

# Walker Chandlok & Co LLP

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Walker Chandlok & Co LLP  
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India

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## Independent Auditor's Report

To the Members of Indorama Ventures Yarns Private Limited

### Report on the Audit of the Financial Statements

#### Opinion

1. We have audited the accompanying financial statements of Indorama Ventures Yarns Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the period 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 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss (including other comprehensive income), its cash flows and the changes in equity for the period ended on that date.

#### Basis for Opinion

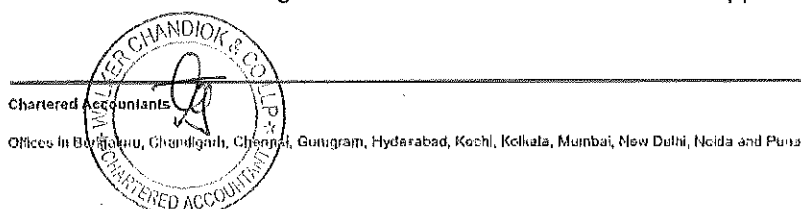
3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of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

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

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

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

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



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

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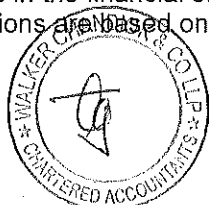
The Directors' Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

## Responsibilities of Management 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.

## 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, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's



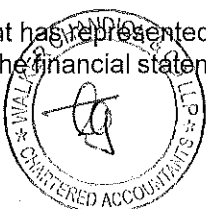
# Walker Chandniok & Co LLP

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.
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 period. Accordingly, reporting under section 197(16) of the Act is not applicable.
11. 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.
12. 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 2022 from being appointed as a director in terms of section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed an unmodified opinion; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position as at 31 March 2022;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the period ended 31 March 2022;
    - iv.
      - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 26('e) to the financial statements, no funds have been advanced or loaned or invested



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(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 26(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 period ended 31 March 2022.

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

*Tarun*

**Tarun Gupta**  
Partner  
Membership No.: 507892  
UDIN: 22507892AIDKXN2101



**Place:** Gurugram  
**Date:** 27 April 2022

# Walker Chandniok & Co LLP

## **Annexure A referred to in Paragraph 11 of the Independent Auditor's Report of even date to the members of Indorama Ventures Yarns Private Limited on the financial statements for the period ended 31 March 2022**

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

- (i) (a) The Company does not have any property, plant and equipment or intangible assets or right of use assets or investment property and accordingly, reporting under clause 3(i) of the Companies (Auditor's Report) Order, 2020 (hereinafter referred to as 'the Order') is not applicable to the Company.
- (ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii) (a) of the Order is not applicable to the Company.  
  
(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets during any point of time of the period. 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 period. 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 is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has 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.
- (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 period-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 period in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

Chartered Accountants



# Walker Chandiook & Co LLP

**Annexure A referred to in Paragraph 11 of the Independent Auditor's Report of even date to the members of Indorama Ventures Yarns Private Limited on the financial statements for the period ended 31 March 2022 (continued)**

- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the period. The Company has been incorporated in the current period hence reporting for previous year is not applicable. 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 period. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the period. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the period.
- (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 have an internal audit system under section 138 of the Act and consequently, does not have an internal audit system. Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.

Chartered Accountants



# Walker Chandiook & Co LLP

**Annexure A referred to in Paragraph 11 of the Independent Auditor's Report of even date to the members of Indorama Ventures Yarns Private Limited on the financial statements for the period ended 31 March 2022 (continued)**

- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- (xvi)(a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
- (b) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company.
- (xvii) The Company has incurred cash losses amounting to Rs. 45.40 lakh in the current financial year. The Company has been incorporated in the current period hence reporting on cash losses for immediately preceding financial year is not applicable.
- (xviii) There has been no resignation of the statutory auditors during the period. 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 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 fulfill the criteria as specified under section 135(1) 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.
- (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 Gupta**  
Partner  
Membership No.: 507892  
UDIN: 22507892AIDKXN2101



**Place:** Gurugram  
**Date:** 27 April 2022

Chartered Accountants

# Walker ChandioK & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of Indorama Ventures Yarns Private Limited on the financial statements for the period ended 31 March 2022

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

1. In conjunction with our audit of the financial statements of Indorama Ventures Yarns Private Limited ('the Company') as at and for the period ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

## **Responsibilities of Management 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

Chartered Accountants





# Walker ChandioK & Co LLP

## Annexure B to the Independent Auditor's Report of even date to the members of Indorama Ventures Yarns Private Limited on the financial statements for the period ended 31 March 2022 (continued)

principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

### Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

*Tarun*

**Tarun Gupta**  
Partner  
Membership No.: 507892  
UDIN: 22507892AIDKXN2101



**Place:** Gurugram  
**Date:** 27 April 2022

Indorama Ventures Yarns Private Limited  
Balance Sheet as at 31 March 2022  
CIN:U17299MH2021PTC363295  
(All amounts in ₹ lakhs, unless stated otherwise)

