



# **IGPL**

# **ANNUAL REPORT**

## 2020-2021

## 32<sup>nd</sup> AGM

Date : 23<sup>rd</sup> July, 2021

Time : 3:00 p.m.

Mode : Video Conference /  
Other Audio  
Visual Means

### Pg. No.

#### Business Overview

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# READ INSIDE



The background of the slide is a photograph of an industrial chemical plant. Two prominent, tall, cylindrical distillation columns are visible, surrounded by a complex network of pipes, ladders, and structural steel. The sky is clear and blue. The text 'KEY UPDATES' is overlaid on the left side of the image.

# KEY UPDATES

- In December 2020, we successfully commissioned our PA4 plant with an additional capacity of 53,000 MTPA. With this, IGPL has become the largest producer of PAN at a single location.
- The expanded capacity has given fresh impetus to growth trajectory of the Company, the full benefits of which will be visible in the coming years.
- The newly set-up Effluent Treatment Plant (ETP) facility has enabled the Company to achieve a partial Zero Liquid Discharge (ZLD) and soon expects to reach complete ZLD.
- IGPL has been able to expand its core business creating substantial value for its stakeholders.





**IGPL**  
**IS THE COUNTRY'S**  
**LARGEST**  
**PHTHALIC ANHYDRIDE (PAN)**  
**MANUFACTURER**

We are the largest producer of PAN at single location in the world

**ISO 9001:2015**

Quality Management system

**ISO 14001:2015**

Environment certification  
from Bureau Veritas

# COMPETITIVE STRENGTH

Business Intelligence is critical to identify future trends. Our experienced management team continuously improves efficiency, sees new opportunities and delivers our customers expectations of the future.



Our state of the art manufacturing facilities, licensed from Lurgi GmbH, are strategically located at **Taloja, Maharashtra** in close proximity to multiple ports and the chemical belt in western India

Six-sigma quality control processes and ERP systems across the organization

100% energy requirements met through captive power plants

**LEADING AND LOWEST COST PRODUCER OF PAN**

The Credit Ratings of the Company are

**“IND A+”** - For long term borrowings and

**“IND A1+”** - For short term borrowings - Issued by India Ratings & Research.



# BUSINESS OVERVIEW

The Company's main business revolves around Phthalic Anhydride, a downstream product of Orthoxylene which in turn is a third derivative of crude oil. It is a versatile intermediate in organic chemistry for production of Plasticizers, Unsaturated Polyester Resins, Alkyd Resins, Paints and CPC Pigments which are broadly used in the manufacturing of:

- Poly vinyl chloride (PVC) products
- Inks and photovoltaic cells
- Paints and coatings
- Fiberglass reinforced plastics for automobile, construction

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IGPL produces Maleic Anhydride (MAN) and Benzoic Acid through wash water generated from and derived after the production of PAN and is used in agro and food businesses. MAN is a chemical intermediary primarily used in:

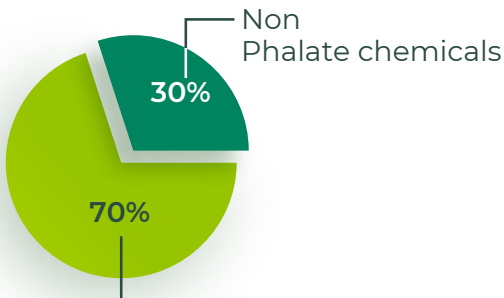
- Production of unsaturated polyester resin
- Plastics, lubricating oil additives and agri chemicals
- Coating, pharmaceuticals and surfactants



# FUTURE GROWTH

The Company has initiated a Greenfield Expansion of Phthalic Anhydride & its Derivatives up to 80,000 MTPA. The project cost is estimated to be Rs. 600 crores.

The downstream product i.e. Advance Plasticizer with a capacity of 8,400 MTPA is expected to come on stream during the current year at a total cost of Rs. 30 crores.



Phthalic Anhydride



# VISION

“ To be well diversified Chemicals Company with leadership position in the Phthalic Anhydride industry ”



# FINANCIAL REVIEW

IGPL reported a strong financial growth, increased cash flow and is on the cusp of taking the leap onto the next level. This is evident from the new project which is being planned. The financial performance reflects our resilience in managing the opportunities well. Leveraging the three decades of strong presence in the industry and the brand image will help the Company to pursue further opportunities in the segment.

PARTICULARS	2016-17	2017-18	2018-19	2019-20	2020-21
Total Revenue (Net)	1,040.80	1,148.19	1,311.28	1064.98	1,128.36
Gross Profit / EBITA	171.63	271.42	233.70	78.22	303.33
Finance Cost	18.24	14.88	11.43	15.95	14.56
Depreciation & Amortisation	21.12	25.70	26.54	29.90	34.10
Profit Before Tax	132.27	230.85	186.30	32.07	254.67
Tax Expense	30.33	84.30	69.82	11.03	64.54
Profit After Tax	101.94	146.54	116.48	21.04	189.51
Equity Share Capital	30.79	30.79	30.79	30.79	30.79
Net Worth	392.51	528.10	628.73	634.11	818.11
Earnings Per Share (EPS) of ₹10/- each	33.10	47.58	37.82	6.83	61.54

₹ in crores, except EPS



# MANAGING DIRECTOR'S LETTER

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Dear Shareholders,

We are pleased to present to you our Thirty Second Annual Report for the Financial Year (FY) 2020-21. As we close another exciting and challenging year at IGPL, I would like to take this opportunity to thank all of you, who are an integral part of our business and have contributed in significant measure to our progress. Despite a difficult economic environment, we registered historic growth in profits while delivering enhanced value to our wide array of consumers and communities at large.

