

Directors' Report

To the Members,

Your Directors hereby presents their Thirty fifth Annual Report on the business and operations of the Company along with the audited financial statements for the year ended March 31, 2021.

1. Financial Highlights

The financial performance of the Company for the year ended March 31, 2021 is summarised below:

(₹ In Crores)

Particulars	Standalone		Consolidated	
	Year Ended		Year Ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Total Income	2,043.59	2,127.94	2,063.71	2,127.95
Profit / (Loss) before Financial Costs, Depreciation, Foreign exchange fluctuation, Exceptional items and Tax (EBIDTA)	113.30	0.66	113.93	0.22
Finance Costs	65.92	92.31	65.93	92.31
Profit / (Loss) before Depreciation, Foreign exchange fluctuation, Exceptional items and Tax (EBDTA)	47.38	(91.65)	48.00	(92.09)
Depreciation	33.78	86.00	33.78	86.00
Foreign exchange fluctuation Loss / (Gain)	(0.76)	2.35	(0.80)	2.35
Profit / (Loss) before Exceptional items and Tax	14.36	(180.00)	15.02	(180.44)
Exceptional Items	11.63	-	11.63	-
Profit / (Loss) before Tax	2.73	(180.00)	3.39	(180.44)
Tax Charge/(Credit)	(110.05)	136.10	(109.99)	136.10
Profit / (Loss) after Tax from continuing operations	112.78	(316.10)	113.38	(316.54)
Other comprehensive income/(expense) (net of tax)	(2.14)	(1.46)	(2.14)	(1.46)
Total comprehensive income / (expense) after tax	110.64	(317.56)	111.24	(318.00)
Profit / (Loss) brought forward from previous year	(564.76)	(247.20)	(565.20)	(247.20)
Profits / (Loss) available for Appropriation	(454.12)	(564.76)	(453.96)	(565.20)
Surplus/(Deficit) carried to Balance Sheet	(454.12)	(564.76)	(453.96)	(565.20)

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

In March 2020, World Health Organisation (WHO) had declared the outbreak of Novel Corona virus "COVID-19" as a pandemic. Complying with the directives of the Government, the plant and offices of the Company had been under lock-down thereby adversely impacting the performance during first quarter for the Financial Year 2020-21.

On standalone basis, during the Financial Year 2020-21, your Company has achieved revenue from operations of ₹ 2,022.79 Crores as against ₹ 2,107.51 Crores in the financial year 2019-20 due to focused marketing efforts and better outreach to customers nationally and internationally. Your Company achieved significant improvement in EBIDTA to ₹ 113.30 Crores as against ₹ 0.66 Crores in the previous year. Your Company's Profit

before Tax for the year is ₹ 2.73 Crores as against Loss before Tax of ₹ 180 Crores in the Financial Year 2019-20.

The Company has reassessed the carrying value of deferred taxes and created appropriate deferred tax assets amounting to ₹ 98.52 Crores in view of improved financial performance of the year as against adjustment by ₹ 136.10 Crores basis prudence last year. The Management is confident about the achievement of its long-term business plan and availability of sufficient future taxable profits against which deferred tax is fully recoverable.

On consolidated basis, during the Financial Year 2020-21, Company achieved revenue from operations of ₹ 2,042.89 Crores and Profit before Tax of ₹ 3.39 Crores as against revenue from operations of ₹ 2,107.51 Crores and Loss before Tax of ₹ 180.44 Crores in the previous year.

3. Dividend

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

4. Dividend Distribution Policy

On May 5, 2021, Securities and Exchange Board of India ("SEBI") notified SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021. Vide this notification, SEBI amended Regulation 43A of the Listing Regulations, thereby requiring top one thousand listed Companies 'based on market capitalisation (calculated as on March 31 of every financial year)' to formulate dividend distribution policy which shall be disclosed on the website of the listed entity and a weblink needs to be provided in their Annual Reports.