Particulars	Notes	As at 31 March 2022
<b>Assets</b>		
<b>Non-current assets</b>		
a) Capital work-in-progress	2	59.92
b) Financial assets		
(i) Other financial assets	3	0.01
c) Non-current tax assets [net]	4	0.06
d) Other non-current assets	5	519.34
<b>Total non-current assets</b>		<b>579.33</b>
<b>Current assets</b>		
a) Financial assets		
i) Cash and cash equivalents	6	214.42
b) Other current assets	7	23.61
<b>Total current assets</b>		<b>238.03</b>
<b>Total assets</b>		<b>817.36</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
a) Equity share capital	8	300.00
b) Other equity	9	(45.40)
<b>Total equity</b>		<b>254.60</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
a) Financial liabilities		
(i) Borrowings	10	517.24
<b>Total non-current liabilities</b>		<b>517.24</b>
<b>Current liabilities</b>		
a) Financial liabilities		
i) Trade payables	11	-
- total outstanding dues of micro enterprises and small enterprises; and		12.27
- total outstanding dues of creditors other than micro enterprises and small enterprises		32.55
ii) Other financial liabilities	12	0.70
b) Other current liabilities	13	45.52
<b>Total current liabilities</b>		<b>45.52</b>
<b>Total equity and liabilities</b>		<b>817.36</b>

Notes 1 to 28 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

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

Tarun Gupta  
Partner  
Membership No.: 507892



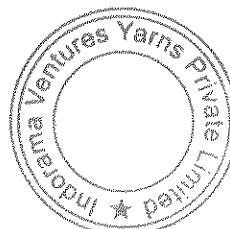
M N Sudhindra Rao  
Director  
DIN: 01820347

Umesh Kumar Agrawal  
Director  
DIN: 08502514

Place: Gurugram  
Date: 27 April 2022

Place: Gurugram  
Date: 27 April 2022

Place: Gurugram  
Date: 27 April 2022



Indorama Ventures Yarns Private Limited  
Statement of Profit and Loss for the period ended 31 March 2022  
CIN:U17299MH2021PTC363295  
(All amounts in ₹ lakhs, unless stated otherwise)


Particulars	Notes	For the period ended 31 March 2022
<b>I Income</b>		
Other income	14	0.55
<b>Total income</b>		<b>0.55</b>
<b>II Expenses</b>		
Other expenses	15	45.94
<b>Expenses before finance costs and foreign exchange fluctuation</b>		<b>45.94</b>
<b>Loss before finance costs and foreign exchange fluctuation</b>		<b>(45.39)</b>
Finance costs	16	0.01
Foreign exchange fluctuation loss		0.00
<b>Total expenses</b>		<b>45.95</b>
<b>III Loss before tax [I-II]</b>		<b>(45.40)</b>
<b>IV Tax</b>		
Current tax		-
Deferred tax expense		-
<b>Total tax expenses</b>		<b>-</b>
<b>V Loss for the period [III-IV]</b>		<b>(45.40)</b>
<b>VI Other comprehensive income (OCI)</b>		<b>-</b>
<b>VII Total comprehensive income for the period</b>		<b>(45.40)</b>
<b>VIII Earnings/(loss) per equity share [nominal value of equity share ₹ 10]</b>		
Basic and diluted	17	(7.74)

Notes 1 to 28 forms an integral part of these financial statements

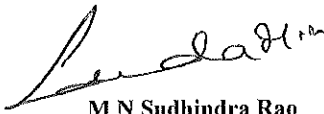
This is the Statement of Profit and Loss referred to in our report of even date


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

For and on behalf of the Board of Directors of  
**Indorama Ventures 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: 27 April 2022

Place: Gurugram  
Date: 27 April 2022

Place: Gurugram  
Date: 27 April 2022

Indorama Ventures Yarns Private Limited  
Statement of changes in equity for the period ended 31 March 2022  
CIN:U17299MH2021PTC363295  
(All amounts in ₹ lakhs, unless stated otherwise)

**A. Equity share capital**

Particulars	Balance as at 1 April 2021	Changes in equity share capital during the period	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 beginning of the period	-
(Loss) for the period	(45.40)
<b>Balance at 31 March 2022</b>	<b>(45.40)</b>

Notes 1 to 28 forms an integral part of these financial statements

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

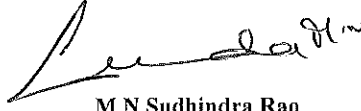
For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm Registration No.: 001076NAN500013



**Tarun Gupta**  
Partner  
Membership No.: 507892



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



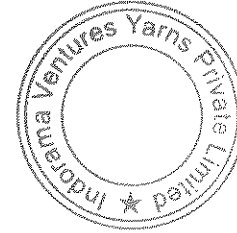
**M N Sudhindra Rao**  
Director  
DIN: 01820347