When confronted with unprecedented challenges, great companies find a way to persevere through. They do it by constantly challenging the status quo and striving for even greater levels of excellence. They never stop learning, instead asking the hard questions and adapting. They are constantly in motion, anticipating the next challenge or opportunity, staying nimble even as they scale. The Covid-19 pandemic has given rise to newer ways of doing business and accelerated the pace of digitalisation, with an increased focus on sustainability and resilience. In this context, keeping employees safe, ensuring agile servicing of customer demand and robust operating cash



**Nikunj Dhanuka,**  
Managing Director & CEO

flows were the three key priorities we set for ourselves for FY 2020-21.

We implemented our Business Continuity Plan aimed at ensuring health and protection to all our employees while adhering to the guidelines provided by the Government authorities. Amidst the lockdown and surge in Covid-19 cases in the country, we commissioned our Phthalic Anhydride (PA- 4) plant in the 3rd quarter along with additional Maleic Anhydride & Benzoic Acid capacities. Our timing has been serendipitous as the Hon'ble Prime Minister has recently given a clarion call for 'Atmanirbhar Bharat' or Self-reliant India. With the new PA-4 capacity operating at more than 90% capacity and the new downstream plasticizer plant coming up as per its scheduled timeline, IGPL has validated its scale of commitment and is on its path of achieving its vision of becoming a well- diversified chemical company with a leadership position in PA industry.

During the year under review, your company registered total revenue of ₹ 1,128 crores, EBITDA of ₹ 303 crores and PAT of ₹ 190 crores. On the back of the robust performance during the year, the Board of Directors have recommended a Dividend of ₹ 7.50 per equity share (75%).

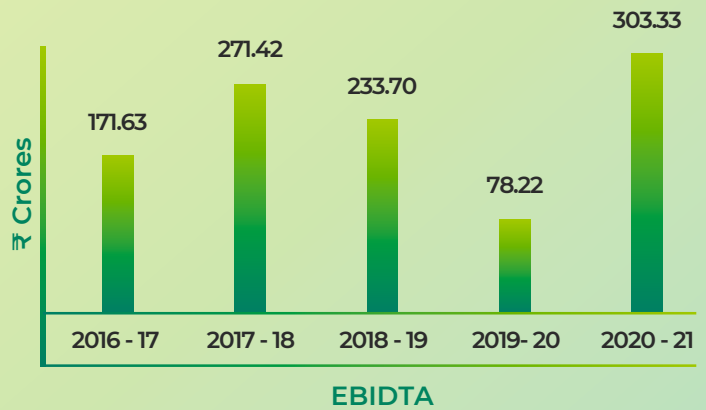
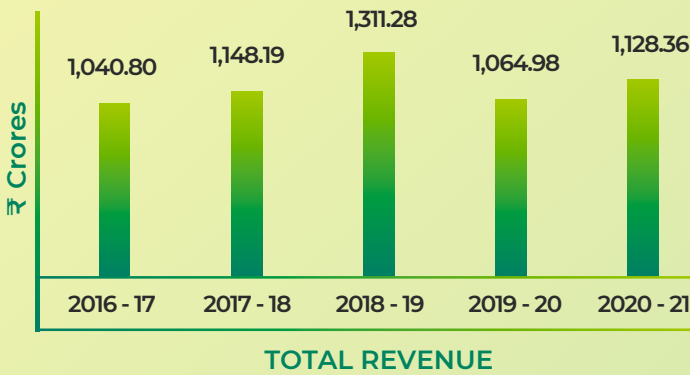
We will continue to focus on delivering profitable growth alongside calibrated expansion, timely project execution and operational excellence. We are making continuous investments in our productive assets, and our growth

plans are also being formulated, bearing in mind our focus on efficient allocation of capital. We have the talent, the vision and the conviction. Together, let's use them to continue building a rewarding future.

