2021	As at 31 March 2020
10. Other equity		
a. Retained earnings		
Balance at the beginning of the year	(43.78)	-
Add: Profit/(loss) during the year	60.35	(43.78)
Balance at the end of the year	<u>16.57</u>	<u>(43.78)</u>
Total other equity	<u>16.57</u>	<u>(43.78)</u>

Nature of reserves

Retained earnings

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



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Indorama Yarns Private Limited

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

(All amounts in ₹ lakhs, unless stated otherwise)

CIN: U17299MH2019PTC329375

11. 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 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Property, plant and equipment	-	-	5.81	-	5.81	-
Brought forward business loss	(0.24)	-	-	-	(0.24)	-
	(0.24)	-	5.81	-	5.57	-
Offsetting of deferred tax assets and deferred tax liabilities	0.24	-	(0.24)	-	-	-
Net deferred tax liability	-	-	5.57	-	5.57	-

II. Movement in temporary differences

	As at 31 March 2021	As at 31 March 2020
Opening balance of deferred tax asset	-	-
Tax expense during the year recognised in the statement of profit or loss	5.57	-
Closing balance of deferred tax liability	5.57	-

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

IV. Effective tax rate

Book profit	65.92	(43.78)
Enacted tax rate	25.17%	34.94%
Current tax expense/(income) on profit before tax at the enacted income tax rate in India	16.59	(15.30)
Deferred tax asset not recognised	-	(15.30)
Other adjustments	11.02	-
Tax expense reported in the statement of profit and loss	(5.57)	-
Tax expense during the year recognised in statement of profit or loss	(5.57)	-
Tax expense during the year recognised in other comprehensive income	-	-
	(5.57)	-

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Indorama Yarns Private Limited

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

(All amounts in ₹ lakhs, unless stated otherwise)

CIN: U17299MH2019PTC329375

	As at 31 March 2021	As at 31 March 2020
12. Trade payables		
Total outstanding dues of micro enterprises and small enterprises [refer note 24]	11.79	-
Total outstanding dues of creditors other than micro enterprises and small enterprises*	1,692.67	3.02
	<u>1,704.46</u>	<u>3.02</u>
* Includes amounts due to related entities [refer note 25]	1,588.53	-
13. Other financial liabilities		
Payable to employees	0.45	-
Creditors towards property, plant and equipment* [refer note 24]	34.32	-
	<u>34.77</u>	<u>-</u>
* Includes ₹ 11.79 lacs towards dues of micro enterprises and small enterprises		
14. Other current liabilities		
Advances from customers	32.38	-
Statutory dues	-1.16	-
	<u>36.54</u>	<u>-</u>

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Indorama Yarns Private Limited

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

(All amounts in ₹ lakhs, unless stated otherwise)

CIN: U17299MH2019PTC329375

	For the year ended 31 March 2021	For the period ended 31 March 2020
15. Revenue from operations		
Sale of products		
Traded goods	2,100.59	-
	<u>2,100.59</u>	<u>-</u>
Notes:		
i) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price		
Gross sale of products	2,129.95	-
Less : Adjustment on account of discounts and price differences	29.36	-
	<u>2,100.59</u>	<u>-</u>
ii) Contract balances		
Advance from customers [refer note 14]	32.38	-
16. Other income		
Interest income		
from banks	2.32	1.02
	<u>2.32</u>	<u>1.02</u>
17. Purchase of stock in trade		
Purchase of stock-in-trade [net]	1,898.21	-
	<u>1,898.21</u>	<u>-</u>
18. Employee benefits expense		
Salaries, wages and bonus	1.89	-
Contribution to provident and other funds	0.04	-
Staff welfare expenses	0.24	-
	<u>2.17</u>	<u>-</u>
19. Other expenses		
Rent and hire charges	8.44	-
Business auxiliary services	49.14	-
Brokerage and commission	29.66	-
Software development expenses	15.60	36.40
Rates and taxes	25.09	5.05
Legal and professional charges*	10.79	3.25
Miscellaneous	0.10	0.10
	<u>138.82</u>	<u>44.80</u>
* Includes payment to auditors		
As auditor:		
Audit fee	3.00	3.00
Out of pocket expenses	0.09	-
	<u>3.09</u>	<u>3.00</u>
20. Finance costs		
Bank charges*	1.96	0.00
	<u>1.96</u>	<u>0.00</u>
* previous period ₹ 118 in absolute rupees.		
21. Earning/(loss) per share		
Profit/(loss) attributable to the equity shareholders (A)	60.35	(43.78)
Number of equity shares at the beginning of the year	10,00,000	-
Total number of shares outstanding at the end of the year	30,00,000	10,00,000
Weighted-average number of equity shares (B)	20,30,137	6,25,683
Earnings/(loss) per share (₹) (A/B) - Basic and Diluted	2.97	(7.00)
Nominal value of equity share (₹)	10.00	10.00

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Indorama Yarns Private Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021***(All amounts in ₹ lakhs, unless stated otherwise)*

CIN: U17299MH2019PTC329375

22. Financial instruments - accounting classifications and fair value measurements

The fair values of the financial assets and financial liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sales.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and cash equivalents, bank balances, short-term receivables and other current liabilities approximated their carrying amounts largely due to the short-term maturities of these instruments.
2. The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