Place: Gurugram  
Date: 27 April 2022



**Umesh Kumar Agrawal**  
Director  
DIN: 08502514

Place: Gurugram  
Date: 27 April 2022



Indorama Ventures Yarns Private Limited  
Statement of Cash flows for the period ended 31 March 2022  
CIN:U17299MH2021PTC363295  
(All amounts in ₹ lakhs, unless stated otherwise)

	For the period ended 31 March 2022
<b>A. Cash flow from operating activities</b>	
Loss before tax	(45.40)
Add: Adjustment for non-cash and non-operating items	
Finance costs	0.01
<b>Operating profit before working capital changes</b>	
Adjustments for movement in:	
Changes in other assets	(23.61)
Changes in trade payables	12.27
Changes in other liabilities	0.70
<b>Cash generated from operating activities</b>	<b>(56.03)</b>
Income tax paid [net]	(0.06)
<b>Net cash generated from operating activities [A]</b>	<b>(56.09)</b>
<b>B. Cash flow from investing activities</b>	
Purchase of property, plant and equipment [including capital work in progress, capital advances and creditors for capital goods]	(529.28)
<b>Net cash used in investing activities [B]</b>	<b>(529.28)</b>
<b>C. Cash flow from financing activities</b>	
Proceeds from non current borrowings	517.24
Proceeds from issue of share capital	300.00
Finance costs paid	(17.45)
<b>Net cash (used in) / generated from financing activities [C]</b>	<b>799.79</b>
<b>Net increase in cash and cash equivalents [A+B+C]</b>	<b>214.42</b>
Cash and cash equivalents at the beginning of the period	-
<b>Closing cash and cash equivalents (refer note 6)</b>	<b>214.42</b>

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

Notes 1 to 28 forms an integral part of these financial statements

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

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

*Tarun*

**Tarun Gupta**  
Partner  
Membership No.: 507892



Place: Gurugram  
Date: 27 April 2022

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

*M N Sudhindra Rao*

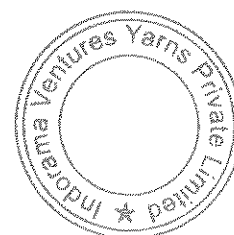
**M N Sudhindra Rao**  
Director  
DIN: 01820347

Place: Gurugram  
Date: 27 April 2022

*Umeshi Kumar Agrawal*

**Umeshi Kumar Agrawal**  
Director  
DIN: 08502514

Place: Gurugram  
Date: 27 April 2022



## Indorama Ventures Yarns Private Limited

### Summary of significant accounting policies and other explanatory information for the period ended 31 March 2022

#### 1. (i) Corporate information

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

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

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

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

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

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

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

##### a. Ind AS 109 Financial Instruments; Ind AS 107 Financial Instruments: Disclosures and Ind AS 116 Leases (amendments related to Interest Rate Benchmark Reform)

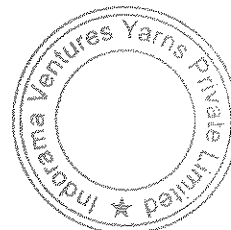
The amendment to Ind AS 109, provides a practical expedient for assessment of contractual cash flow test, which is one of the criteria for being eligible to measure a financial asset at amortized cost, for the changes in the financial assets that may arise as a result of Interest Rate Benchmark Reform. An additional temporary exception from applying hedge accounting is also added for Interest Rate Benchmark Reform.

The amendment to Ind AS 107, clarifies the certain additional disclosures to be made on account of Interest Rate Benchmark Reform:

- the nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform;
- the entity's progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition;
- the instruments exposed to benchmark reform disaggregated by significant interest rate benchmark along with qualitative information about the financial instruments that are yet to transition to alternative benchmark rate;
- changes to entity's risk management strategy.

The amendments introduced a similar practical expedient in Ind AS 116. Accordingly, while accounting for lease modification i.e. remeasuring the lease liability, in case this is required by interest rate benchmark reform, the lessee will use a revised discount rate that reflects the changes in the interest rate.

These amendments did not have any material impact on the financial statements of the Company.



## Indorama Ventures Yarns Private Limited

### Summary of significant accounting policies and other explanatory information for the period ended 31 March 2022

#### b. Ind AS 116 Leases (amendment related to rent concessions arising due to COVID-19 pandemic)

The amendment to Ind AS 116 Leases extended the practical expedient introduced for financial year 2020-21 related to rent concessions arising due to Covid-19 pandemic, that provides an option to the lessee to choose that rent concessions for lease payments due on or before 30 June 2022 (from erstwhile notified date of 30 June 2021), arising due to COVID-19 pandemic ('COVID-19 rent related concessions') need not be treated as lease modification. The amendment did not have any material impact on financial statements of the Company.