The Board of the Company, being one of the top one thousand listed Companies as per the criteria mentioned above, has approved and adopted this Dividend Distribution Policy (the "Policy") at its meeting held on May 19, 2021. The Dividend Distribution Policy of the Company has been uploaded on the website of the Company and also available through the weblink at <http://www.indoramaindia.com/pdf/Policy-on-Dividend-Distribution.pdf>.

5. Transfer to Reserve

No amount is proposed to be transferred to Reserves.

6. Change in the Nature of Business

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

7. Future Growth Plans of the Company

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

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

In order to have operational efficiency and better controls expansion by adding 50 DTY Machines towards balancing equipments for value addition is being envisaged in a new "WOS" Company to be incorporated.

8. Share Capital

Your Company's Paid-up Equity Share Capital as on March 31, 2021 stood at ₹ 261.11 Crores. During the year under review, the Company has not issued shares with differential voting right nor granted stock options nor sweat equity. As on March 31, 2021, none of the Directors of the Company hold shares except Mr. Om Prakash Lohia and Mr. Vishal Lohia.

9. Amendment in the Articles of Association of the Company

During the year under review, your Company has adopted new set of Articles of Association of the Company incorporating therein the provisions of the Investment Agreement dated January 21, 2019 and schedules to the said Investment Agreement executed by and amongst the Indorama Netherlands B.V ("INBV"), Mr. O. P. Lohia, Mr. Vishal Lohia, Mrs. Urmila Lohia, Indorama Ventures Public Company Limited ("IVL") and Indo Rama Synthetics (India) Limited.

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

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

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

SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/81 dated May 14, 2020 had provided relaxation from the penal provisions of SEBI Circular dated October 10, 2017 on Non Compliance with respect to MPS requirement for companies having deadlines falling between March 1, 2020 and August 31, 2020.

On October 5, 2020, a member of the promoter group gave intimation for offer for sale representing 6.72% of the total issued and paid up capital of the Company. Consequent to the offer for sale, the Promoter shareholding in the Company diluted to 75.13% from 81.72%.

On February 15, 2021 again a member of the Promoter Group of the Company divested 3,35,353 equity shares of the Company constituting 0.13% of the issued and paid up equity share capital of the Company through open market sale in accordance with SEBI Circular No. SEBI/HO/ CFO/CMD/CIR/P/43/2018 dated February 22, 2018.

Post aforementioned open market sale, the Company complied with MPS requirement on February 15, 2021 as mandated under Regulation 38 of the SEBI LODR

Regulations and same was intimated to both NSE and BSE by the Company vide its letter dated February 17, 2021.

National Stock Exchange of India Limited vide its letters dated December 7, 2020 and March 24, 2021 and BSE Limited vide its emails dated December 7, 2020 and March 24, 2021 have levied monetary fines on the Company amounting to ₹ 7,19,800/- (Indian Rupees Seven Lakhs Nineteen Thousand Eight Hundred only) each aggregating ₹ 14,39,600/- (Indian Rupees Fourteen Lakhs Thirty Nine Thousand Six Hundred only), for non-compliance with Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has submitted waiver requests with both NSE and BSE regarding the monetary fine imposed due to delay in MPS compliance, in view of the COVID-19 pandemic situation.

11. Committees of the Board

The Board of Directors has the following Committees:

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

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

12. Meeting of the Board of Directors

During the financial year 2020-21, your Company had convened and held five (5) Board Meetings. The details of the Board Meeting with regard to their dates and attendance of each of the Directors thereat have been provided in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and SEBI Listing Regulations.

13. Directors and Key Managerial Personnel

As recommended by the Nomination and Remuneration Committee and approved by the Board of Directors vide Circular Resolution No. 1, which was approved by the Board on May 17, 2020, Mrs. Ranjana Agarwal (DIN: 03340032) has been re-appointed as Non-Executive Independent Director under Section 149(10) of the Companies Act, 2013 and Listing Regulations to hold office for further 5 (five) consecutive years for a second term with effect from May 18, 2020 till May 17, 2025. The shareholders of the Company at its 34th Annual General Meeting ("AGM") held on August 26, 2020 approved the appointment of Mrs. Agarwal.