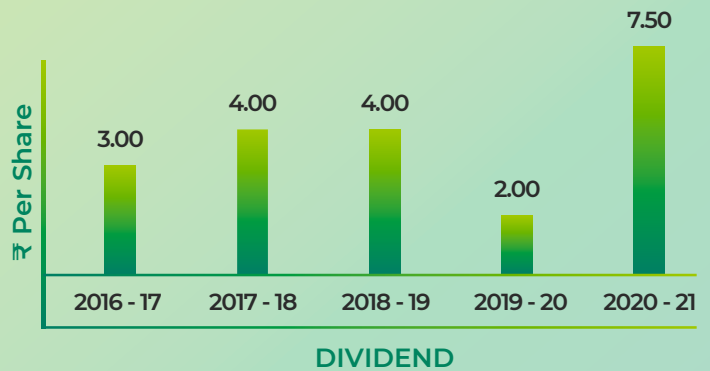
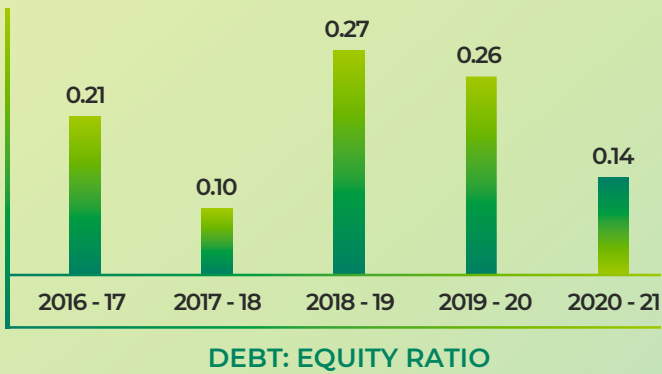
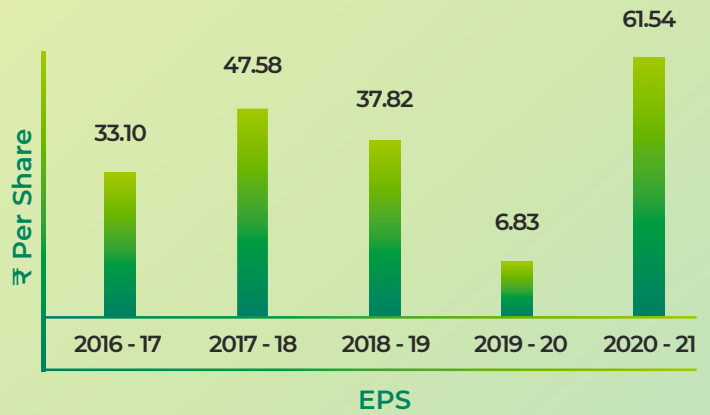
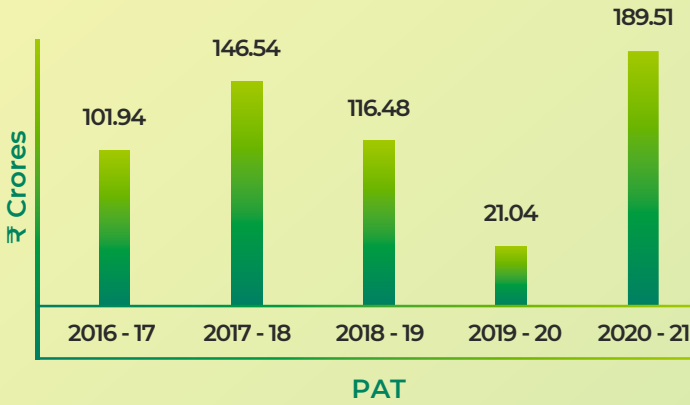
We have embarked our expansion plans in view of demand growth in downstream derivatives and GOI continuous focus on building Indian infrastructure. We wish to diversify our product portfolios by getting into other downstream derivatives and other speciality chemicals to achieve our vision of 2025 to have at least 30% of our revenue from non phthalic products.

As I conclude this letter, I would like to thank all our stakeholders, customers, employees, partners, vendors, bankers, government, communities and most importantly you – our shareholders, who have been part of this exciting journey. As always, we are committed to deliver value to you and we appreciate your support.

**Yours sincerely,  
Nikunj Dhanuka,  
Managing Director & CEO**



## KEY FINANCIAL NUMBERS





# Corporate Information

## Board of Directors

M M Dhanuka, Chairman  
 Nikunj Dhanuka, Managing Director & CEO  
 J K Saboo, Executive Director  
 Rajesh Muni, Independent Director  
 Dr. A K A Rathi, Independent Director  
 Dr. Vaijayanti Pandit, Independent Director

## Chief Financial Officer

Pramod Bhandari

## Company Secretary

Sudhir R Singh

## Statutory Auditors

M/s SMMP & Associates  
 M/s Uday & Co.

## Internal Auditors

M/s BDO India LLP

## Bankers

State Bank of India  
 Yes Bank Ltd.  
 The Cosmos Co-Operative Bank Ltd.  
 Union Bank of India  
 Central Bank of India  
 HDFC Bank Ltd.  
 Qatar National Bank Q.P.S.C

## Registered Office

T-10, 3<sup>rd</sup> Floor, Jairam Complex,  
 Mala, Neugi Nagar  
 Panaji, Goa - 403 001  
**Tel.:** 0832 - 2970973

## Corporate Office

401- 404, Raheja Centre,  
 Free Press Journal Marg  
 214, Nariman Point, Mumbai - 400 021  
**Tel.:** 022 - 40586100  
**Fax:** 022 - 22040747  
**E-Mail:** [igpl@igpetro.com](mailto:igpl@igpetro.com)  
**Website:** [www.igpetro.com](http://www.igpetro.com)  
**CIN:** L51496GA1988PLC000915

## Executive Office

D/4, Jyothi Complex, 134/1, Infantry Road  
 Bengaluru - 560 001  
**Tel.:** 080 - 22868372  
**Fax:** 080 - 22868778

## Factory

T-2, MIDC Industrial Area, Taloja - 410 208  
 Maharashtra  
**Tel.:** 022 - 68479100/146  
**Fax:** 022 - 27410192