#### c. Amendments consequent to issue of Conceptual Framework for Financial reporting under Ind AS (Conceptual Framework)

- Ind AS 102 Share Based Payments - Amended the definition of 'liabilities' to 'a present obligation of the entity to transfer an economic resource as a result of past events'.
- Ind AS 103 Business Combinations - The MCA clarified that for the purpose of this Ind AS, acquirers are required to apply the definitions of an asset and a liability given in the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards rather than the Conceptual Framework.
- Ind AS 114 Regulatory Deferral Accounts - The amendment added a footnote against the term 'reliable' used in the Ind AS 114. The footnote clarifies that term 'faithful representation' used in the Conceptual Framework encompasses the main characteristics that the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards called 'reliability'. However, for the purpose of this Ind AS, the term 'reliable' would be based on the requirements of Ind AS 8.
- Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets - The MCA clarified that the definition of term 'liability' in this Ind AS is not being revised following the revision of the definition of liability in the Conceptual Framework.
- Ind AS 38 Intangible Assets - The MCA clarified that the definition of an 'asset' in this Ind AS is not being revised following the revision of the definition of asset in the Conceptual Framework.
- Ind AS 106 Exploration for and Evaluation of Mineral Resources; Ind AS 1 Presentation of Financial Statements; Ind AS 8 Accounting policies, Changes in Accounting Estimates and Errors and Ind AS 34 Interim Financial Reporting - The reference to the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards has been substituted with reference to the Conceptual Framework.

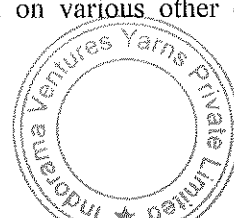
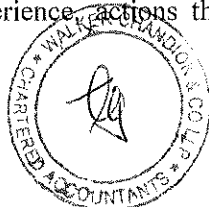
The above amendments did not have any material impact on the financial statements of the Company.

#### (iv) Significant accounting policies

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

The preparation of 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



## **Indorama Ventures Yarns Private Limited**

### **Summary of significant accounting policies and other explanatory information for the period ended 31 March 2022**

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.

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

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

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

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.

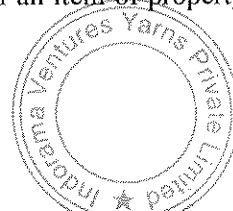
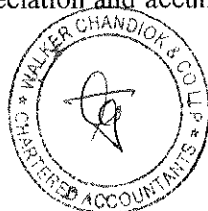
Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

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





## **Indorama Ventures Yarns Private Limited**

### **Summary of significant accounting policies and other explanatory information for the period ended 31 March 2022**

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.

#### **e. Capital work-in-progress**

The cost of property, plant and equipment not ready for their intended use is recorded as capital work-in-progress before such date. Cost of construction that relate directly to specific property, plant and equipment and that are attributable to construction activity in general and can be allocated to specific property, plant and equipment are included in capital work-in-progress.

Expenditure against the assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

#### **f. Impairment**

##### **(i) Impairment of financial assets**

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

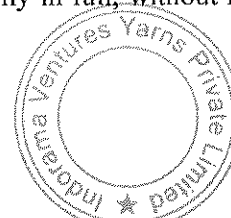
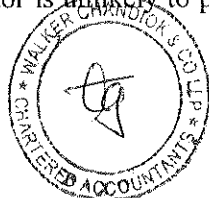
Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract such as a default in payment within the due date;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for a security because of financial difficulties;
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

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

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

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



## **Indorama Ventures Yarns Private Limited**

### **Summary of significant accounting policies and other explanatory information for the period ended 31 March 2022**

the Company to actions such as realising security (if any) is held.

#### **Measurement of expected credit losses**

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

#### **Presentation of allowance for expected credit losses in the balance sheet**

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

#### **Write-off**

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

#### **(ii) Impairment of non-financial assets**

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

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

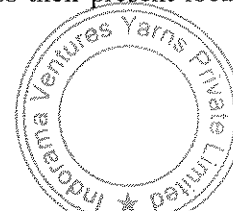
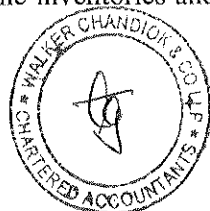
An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of the assets of the CGU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

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

#### **g. 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



## **Indorama Ventures Yarns Private Limited**

### **Summary of significant accounting policies and other explanatory information for the period ended 31 March 2022**

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.

#### **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 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.

The company is yet to commence operations.

##### **ii. Interest income**

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

#### **i. Borrowings**

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

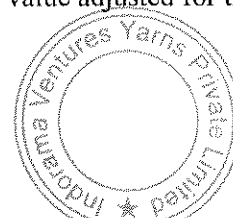
Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash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

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

#### **j. Financial instruments**

##### **i. Recognition and initial measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability of another entity. Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial instrument is measured initially at fair value adjusted for transaction



## Indorama Ventures Yarns Private Limited

### Summary of significant accounting policies and other explanatory information for the period ended 31 March 2022

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.