On the recommendation of Nomination and Remuneration Committee, the Board approved re-appointment of Mr. Om Prakash Lohia (DIN: 00206807) as Chairman and Managing Director of the Company for another term of 3 (Three) years w.e.f. December 26, 2020 till December 25, 2023, in its meeting held on October 30, 2020, subject to approval of shareholders by way of Special Resolution at the ensuing AGM of the Company.

Mr. M. N. Sudhindra Rao, (DIN: 01820347), resigned on October 29, 2020 from the Board of Directorship due to personal reasons and he is continuing as Chief Executive Officer and Key Managerial Personnel of the Company. The Board places on records its appreciation towards his invaluable contribution during his tenure as Executive Director of the Company.

Mr. Hemant Balkrishna Bal, (DIN: 08818797), was appointed as an Additional Director with effect from October 30, 2020. Mr. Bal was also appointed as the Whole-time Director and Key Managerial Personnel of the Company, for a period of 3 (three) years, with effect from October 30, 2020 to October 29, 2023, subject to approval of the shareholders at the ensuing AGM.

On the recommendation of the Nomination and Remuneration Committee, the Board appointed Mr. Dilip Kumar Agarwal (DIN: 03487162) as an Additional Non-Executive Non-Independent Director of the Company with effect from January 20, 2021, who holds office up to the date of ensuing Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (the "Act") and is eligible for appointment.

Mr. Udeypaul Singh Gill, (DIN: 00004340), Non-Executive Non-Independent Director resigned on January 20, 2021 from the Board of Directorship, due to his personal reasons and the Board places on records its appreciation towards his invaluable contribution during his tenure as Non-Executive Non-Independent Director of the Company.

Mr. Sushil Kumar Mehrotra, resigned from the post of Chief Financial Officer and Key Managerial Personnel of the Company, with effect from January 13, 2021 due to his personal reasons.

In accordance with the Companies Act, 2013 and Articles of Association of the Company, Mr. Vishal Lohia (DIN: 00206458), Whole-time Director of the Company, is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Necessary Resolutions for the appointment/re-appointment of the aforesaid Directors have been included in the notice convening the ensuing AGM and requisite details have been provided in the explanatory statement of the Notice. The Board recommends their appointment/re-appointment.

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

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

14. Declaration by Independent Director of the Company

For the Financial Year 2020-21, all the Independent Directors of the Company have given their declaration to the Company that they meet the criteria of independence as laid down under Section 149(7) read with Section 149(6) of the Companies Act, 2013 and Regulation 16 of the Listing Regulations and affirmed compliance with Code of Ethics and Business Principles as required under Regulation 26(3) of SEBI (LODR) Regulations, 2015, as amended.

The Appointment and tenure of the Independent Directors, including code for Independent Directors are available on the website of the Company, <http://www.indoramaindia.com/pdf/policies/Code-for-Independent-Directors-REVISED.pdf>.

15. Nomination and Remuneration Policy

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

16. Board Evaluation

The Company has devised a formal process for annual evaluation of performance of the Board, its Committees and Individual Directors ("Performance Evaluation") which include criteria for performance evaluation of Non-Executive Directors and Executive Directors as laid down by the Nomination and Remuneration Committee and the Board of Directors of the Company. It covers the areas relevant to the functioning as Independent Directors or other directors, member of the Board or Committee of the Board. The Independent Directors carried out annual performance evaluation of the Chairman and Managing Director and Whole-time Directors. The Board carried out annual performance evaluation of its own performance. The performance of each Committee was evaluated by

the Board, based on report on evaluation received from respective Committees. A consolidated report was shared with the Chairman of the Board for his review and giving feedback to each Director.