## Registrar & Share Transfer Agents

M/s Bigshare Services Pvt. Ltd.  
 1<sup>st</sup> Floor, Bharat Tin Works Building,  
 Opp. Vasant Oasis  
 Makwana Road, Marol  
 Andheri (East), Mumbai - 400 059  
**Tel.:** 022 - 62638200  
**Fax:** 022 - 62638299  
**E-mail:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)

## Notice

NOTICE is hereby given that the 32<sup>nd</sup> Annual General Meeting of the members of I G Petrochemicals Limited (CIN: L51496GA1988PLC000915) will be held on Friday, 23<sup>rd</sup> July, 2021 at 3.00 p.m. through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) to transact the following business:

### AS ORDINARY BUSINESS

1. To consider and adopt the standalone and consolidated audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2021 and the Report of the Board of Directors and the Auditors’ thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri M M Dhanuka (DIN 00193456) who retires by rotation and being eligible offers himself for re-appointment.

### AS SPECIAL BUSINESS

4. **Re-appointment of Shri J K Saboo as Executive Director**

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

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules made thereunder (including any statutory modification(s) from time to time or any re-enactment(s) thereof for the time being in force) read with Schedule V to the Act, consent of the Company be and is hereby accorded to re-appoint Shri J K Saboo as Executive Director of the Company for a period of 1 year with effect from 1<sup>st</sup> April, 2021, notwithstanding his attaining the age of 70 years during his tenure, on the remuneration as set out in the explanatory statement annexed to the notice and as contained in the agreement entered into and approved by the Board of Directors of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to alter or vary such terms of appointment and remuneration subject to the recommendation of the Nomination and Remuneration Committee and within the limits specified in Schedule V to the Act and as may be agreed by Shri J K Saboo.

**RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof) be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

5. **Payment of remuneration to the Non-Executive Director**

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

“**RESOLVED THAT** pursuant to the approval of the members at the Annual General Meeting held on 20<sup>th</sup> September, 2017 for the payment of remuneration by way of commission to the Non-Executive Directors of the Company and in accordance with the Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended, consent of the Company be and is hereby accorded for the payment of remuneration by way of commission to Shri M M Dhanuka, Non-Executive Director of the Company exceeding fifty per cent of the total remuneration payable to all Non-Executive Directors of the Company for the financial year 2020-21 as set out in the explanatory statement annexed to the notice.”

6. **Payment of remuneration to Shri Arpan Dhanuka**

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

“**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the members of the Company be and is hereby granted for the payment of remuneration to Shri Arpan Dhanuka, a relative of Shri Nikunj Dhanuka, Managing Director & CEO of the Company at a monthly remuneration (including perquisites and other benefits as per the rules of employment) in excess of the limits provided under Rule 15(3)(b) of the Companies (Meetings of Board and its Powers) Rules, 2014.

**RESOLVED FURTHER THAT** the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which may exercise its powers, including the powers conferred by this resolution) of the Company be and is hereby authorised to determine the terms and conditions of employment, remuneration, perquisites and to alter or vary the scope of employment/remuneration that may be payable to Shri Arpan Dhanuka and also grant such increment as it may consider appropriate.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this resolution.”

**7. Ratification of Remuneration of Cost Auditor**

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

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of ₹ 50,000/- plus taxes as applicable and reimbursement of actual travel and out-of-pocket expenses for the financial year ending 31<sup>st</sup> March, 2022 as approved by the Board of Directors of the Company, payable to M/s. Krishna S & Associates, Cost Accountants, (Firm Registration No. 100939) to conduct the audit of the cost records of the Company, be and is hereby ratified and confirmed.”

By Order of the Board  
For I G Petrochemicals Limited

Mumbai  
24<sup>th</sup> May, 2021

**Sudhir R Singh**  
Company Secretary

Registered Office  
T-10, 3<sup>rd</sup> Floor, Jairam Complex  
Mala, Neugi Nagar, Panaji, Goa – 403 001.

**Notes:**

1. In view of the massive outbreak of the Covid-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 8<sup>th</sup> April, 2020, Circular No.17/2020 dated 13<sup>th</sup> April, 2020 issued by the Ministry of Corporate Affairs (MCA) followed by Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 and Circular No. 02/2021 dated 13<sup>th</sup> January, 2021 and all other relevant circulars issued from time to time, physical attendance of the members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated 8<sup>th</sup> April, 2020, issued by the MCA, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. Corporate members intending to authorize its representatives are requested to send a certified scanned copy of the Board Resolution to the Company, authorizing their representative to attend the AGM through VC/OAVM and vote on its behalf at the meeting.
4. In case of joint holders attending the AGM, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
5. The members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of the reckoning the quorum under Section 103 of the Companies Act, 2013 (“the Act”).
7. The Explanatory Statement pursuant to Section 102 of the Act, which sets out details relating to Special Business at the meeting, is annexed hereto.
8. Details under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), in respect of the Director seeking re-appointment at the Annual General Meeting, forms integral part of the notice.
9. In accordance with the aforesaid Circulars, the Notice of AGM alongwith Annual Report for the financial year 2020-21 has been sent only through electronic mode to the members whose email addresses are registered with the Company / Depositories. Members may note that the Notice of AGM and Annual Report has been uploaded on the website of the Company at [www.igpetro.com/annual-report/](http://www.igpetro.com/annual-report/). The Notice of AGM and Annual Report can also be accessed from the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and