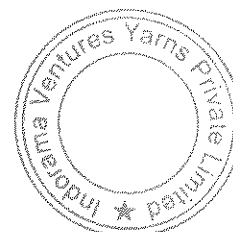
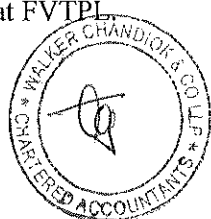
##### Financial assets: Business model assessment

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.



## Indorama Ventures Yarns Private Limited

### Summary of significant accounting policies and other explanatory information for the period ended 31 March 2022

#### 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.

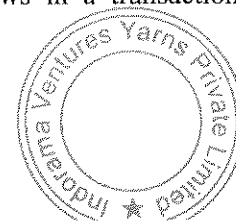
#### Financial liabilities

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



## **Indorama Ventures Yarns Private Limited**

### **Summary of significant accounting policies and other explanatory information for the period ended 31 March 2022**

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:

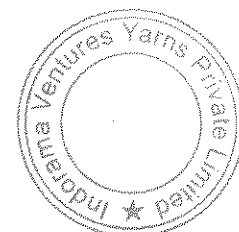
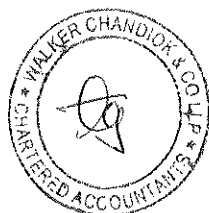
- Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- Income approach – Converting the future amounts based on market expectations to its present value using the discounting methodology.
- Cost approach – 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)

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.



## **Indorama Ventures Yarns Private Limited**

### **Summary of significant accounting policies and other explanatory information for the period ended 31 March 2022**

#### **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.

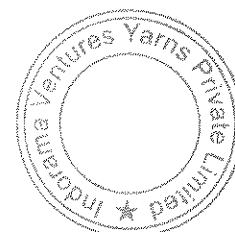
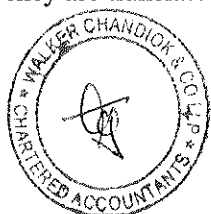
Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises 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.

#### **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.



## **Indorama Ventures Yarns Private Limited**

### **Summary of significant accounting policies and other explanatory information for the period ended 31 March 2022**

All exchange differences, except those relating to long-term monetary foreign currency items, are dealt with in the Statement of Profit and Loss.

#### **p. 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**

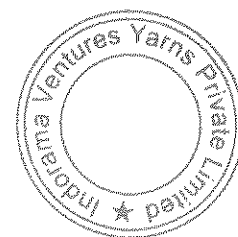
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

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.





## Indorama Ventures Yarns Private Limited

### Summary of significant accounting policies and other explanatory information for the period ended 31 March 2022

#### q. Measurement of loss before finance costs and foreign exchange fluctuation

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

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

#### 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. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

##### **Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact on its financial statements.

##### **Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact on its financial statements.

##### **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

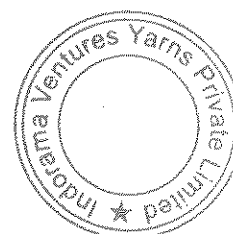
The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact on its financial statements.

##### **Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact on its financial statements.



*(This space has been intentionally left blank)*



(All amounts in ₹ lakhs, unless stated otherwise)

**2. Capital work-in-progress**

	As at 31 March 2022
Capital work-in-progress*	59.92
<b>Total</b>	<b>59.92</b>

\*Includes finance costs capitalised amounting to ₹ 17.53 lakhs

(a) Capital work-in-progress ageing schedule as at 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 2022	59.92	-	-	-	59.92

(b) There are no such project under capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan as of 31 March 2022

**3. Other financial assets**

	As at 31 March 2022
Security deposits	0.01
<b>Total</b>	<b>0.01</b>

**4. Non-current tax assets**

	As at 31 March 2022
Advance tax	0.06
<b>Total</b>	<b>0.06</b>

**5. Other non current assets**

	As at 31 March 2022
Capital advances	519.34
<b>Total</b>	<b>519.34</b>

**6. Cash and cash equivalents**

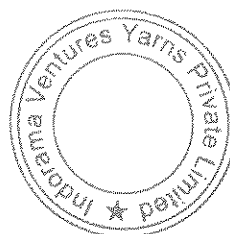
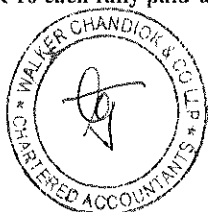
	As at 31 March 2022
Balances with banks	14.42
Deposits with original maturity less than three months	200.00
<b>Total</b>	<b>214.42</b>

**7. Other current assets**

	As at 31 March 2022
Balance with government authorities	7.98
Prepaid expenses	15.63
<b>Total</b>	<b>23.61</b>