17. Separate Meeting of Independent Directors

In terms of the requirements under Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the Listing Regulations, a separate meeting of the Independent Directors was held on January 20, 2021. The Independent Directors at the meeting, *inter-alia*, reviewed the following:-

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

18. Familiarisation program for Independent Directors

The details of the familiarisation programme undertaken during the year have been provided in the Corporate Governance Report alongwith weblink thereof.

19. Secretarial Standards

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

20. Directors' Responsibility Statement

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

- (i) that in the preparation of the Annual Accounts for the year ended March 31, 2021, the applicable accounting standards had been followed and there are no material departures;
- (ii) that the accounting policies selected and applied are consistent and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of year and of the profit of the Company for that period;
- (iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company

and for preventing and detecting fraud and other irregularities;

- (iv) that the Annual Accounts for the year ended March 31, 2021 have been prepared on a going concern basis.
- (v) that the internal financial controls laid down by the Board and being followed by the Company are adequate and were operating effectively.
- (vi) that the proper systems, devised by Directors to ensure compliance with the provisions of all applicable laws, were adequate and operating effectively.

Based on the framework of Internal Financial Controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors and external consultants, including audit of Internal Financial Controls over financial reporting by the Statutory Auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's Internal Financial Controls were adequate and effective during the Financial Year 2020-21.

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

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

22. Related Party Transactions

There are no material significant related party transactions made by the Company which may have potential conflict with the interest of the Company. Related party transactions that were entered into during the year under review were on the arm's length basis and were in ordinary course of business. The Particulars of material related party transactions, if any, is provided in Form **AOC-2** as required under section 134 (3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed with this Report.

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

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

The Board has approved a policy of the Related Party Transactions, which has been uploaded on the website of the Company, <http://www.indoramaindia.com/>

[pdf/policies/Policy-on-Materiality-of-Related-Party-Transaction-REVISED.pdf](#).

23. Particulars of Employees and Related Disclosures

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

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

A statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules, forms part of this Report.

The said information is available for inspection at the registered office of the Company during working hours upto the date of the Annual General Meeting. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

24. Corporate Social Responsibility (CSR) Committee

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

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

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

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

25. Business Responsibility Report

In compliance with the Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Business Responsibility Report, detailing various initiative taken by the Company on Environmental, social, and governance fronts is forming part of this report. The Board of Director has adopted Business Responsibility Policy. The said policy has been disclosed on the Company’s website at <http://www.indoramaindia.com/pdf/BR-Policy.pdf>.

26. Information under the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has constituted an Internal Complaints Committee under section 4 of the Sexual Harassment of women at workplace (Prevention, prohibition and Redressal) Act, 2013. During the year, no complaint was filed before the said Committee.

The Company has a Policy on “Prevention of Sexual Harassment of Women at Workplace” and matters connected therewith or incidental thereto covering all the aspects as contain under “The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013”.

The Policy of the “Prevention of Sexual Harassment of Women at Workplace” of the Company is available on the website of the Company [http://www.indoramaindia.com/pdf/policy-on-prevention-of-sexual.harassment-\(POSH\).pdf](http://www.indoramaindia.com/pdf/policy-on-prevention-of-sexual.harassment-(POSH).pdf)

27. Audit Committee

The Audit Committee of the Board of Directors of the Company consists of Dr. Arvind Pandalai as Chairman and Mr. Vishal Lohia, Mr. Hemant Balkrishna Bal, Mr. Suman Jyoti Khaitan, Mrs. Ranjana Agarwal and Mr. Dhanendra Kumar as its other Members. The Company Secretary is the Secretary of the Committee. The details of terms of reference of Audit Committee, number and dates of meetings held, attendance of the Directors and remunerations paid to them are given separately in the attached Corporate Governance Report. During the year, there were no instances where the Board had not accepted the recommendations of the Audit Committee.