[www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of National Securities Depository Limited i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

10. Members are requested to register their email address with the Registrar & Share Transfer Agent of the Company/Depository Participant, as the case may be.
11. Pursuant to the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the SEBI Listing Regulations and the aforesaid Circulars, the Company is pleased to offer voting by electronic means to the members to cast their votes electronically on all resolutions set forth in this Notice. The detailed instructions for e-voting and attending the AGM through VC/OAVM are given at page no. 15 of this Notice.
12. Members are requested to immediately intimate change of address, bank details if any, to the Company/Registrar & Share Transfer Agents (RTA).
13. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 17<sup>th</sup> July, 2021 to Monday, 19<sup>th</sup> July, 2021 (both days inclusive) for the purpose of Annual General Meeting (AGM) and payment of dividend, if declared.
14. If dividend as recommended by the Board of Directors is approved at the meeting, payment will be made subject to deduction of tax at source on or after 28<sup>th</sup> July, 2021 as under:
  - a) To all Beneficial Owners in respect of shares held in dematerialized form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on 16<sup>th</sup> July, 2021;
  - b) To all members holding shares in physical form, whose names stand on the Register of members of the Company on 16<sup>th</sup> July, 2021.
15. Members holding securities in demat mode are requested to update their bank details with their depository participants. Members holding securities in physical form should send a request updating their bank details, to the Company/RTA.
16. Pursuant to the changes introduced by the Finance Act, 2020, dividend income will be taxable in the hands of the members w.e.f. 1<sup>st</sup> April, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to members at the prescribed rates:

For resident members, taxes shall be deducted at source under Section 194 of the Income Tax Act, 1961 (“the IT Act”) as follows:

Valid PAN of member available with the Company	7.5% or as notified by the Government of India
Members without PAN/invalid PAN with the Company	20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a resident individual member if the total dividend to be received by them during the financial year 2021-22 does not exceed ₹ 5,000/- and also in cases where members provide form 15G (applicable to any person other than a company or a firm)/form 15H (applicable to an Individual who is 60 years and older) subject to conditions specified in the IT Act. Members may also submit any other document as prescribed under the IT Act to claim a lower/nil withholding tax. PAN is mandatory for members providing form 15G/form 15H or any other documents as mentioned above.

For non-resident members, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable Sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident members may have an option to be governed by the provisions of the Double Tax Avoidance Treaty (DTAA) between India and the country of tax residence of the member, if they are more beneficial to them. In order to avail the benefits of DTAA, the non-resident members will have to provide necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits.

The aforementioned documents are required to be submitted at [udhuri@igpetro.com](mailto:udhuri@igpetro.com) on or before Monday, 12<sup>th</sup> July, 2021 in order to enable the Company to determine and deduct appropriate TDS/withholding tax.

Incomplete, unsigned forms and declarations and/or any communication on tax determination received after 12<sup>th</sup> July, 2021 will not be considered by the Company.

17. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Act, are requested to submit details to the RTA of the Company, in the prescribed Form SH.13 for this purpose.



18. During the year, there was no amount which was liable to be transferred to the Investor Education and Protection (IEPF) in terms of Section 124 of the Act. A statement of unclaimed dividend declared at the last AGM held on 26<sup>th</sup> August, 2020 as on 31<sup>st</sup> March, 2021 is available on the Company's website [www.igpetro.com/investor-information/](http://www.igpetro.com/investor-information/).

Further, pursuant to the provisions of Section 124(5) and Section 124(6) of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules") and amendments thereto, all shares on which dividend has not been claimed for seven consecutive years or more shall be transferred to the demat account of the IEPF authority.

The attention of the members are drawn in respect of the dividend declared for the financial year 2014-15. Members who have not yet encashed their dividend are requested to approach the Company/RTA for any assistance in this regard. Members may note that the dividend for the financial year 2014-15 is liable to be transferred to the IEPF Authority on 22<sup>nd</sup> September, 2022. Hence, those members who fail to claim their dividend before 12<sup>th</sup> September, 2022, the Company will proceed to transfer the unclaimed dividend and also the underlying shares on those unclaimed dividend to the Demat Account of the IEPF Authority ('IEPF Account') as required under the IEPF Rules.

19. The members whose shares have been transferred to the IEPF Authority may claim the shares by making an online application to IEPF Authority by web-based IEPF 5 form at [www.mca.gov.in](http://www.mca.gov.in). The Company Secretary of the Company is the Nodal Officer for the purpose of verification of claims.
20. Members whose bank details are not registered with the Company are requested to immediately notify the name of the bank and the branch, MICR No., IFSC, the nature of account and their Core Banking Solutions account number (CBS A/c No.) to the Company/RTA, in respect of shares held in physical form and to their Depository Participant in case of shares held in electronic form. Shareholders may note that payment of dividend without bank details is prohibited.
21. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1<sup>st</sup> April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company/RTA for assistance in this regard.

22. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act and the relevant documents referred to in the Notice will be available, electronically, for inspection by the members during the AGM. Members seeking to inspect such documents can send an e-mail to [udhuri@igpetro.com](mailto:udhuri@igpetro.com).

23. Members seeking any information with regard to the accounts or any matter to be placed at the AGM may write to the Company on or before 18<sup>th</sup> July, 2021 at [udhuri@igpetro.com](mailto:udhuri@igpetro.com).

24. Since the AGM will be held through VC / OAVM, the Route Map of the venue of the Meeting is not annexed hereto.

#### PROCESS FOR MEMBERS OPTING FOR E-VOTING

##### The instructions for shareholders voting electronically are as under:

In compliance with provisions of the Companies Act, 2013 and the rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members the facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting services provided by NSDL.

The remote e-voting period begins on Tuesday, 20<sup>th</sup> July, 2021 (9:00 am) and ends on Thursday, 22<sup>nd</sup> July, 2021 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of i.e. 16<sup>th</sup> July, 2021, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The way to vote electronically on NSDL e-voting system consists of "Two Steps" which are mentioned below:


##### How do I vote electronically using NSDL e-voting system?

###### Step 1: Access to NSDL e-voting system

###### A) Login method for e-voting and joining virtual meeting for individual shareholders holding securities in demat mode

In terms of SEBI circular dated 9<sup>th</sup> December, 2020 on e-voting facility provided by listed companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li data-bbox="417 238 1235 502">1. If you are already registered for <b>NSDL IDEAS facility</b>, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the <b>“Beneficial Owner”</b> icon under “Login” which is available under <b>“IDEAS”</b> section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on “Access to e-voting” under e-voting services and you will be able to see e-voting page. Click on options available against company name or <b>e-voting service provider - NSDL</b> and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting.</li> <li data-bbox="417 502 1235 575">2. If the user is not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select <b>“Register Online for IDEAS”</b> Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li data-bbox="417 575 1235 839">3. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on options available against company name or <b>e-voting service provider - NSDL</b> and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting.</li> <li data-bbox="417 839 1235 911">4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div data-bbox="659 902 1029 1084" style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>  </div>
Individual shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li data-bbox="417 1102 1235 1212">1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li data-bbox="417 1212 1235 1284">2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li data-bbox="417 1284 1235 1339">3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li data-bbox="417 1339 1235 1466">4. Alternatively, the user can directly access e-voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-voting is in progress.</li> </ol>
Individual shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. Once login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on options available against company name or <b>e-voting service provider-NSDL</b> and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting.</p>

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

**Helpdesk for individual shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

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

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-voting website?**

Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com> either on a Personal Computer or on a mobile.

Once the home page of e-voting system is launched, click on the icon “Login” which is available under Shareholders’ section.

A new screen will open. You will have to enter your User ID, Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.

1. Your user ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For members who hold shares in Demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your User ID is IN300***12*****

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

2. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
  - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit Client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
  - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered

3. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

“Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN your name and your registered address.

Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

4. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
5. Now, you will have to click on “Login” button.
6. After you click on the “Login” button, Home page of e-voting will open.

**Step 2:** Cast your vote electronically and join General Meeting on NSDL e-voting system.

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

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [udhuri@igpetro.com](mailto:udhuri@igpetro.com).

In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [udhuri@igpetro.com](mailto:udhuri@igpetro.com). If you are an individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-voting and joining virtual meeting for individual shareholders holding securities in demat mode.

2. Alternatively shareholders/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
3. In terms of SEBI circular dated 9<sup>th</sup> December, 2020 on e-voting facility provided by listed companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-voting facility.

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

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



4. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for remote e-voting.

**Instructions for members for attending the AGM through VC/OAVM, are as under:**

- a. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for access to NSDL e-voting system. After successful login, you can see link of “VC/OAVM link” placed under “Join General meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.
- b. Members are encouraged to join the Meeting through Laptops for better experience.
- c. Further members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [udhuri@igpetro.com](mailto:udhuri@igpetro.com). The same will be replied by the Company suitably.

- e. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) / 1800-1020-990 and 1800-22-44-30.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter, etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [mferraocs@gmail.com](mailto:mferraocs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or

“Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-1020-990 and 1800-22-44-30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
4. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. 16<sup>th</sup> July, 2021.
5. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. 16<sup>th</sup> July, 2021, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to Company/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding shares in demat mode who acquires shares of the Company and becomes a member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. 16<sup>th</sup> July, 2021 may follow steps mentioned in the Notice of the AGM under “Access to NSDL e-Voting system”.
6. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-voting as well as e-voting during the AGM through remote e-voting.

A person who is not a member as on the cut-off date, should treat the Notice for information purpose only.

7. Shri Martinho Ferrao (Membership No. 6221) or failing him Shri Shiv Kumar Vaishy (Membership No. 45528) Practicing Company Secretaries has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
8. The Results alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.igpetro.com/corporate-governance/](http://www.igpetro.com/corporate-governance/) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

## Explanatory statement pursuant to Section 102 of the Companies Act, 2013

### Item No. 4

Shri J K Saboo was re-appointed as Executive Director of the Company for a period of 1 year with effect from 1<sup>st</sup> April, 2020 by the members of the Company at an extra ordinary general meeting held on 17<sup>th</sup> March, 2020 which term expires on 31<sup>st</sup> March, 2021.