**8. Equity share capital**

	As at 31 March 2022
<b>Authorised</b>	
5,000,000 equity shares of ₹ 10 each	500.00
	<b>500.00</b>
<b>Issued, subscribed and fully paid up</b>	
Balance at the beginning of the period	-
Add: Issue during the period	300.00
<b>Balance at the end of the period</b>	<b>300.00</b>
<b>3,000,000 equity shares of ₹ 10 each fully paid-up</b>	



(All amounts in ₹ lakhs, unless stated otherwise)

**Notes:**

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

	As at 31 March 2022	
	Number of shares	Amount
Balance at the beginning of the period	-	-
Add: Issued during the period	30,00,000	100.00
Balance at the end of the period	<b>30,00,000</b>	<b>100.00</b>

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

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

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

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

\* including nominee shareholders

(iv) Shareholding of promoter is as follows:

Promoter Name	Shares held by promoter	
	As at 31 March 2022	
	Number of shares	% of shareholding
Indo Rama Synthetics (India) Limited [Holding Company]	30,00,000	100%

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

**9. Other equity**

	As at 31 March 2022
<b>a. Retained earnings</b>	
Balance at beginning of the period	-
Add : Loss during the period	(45.40)
<b>Balance at the end of the period</b>	<b>(45.40)</b>

**Nature of reserves**

**Retained earnings**

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

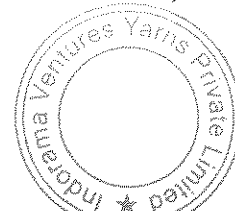
**10. Borrowings**

	As at 31 March 2022
<b>Secured loan</b>	
<b>Term loans - from banks</b>	
Rupee loans from banks	517.24
<b>Total</b>	<b>517.24</b>

**Note:**

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

(a) ₹ 517.24 lakhs (31 March 2021 : nil) are secured by Stand By Letter of Credit (SBLC) by promotor group company of Holding Company, repayable in 16 quarterly installments aggregating to ₹ 19.40 lakhs each in FY 2024-2025, ₹ 32.33 lakhs each in FY 2025-2026, ₹ 38.79 lakhs each in FY 2026-2027, ₹ 38.79 lakhs each in FY 2027-2028, rate of interest range from 6.25% p.a to 6.46% p.a.



(All amounts in ₹ lakhs, unless stated otherwise)

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

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

Particulars	For the period ended 31 March 2022
<b>Opening balance</b>	
Non current borrowings	-
Interest accrued	-
<b>Cash flows</b>	
Proceeds from non current borrowings	517.24
Finance costs paid	17.45
<b>Non cash adjustment</b>	
Finance costs capitalised	17.53
Finance costs debited to statement of profit and loss	0.01
<b>Closing</b>	
Non current borrowings	517.24
Interest accrued	0.09

#### 11. Trade payables

	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	12.27
<b>Total</b>	<b>12.27</b>

#### Trade payables ageing schedule

31 March 2022	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed trade payables</b>						
Outstanding due to micro enterprises and small enterprises	-	-	-	-	-	-
Others	-	12.27	-	-	-	12.27
<b>Disputed trade payables</b>						
Disputed dues – micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	-	<b>12.27</b>	-	-	-	<b>12.27</b>

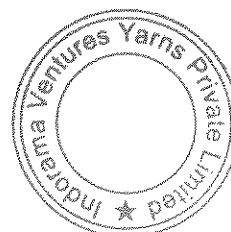
There are no unbilled trade payables, hence the same is not disclosed in the ageing schedule.

#### 12. Other financial liabilities

	As at 31 March 2022
Interest accrued and not due on borrowings	0.09
Creditors towards property, plant and equipment	32.46
<b>Total</b>	<b>32.55</b>

#### 13. Other current liabilities

	As at 31 March 2022
Statutory dues	0.70
<b>Total</b>	<b>0.70</b>



Indorama Ventures Yarns Private Limited

Summary of significant accounting policies and other explanatory information for the period ended 31 March 2022

CIN:U17299MH2021PTC363295

(All amounts in ₹ lakhs, unless stated otherwise)

**14. Other income**

	For the period ended 31 March 2022
Interest income	
from banks	0.55
<b>Total</b>	<b>0.55</b>

**15. Other expenses**

	For the period ended 31 March 2022
Repairs and maintenance	44.20
Rates and taxes	0.01
Legal and professional charges *	1.57
Miscellaneous expenses	0.16
<b>Total</b>	<b>45.94</b>

\* Includes payment to auditors

As auditor:

Audit fee	1.00
Other services	0.50
<b>Total</b>	<b>1.50</b>

**16. Finance costs**

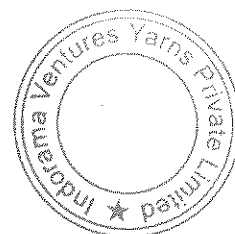
	For the period ended 31 March 2022
Bank charges	0.01
<b>Total</b>	<b>0.01</b>