28. Vigil Mechanism / Whistle Blower Policy

In compliance with the provisions of Section 177(9) of the Act and SEBI Listing Regulations, the Company has framed a Whistle Blower Policy / Vigil Mechanism for Directors, Employees and Stakeholders for reporting genuine concerns about any instance of any irregularity, unethical practice and/or misconduct. Besides, as per the requirement of Clause 6 of Regulation 9A of SEBI (Prohibition of Insider

Trading) Regulations as amended by SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company ensures to make employees aware of such Whistle Blower Policy to report instances of leak of unpublished price sensitive information. The Vigil Mechanism provides for adequate safeguards against victimisation of Directors or Employees or any other person who avail the mechanism and also provide direct access to the Chairperson of the Audit Committee. The details of the Vigil Mechanism / Whistle Blower Policy are also posted on the Company’s website and may be accessed at the link: <http://www.indoramaindia.com/pdf/policies/Whistle-Blower-Policy-REVISED.pdf>.

29. Credit Rating

During the year, India Rating & Research (IND-Ra) has assigned your company, a Long-Term Issuer Rating “IND BBB-”. The outlook is stable. The instrument wise rating action are as under:

Instrument Type	Amount (Billion)	Rating /Outlook	Rating Action
Long-term loan	₹ 4.7 (reduced from ₹ 5)	IND/BBB-/ Stable	Affirmed
Working Capital Limits	₹ 9	IND/BBB-/ Stable/IND A3	Affirmed

30. Subsidiary Company

Presently, your Company has one Wholly Owned Subsidiary, viz.; Indorama Yarns Private Limited, which was incorporated on August 16, 2019. There are no Associate Companies or Joint Venture Companies within the meaning of Section 2 (6) of the Act. The Board has approved formation of new Wholly owned Subsidiary to be incorporated for expansion plan of the Company by adding 50 DTY Machines towards balancing equipments for value addition.

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

31. Consolidated Financial Statements

The Company has prepared a Consolidated Financial Statement of the Company and its Subsidiary, namely, Indorama Yarns Private Limited, in the form and manner as that of its own, duly audited by M/s Walker Chandiook & Co LLP (FRN 00/076N/N 500013), the Statutory Auditors, in compliance with applicable accounting standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The Consolidated Financial Statements for the year ended March 31, 2021 forms part of the Annual Report and Financial Statements and shall be laid before the Members of the Company at the AGM while laying its Financial Statements under sub-section (2) of the said section.

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

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

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

32. Statutory Auditor and Auditors' Report

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

The Report given by M/s Walker Chandiook & Co LLP on the financial statements of the Company for the Financial Year 2020-21 is part of the Annual Report. The notes on financial statements referred in the Auditors' Report are self-explanatory and do not call for further comments. The observations of the Auditors explained wherever necessary in the appropriate Notes on Accounts. The Auditors' Report does not contain any qualification, reservation or adverse

remarks. During the year under review, the Auditors had not reported any matter under Section 143 (12) of the Act, therefore no details is required to be disclosed under Section134 (3)(ca) of the Act.

33. Cost Auditor

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

In conformity with the Directives of the Central Government, the Company has appointed Mr. R. Krishnan, Cost Accountant (Membership No.7799) as Cost Auditor under section 148 of the Companies Act, 2013 for audit of Cost Record of the Company to carry out the audit of cost records maintained by the Company for the Financial Year 2020-21.

The Company has received consent from Mr. R. Krishnan, Cost Accountant, for re-appointment as Cost Auditor for the Financial Year 2021-22, in accordance with the applicable provisions of the Companies Act, 2013 and Rules framed thereunder. The remuneration of Cost Auditor has been approved by the Board of Directors on the recommendation of the Audit Committee and the requisite resolution for ratification of remuneration of Cost Auditor by the members has been set out in the notice of Thirty-fifth Annual General Meeting of your Company.