Shri J K Saboo, a Commerce and Law Graduate, is in charge of and manages the affairs of the Company's Plant. He has been associated with the Company since 1991 and possesses over 39 years of rich experience in petrochemicals industries. He has been vested with the day to day functioning of the Plant and oversees the compliance and all matters associated with factory and labour laws. He is also designated as the 'Occupier' as per the Factories Act, 1948.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors on 9<sup>th</sup> February, 2021 re-appointed Shri J K Saboo as Executive Director for a period of 1 year with effect from 1<sup>st</sup> April, 2021 on the remuneration, terms and conditions as set out herein below:

- a. **Remuneration** – ₹ 4,32,575/- per month with such increases as may be determined by the Board of Directors of the Company from time to time.
- b. **Personal Pay** – Equivalent to two months remuneration with such increases as may be determined by the Board of Directors of the Company from time to time.
- c. **Perquisites & Allowance** – In addition to the aforesaid remuneration and personal pay, he shall be entitled to the following perquisites and are classified into 3 categories:

#### Category A

- i. Housing

Shri J K Saboo will be entitled to the House Rent Allowance of ₹ 27,500/- per month.

- ii. Medical re-imburement

Expenses incurred by him and his family subject to a ceiling of one month's salary.

- iii. Leave Travel Concession

For self and family once in a year in accordance with the rules of the Company.

- iv. Leave

Earned leave with full pay and allowances as per the rules of the Company but not exceeding one month's leave for every 11

months of service. Encashment of leave at the end of the tenure as per the rules of the Company will be allowed.

- v. Club fees:

Subject to a maximum of two clubs.

- vi. Insurance

Cost of insurance in respect of mediclaim policy for self and family and personal accident insurance shall be borne by the Company.

- vii. Other perquisites

Subject to the overall ceiling on remuneration, Shri J K Saboo may be given any other allowances, benefits, perquisites and facilities as the Board of Directors of the Company (which term includes any Committee thereof) may from time to time decide.

#### Category B

Contribution to provident fund, superannuation fund or annuity fund as per rules of the Company. Gratuity payable shall not exceed half month's salary for each completed year of service.

#### Category C

Provision for use of car and telephone as per the rules of the Company.

#### Minimum Remuneration

Where, in any financial year during the currency of the tenure of Shri J K Saboo, the Company has no profits or its profits are inadequate, the payment of remuneration, bonus, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V to the Companies Act, 2013 as amended from time to time.

The Board of Directors recommends the resolution for your approval.

Except for Shri J K Saboo none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the said resolution.

### Item No. 5

The members of the Company at an annual general meeting held on 20<sup>th</sup> September, 2017 had approved the payment of commission to the non-executive directors of the Company at an amount not exceeding 1% of the net profits of the Company per annum calculated in accordance with the provisions of Section 197 of the Companies Act, 2013.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, approval of the members of the Company are required for the payment of remuneration to a single non-executive director exceeding fifty per cent of the total remuneration payable to all non-executive directors.

In accordance with the above approval, commission for the financial year 2020-21 is proposed to be paid @ 1% to all non-executive directors of the Company out of which Shri M M Dhanuka, Non-Executive Director shall be paid 0.90% of the net profits. Approval of the members is, therefore, sought by way of special resolution for the payment of commission to Shri M M Dhanuka.

The Board of Directors recommends the special resolution for your approval.

Except for Shri M M Dhanuka none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the said resolution.

#### Item No. 6

In terms of the provisions of Section 188(1)(f) read with Section 177 of the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations, Shri Arpan Dhanuka was appointed by the Board of Directors as Lead – Information Technology of the Company effective 10<sup>th</sup> February, 2021 based on the recommendation of the Audit Committee at a monthly remuneration of ₹ 2,49,000/-.

Shri Arpan Dhanuka, is entrusted with the responsibilities of overseeing the information technology, implementation of AI and robotic at Plant, maintenance of plant & equipment historical records at online system with entire repair and maintenance history and implementation of new R&M module linked with existing ERP system, formulate and implementation of policy for transition of ERP from servers to clouds, revamping the entire licensing agreement for all the software & hardware equipment's used by the Company.

He has done his schooling from City of London School and holds a degree in Business Management from University of Nottingham, England.

He is actively involved in exploring the business dynamics and getting in new ideas to leverage the business strategies. His area of interest is Artificial Intelligence and IT Analytics. He has given inputs in developing policies and procedures for long term sustenance of IT systems and initiated Data Centre Implementation with virtual servers.

Shri Arpan Dhanuka is a relative of Shri Nikunj Dhanuka, Managing Director & CEO of the Company and the said business would fall within the ambit of 'related party transactions'.

In accordance with the provisions of Rule 15(3)(b) of the Companies (Meetings of Board and its Powers) Rules, 2014, in-principle approval of the shareholders is being sought for the payment of remuneration (including perquisites and other benefits as per the rules of employment) in excess of the limits provided under Rule 15(3)(b) of the Companies (Meetings of Board and its Powers) Rules, 2014.