**17. Earning per share**

	For the period ended 31 March 2022
Profit/(loss) attributable to the equity shareholders (A)	(45.40)
Number of equity shares at the beginning of the period (absolute)	-
Total number of shares outstanding at the end of the period (absolute)	30,00,000
Weighted-average number of equity shares (B) (absolute)	5,86,301
Earnings/(loss) per share (₹) (A/B) - Basic and Diluted	(7.74)
Nominal value of equity share (₹)	10.00



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**18. 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

As at 31 March 2022

Particulars	Carrying value				Fair value hierarchy		
	FVTPL*	FVOCI#	Amortized Cost	Total	Level 1	Level 2	Level 3
<b>Financial assets at amortised cost</b>							
Cash and cash equivalents	-	-	214.42	214.42	-	-	-
Other financial assets	-	-	0.01	0.01	-	-	-
<b>Total</b>	-	-	214.43	214.43	-	-	-
<b>Financial liabilities at amortised cost</b>							
Borrowings	-	-	517.24	517.24	-	-	-
Trade payables	-	-	12.27	12.27	-	-	-
Other financial liabilities	-	-	32.55	32.55	-	-	-
<b>Total</b>	-	-	562.06	562.06	-	-	-

\*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 period ended 31 March 2022.

**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**

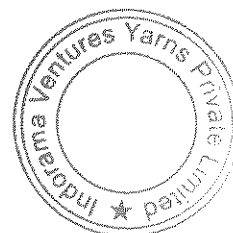
The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

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.



**(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 2022
Rupee term loan	6,082.76
<b>Total undrawn facility</b>	<b>6,082.76</b>

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 2022

	On demand	Less than 1 year	1- 5 years	More than 5 years	Total
Non current borrowings*	-	-	362.07	155.17	517.24
Trade payables	-	12.27	-	-	12.27
Other financial liabilities	-	-	32.55	-	32.55
<b>Total</b>	-	<b>12.27</b>	<b>394.62</b>	<b>155.17</b>	<b>562.06</b>

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

**(iv) Market risk**

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

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

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

*Interest rate risk exposure*

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

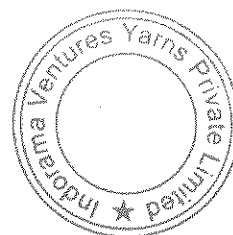
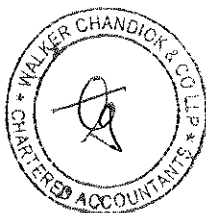
Particulars	31 March 2022
Variable rate borrowing	517.24
<b>Total borrowings</b>	<b>517.24</b>

*Sensitivity*

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

Particulars	31 March 2022
<b>Interest sensitivity*</b>	
Interest rates – increase by 100 basis points (31 March 2021: 100 basis points)	5.17
Interest rates – decrease by 100 basis points (31 March 2021: 100 basis points)	(5.17)

\* Holding all other variables constant



Indorama Ventures Yarns Private Limited

Summary of significant accounting policies and other explanatory information for the period period 31 March 2022

CIN:U17299MH2021PTC363295

(All amounts in ₹ lakhs, unless stated otherwise)

ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

*Interest rate risk exposure*

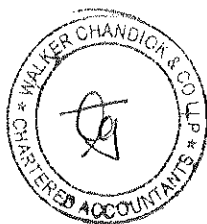
Below is the overall exposure of the deposits:

Particulars	31 March 2022
Fixed deposits	200.00
<b>Total deposits</b>	<b>200.00</b>

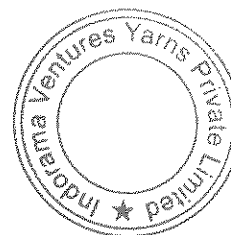
**C. Capital management**

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 2022
Total liabilities	562.76
Less: cash and cash equivalents	214.42
<b>Adjusted net debt</b>	<b>348.34</b>
Total equity	254.60
<b>Adjusted net debt to equity ratio</b>	<b>1.37</b>



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**19. 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, there are no dues payable to MSME as on 31 March 2022.

**20. Capital commitment**

	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]	4,665.12

**21. Deferred Tax****I. Effective tax rate reconciliation**

	For the period ended 31 March 2022
Loss before tax	(45.40)
Effective tax rate	25.17%
Current tax expense/(income) on profit before tax at the effective income tax rate in India	(11.43)
Current year losses for which no deferred tax was recognised (Note 1)	11.43
<b>Tax expense reported in the statement of profit and loss</b>	<b>-</b>

**Note:**

I. The Company is in its initial phase of operations. The deferred tax assets are recognised to the extent that it is probable future taxable profits will be available against which they can be used. No deferred tax asset has been recognised by the Company in the absence of virtual certainty of realisation of carried forward losses to utilize these temporary differences.