A. Accounting classifications and fair values

The following tables shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

As at 31 March 2021**Financial instruments by category****Financial assets at amortised costs**

Cash and cash equivalents

Total

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	-	-	127.27	127.27
Total	-	-	127.27	127.27

Financial liabilities at amortised cost

Trade payables

Other financial liabilities

Total

Trade payables	-	1,704.46	-	1,704.46
Other financial liabilities	-	34.77	-	34.77
Total	-	1,739.23	-	1,739.23

As at 31 March 2020**Financial instruments by category****Financial assets at amortised costs**

Cash and cash equivalents

Other financial assets

Total

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	-	-	52.42	52.42
Other financial assets	-	-	0.13	0.13
Total	-	-	52.55	52.55

Financial liabilities at amortised cost

Trade payables

Total

Trade payables	-	3.02	-	3.02
Total	-	3.02	-	3.02

B. Measurement of fair values

Assets and liabilities are to be measured based on the following valuation techniques:

Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

Income approach – Converting the future amounts based on market expectations to its present value using the discounting methodology.

Cost approach – Replacement cost method.

Quoted market prices in active markets are available for investments in securities and, as such, these investments are classified within Level 1.

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments which are traded in stock exchanges and valued using closing price at the reporting date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on the conditions existing at the end of each reporting period.

The management assessed that the fair values of cash and cash equivalents, bank balances other than cash and cash equivalents, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

C. Financial risk management

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

(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.



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(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses activity-based costing to cost its products, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

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

	Not more than 1 year	Later than 1 year	Total
As at 31 March 2021			
Trade payables	1,704.46	-	1,704.46
Other financial liabilities	34.77	-	34.77
Total	1,739.23	-	1,739.23
As at 31 March 2020			
Trade payables	3.02	-	3.02
Total	3.02	-	3.02

(iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and commodity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Commodity price risk

Commodity price risk arises due to fluctuation in prices of crude oil. The Company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs. The Company's commodity risk is managed centrally through well-established control processes. In accordance with the risk management policy, the Company enters into various transactions using derivatives to hedge its exposure, as and when required.

Currency risk

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

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk (based on notional amounts) as reported to the management is as follows.

(i) Unhedged foreign currency risk exposure:

Particulars	As at 31 March 2021			
	Currency	Amount in foreign currency (in million)	Exchange rate (in ₹)	Unhedged amount (in ₹ lacs)
Trade payables	USD	2.17	73.12	1,588.06
Net exposure in respect of recognised assets and liabilities				1,588.06

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%)	5% movement	As at 31 March 2021		As at 31 March 2020	
		Increase in profit	Decrease in profit	Increase in profit	Decrease in profit
USD		79.40	(79.40)	-	-

D. 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. The Company does not have any long-term borrowings and short-term borrowings.



Indorama Yarns Private Limited

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

(All amounts in ₹ lakhs, unless stated otherwise)

CIN: U17299MI12019PTC329375

	As at 31 March 2021	As at 31 March 2020
23. Capital commitments		
Capital commitments - Estimated amount of contracts remaining to be executed on capital account and not provided for [net of capital advances]	16.46	-

24. Dues to micro, small and medium enterprises

On the basis of confirmations obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:

Particulars	As at 31 March 2021	As at 31 March 2020
Principal amount remaining unpaid	11.79	-
Interest due thereon	0.24	-
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	88.27	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
Interest accrued and remaining unpaid as at end of the year	0.24	-

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.

25. 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] [appointed w.e.f 7 August 2020]
ii) Holding Company	Indo Rama Synthetics (India) Limited
iii) Ultimate controlling Company	Indorama Netherlands BV [controlling company of holding Company] Indorama Ventures Public Company Limited [ultimate controlling company]

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

	As at 31 March 2021	As at 31 March 2020
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	2,708.00	-
Indo Rama Synthetics (India) Limited	106.01	-

c) Disclosure of related parties year end balances

	As at 31 March 2021	As at 31 March 2020
i) Other group entities over which Key Management Personnel and their relatives are able to exercise significant influence		
Trade payables		
PT Indorama Ventures Indonesia	1,588.53	-

26. 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.



Indorama Yarns Private Limited

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

(All amounts in ₹ lakhs, unless stated otherwise)

27. The Company was incorporated on 16 August 2019, accordingly, the comparative financial statements have been presented for the period 16 August 2019 to 31 March 2020.

28. 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.

29. The financial statements were approved for issue by the board of directors on 19 May 2021.

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

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013



Tarun Gupta

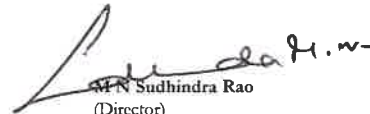
Partner

Membership No.: 507892

Place: New Delhi

Date: 19 May 2021

For Indorama Yarns Private Limited



M N Sudhindra Rao

(Director)

DIN Number: 01820347

Place: Mumbai

Date: 19 May 2021



Umesh Kumar Agrawal

(Director)

DIN Number: 08502514

Place: Gurugram

Date: 19 May 2021