34. Internal Auditor

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

35. Secretarial Auditor

Pursuant to provision of Section 204 of the Act, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed Ms. Jaya Jadav, Practicing Company Secretary (Membership No. F-10822 and COP No. 12070) as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for the Financial Year 2020-21

The Secretarial Audit report of Ms. Jaya Jadav, Practicing Company Secretary in **Form MR-3**, for the year ended March 31, 2021 is annexed to this Directors' Report. The Secretarial Audit Report is self-explanatory and do not call for any further comments. The Secretarial Audit Report does not contain any qualification, reservation, adverse remarks or disclaimer. During the year under review, the Secretarial Auditor had not reported any matter under Section 143 (12) of the Act, therefore, no details is required to be disclosed under Section134 (3)(ca) of the Act.

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

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

37. Public Deposits

During the Financial Year 2020-21, the Company did not invite or accept any deposit from the Public.

38. Internal Control Systems and their Adequacy

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

39. Particulars of Loans, Guarantee or Investments

There are no Loans, Guarantees made by the Company during the Financial Year 2020-21, however, the Company has additionally acquired 20,00,000 (Twenty Lakhs) Equity Shares @ ₹ 10/- each aggregating to ₹ 2,00,00,000/- (Indian Rupees Two Crores only) of Indorama Yarns Private Limited, its Wholly Owned Subsidiary on September 28, 2020. Details are given in the notes to the Financial Statements.

40. Insurance

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

41. Particulars of Loans/Advances/Investments as required under Schedule V of the Listing Regulations.

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

42. Risk Management

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

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

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

43. Listing

The shares of your Company are listed at both BSE Limited and National Stock Exchange of India Limited, Mumbai. The listing fees to the Stock Exchanges for the Financial Year 2021-22 have been paid.

44. Management Discussion and Analysis

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

45. Corporate Governance

Corporate Governance Report along with Practicing Company Secretary Certificate complying with the conditions of Corporate Governance as stipulated in Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been annexed as a part of this Annual Report.

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

Pursuant to the provisions of Section 125 of the Companies Act, 2013, relevant amounts, which remained unpaid or unclaimed for a period of seven years have been transferred by the Company, from time to time on due dates, to the Investor Education and Protection Fund (IEPF) Authority.

Pursuant to the provisions of Investor Education and Protection Fund, the Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on August 26, 2020 (date of last Annual General Meeting) on the website of the Company, www.indoramaindia.com and also on the Ministry of Corporate Affairs' website, www.mca.gov.in.

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the Company has transferred 36,656 (Thirty Six Thousand Six Hundred Fifty Six) equity shares of ₹ 10/- each of the Company held by various Investors, physical as well as dematerialised form, whose dividend amount is unclaimed/unpaid for seven years to Suspense Account of the Investor Education and Protection Fund (IEPF) Authority, during the Financial Year 2020-21 and the details thereof uploaded on the website of the Company, http://www.indoramaindia.com/pdf/Transfer-of-Shares-Form-IEPF-4_2012-13.pdf.

47. Industrial Relations / Human Resources

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

48. Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021 is available on the website of the Company at the <http://www.indoramaindia.com/annual-return.php>.

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

There are no material changes and commitments, affecting the financial position of the Company that have occurred between the close of the financial year ended March 31, 2021 and the date of this Directors' Report.

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

The relevant details in this regards have been provided in the Corporate Governance Report annexed to this Report.

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

The Code of Conduct for the Directors and Senior Management Personnel has been posted on the website of the Company. The Chairman and Managing Director of the Company has given a declaration that all the Directors and Senior Management Personnel concerned, affirmed compliance with the Code of Conduct with reference to year ended March 31, 2021 and a declaration is attached with the Annual Report.

52. CEO and CFO Certification.

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

53. Nodal Officer

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

54. Acknowledgement

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

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

For and on behalf of the Board

Om Prakash Lohia

Chairman and Managing Director
(DIN 00206807)

Place: New Delhi
Date: May 19, 2021