**22. Related party disclosure****a) Disclosure of related parties and relationship between the parties**

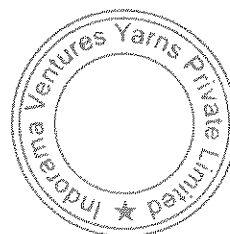
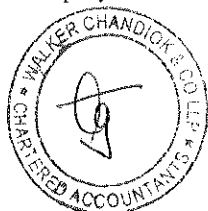
Nature of relationship	Name of related party
<b>i) Key managerial personnel</b>	Mr. M N Sudhindra Rao [Director] appointed w.e.f. 5 July 2021 Mr. Umesh Kumar Agrawal [Director] appointed w.e.f. 14 December 2021 Mr. Hemant Balkrishna Bal [Director] appointed w.e.f. 5 July 2021 Mr. Sudesh Manohar Sheth [Director] appointed w.e.f. 5 July 2021 Mr. Shishir Vijay Pimplikar [Director] appointed w.e.f. 3 August 2021
<b>ii) Holding Company</b>	Indo Rama Synthetics (India) Limited
<b>iii) Ultimate controlling Company</b>	Indorama Ventures Public Company Limited
<b>iv) Fellow subsidiary</b>	Indorama Yarns Private Limited
*The Company, its holding company and fellow subsidiary have availed credit lines with the support of the promotor Group Company to the tune of USD 75 million [31 March 2021: USD 75 million] by way of Stand By Letter of Credit (SBLC) to meet any unforeseen exigencies. Further, the Company has utilised credit lines towards fund based and non fund based facilities with the support of the promotor Group Company amounting to ₹ 2,273.70 lakhs	

**b) Disclosure of transactions between the Company and its related parties****i) Ultimate controlling Company****Purchases of goods and services**

Indorama Ventures Public Company Limited

For the period ended  
31 March 2022

23.36



**23. 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.

24. 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.

**25. Ratio analysis and its elements**

a) The following are analytical ratios for the period ended 31 March 2022

Particular	Note	As at 31 March 2022
(a) Current ratio	(i)	5.23
(b) Debt equity ratio	(ii)	2.03
(c) Debt service coverage ratio	(iii)	-4.63
(d) Return on equity ratio (%)	(iv)	-35.66%
(e) Inventory turnover ratio	(v)	NA
(f) Trade receivable turnover ratio	(vi)	NA
(g) Trade payable turnover ratio	(vii)	NA
(h) Net capital turnover ratio	(viii)	NA
(i) Net profit ratio (%)	(ix)	NA
(j) Return on capital employed ratio (%)	(x)	-5.88%
(k) Return on investment ratio (%)	(xi)	NA

**Notes :**

(i) Current ratio = Current assets/ current liabilities

(ii) Debt Equity Ratio = Total Debt/ Shareholders equity

(iii) Debt service coverage ratio = Earnings available for debt service/ Debt Service (refer point (A) below)

(iv) Return on Equity ratio = Net Profits after taxes – Preference Dividend (if any)/ Average Shareholder's Equity

(v) Inventory turnover ratio is not applicable on company since company has not started their operations.

(vi) Trade receivables turnover ratio is not applicable on company since company has not started their operations.

(vii) Trade payables turnover ratio is not applicable on company since company has not started their operations.

(viii) Net capital turnover ratio is not applicable on company since company has not started their operations.

(ix) Net profit ratio is not applicable on company since company has not started their operations.

(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.

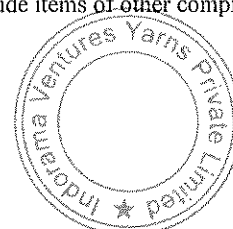
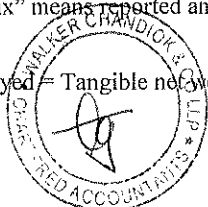
**Other explanatory points**

(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



**26. Other statutory information**

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

27. The financial statements were approved for issue by the Board of Directors on 27 April 2022.

28. The Company has been incorporated on 05 July 2021 and is presenting financial statements for the first time. Accordingly, requirement for presenting comparative financial numbers for the year ended 31 March 2021 is not applicable.

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

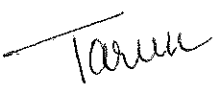
**For Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of

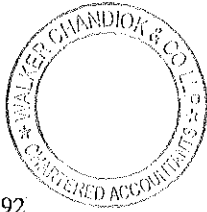
**Indorama Ventures Yarns Private Limited**

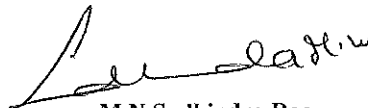


**Tarun Gupta**

Partner

Membership No.: 507892





**M N Sudhindra Rao**

Director

DIN: 01820347



**Umesh Kumar Agrawal**

Director

DIN: 08502514

Place: Gurugram

Date: 27 April 2022

Place: Gurugram

Date: 27 April 2022

Place: Gurugram

Date: 27 April 2022