The particulars as referred in explanation (3) to Rule 15(3) of Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

<b>Name of the related party</b>	Shri Arpan Dhanuka
<b>Name of the Director or Key Managerial Personnel who is related, if any</b>	Shri Nikunj Dhanuka
<b>Nature of relationship</b>	Son
<b>Nature, material terms, monetary value and particulars of the contract or arrangement</b>	It is proposed to obtain shareholders' approval for the payment of remuneration (including perquisites and other benefits) in excess of the limits provided under Rule 15(3)(b) of the Companies (Meetings of Board and its Powers) Rules, 2014, subject to the rules and regulations pertaining to his employment. The employment contract shall continue to exist till Shri Arpan Dhanuka attains the age of superannuation in accordance with the employment rules of the Company.
<b>Any other information relevant or important for the members to take a decision on the proposed resolution.</b>	He was appointed as Lead – Information Technology by the Board of Directors of the Company at a monthly remuneration of ₹ 2,49,000/-

Except for Shri Nikunj Dhanuka none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the aforesaid resolution.

The Board of Directors recommends the resolution for your approval.

**Item No. 7**

On recommendation of Audit Committee, the Board of Directors has considered and approved the appointment of M/s Krishna S & Associates, Cost Accountants, for conducting an audit of cost records of the Company at a remuneration of ₹ 50,000/- plus taxes as applicable and reimbursement of actual travel and out of pocket expenses for the financial year 2021-22.

In terms of the provisions of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the resolution is set out for approval and ratification by the members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the aforesaid resolution.

The Board of Directors recommends the resolution for your approval.

By Order of the Board  
For I G Petrochemicals Limited

Mumbai  
24<sup>th</sup> May, 2021

**Sudhir R Singh**  
Company Secretary

Registered Office  
T-10, 3<sup>rd</sup> Floor, Jairam Complex  
Mala, Neugi Nagar, Panaji, Goa – 403 001.

**DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT**

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

<b>Name</b>	<b>Shri M M Dhanuka</b>	<b>Shri J K Saboo</b>
Directors Identification Number	00193456	00193512
Date of Birth	17 <sup>th</sup> April, 1948	18 <sup>th</sup> January, 1952
Date of Appointment	18 <sup>th</sup> October, 1988	1 <sup>st</sup> July, 1998
Qualifications	B. E. (Chem.)	B. Com, LL.B.
Expertise	Over three decades of experience and expertise on the functioning of chemical industries.	In charge of and manages the affairs of the Company's Plant at Taloja, Maharashtra. Possesses over 39 years of diverse experience in petrochemicals industries and oversees the compliance and all matters associated with factory and labour laws.
Expertise in specific functional area	Chemical industries.	Factory and Labour laws
Directorship held in Listed Companies	Mysore Petro Chemicals Limited	Nil
Chairmanship / Membership of Committees in other Public Companies	Nil	Nil
Shareholding of Director	1,04,904	Nil
Relationship between directors inter-se	Nil	Nil

# Management Discussion and Analysis

## Economic Overview & Outlook

The world has changed dramatically in the past 12 months, and many industries were forced to adapt. The petrochemicals industry was no exception. Petrochemical producers have played a major role in helping society with the challenges of the pandemic. The global petrochemicals market is expected to grow from \$365.01 billion in 2020 to \$429.11 billion in 2021 at a compound annual growth rate (CAGR) of 17.6%. The growth is mainly due to the companies rearranging their operations and recovering from the Covid-19 impact, which had earlier led to restrictive containment measures involving social distancing, remote working, and the closure of commercial activities that resulted in operational challenges. The market is expected to reach \$477.85 billion in 2025 at a CAGR of 3%.

Crude oil prices averaged \$41/bbl in 2020, a 34% fall from 2019. Oil demand fell 9% last year—the steepest one-year decline on record—as a result of pandemic-control measures and the associated plunge in global demand, which was partly offset by historically large production cuts among OPEC and other non-OPEC oil exporters as well as Russia). But as an industry, it has transitioned into 2021 strongly, and the industry is seeing strong profitability. Most commodity prices rebounded in the second half of last year, however, the pickup in oil prices lagged the broader recovery in commodity prices due to the prolonged impact of the pandemic on global oil demand. Overall, demand growth in petrochemicals in CY 2020 was driven by increased demand for consumer staples, such as household goods and personal products such as automotive products and appliances. After the initial shocks of Covid-19, volumes bounced back in the second half of CY 2020. As the price of oil increases to more than \$60 per barrel (Brent) and GDP continues to recover after the initial shocks of Covid-19, petrochemical revenues will become less volatile. On this point, regional cost advantages will resume as cost curves become steeper, and the steady recovery of indexes are expected across regions and end markets, supporting a more even recovery of volume across all types of chemicals.

In many countries, governments and citizens have learned to better manage the effects of Covid-19 virus. The news on the vaccine front has been encouraging and beginning of the end of the pandemic is now in sight. Widespread immunization, which will help pave the way for a return to more normal levels of social and economic activity, looks to be achievable by most developed economies by the end of the third quarter. However, some emerging markets may only be able to achieve widespread immunization by year-end or later. India's growth was expected at 11%. Although recent vaccine approvals have raised

hopes of a turnaround in the pandemic later this year, however, renewed waves and new variants of the virus pose concerns for the outlook. Amid exceptional uncertainty, the global economy is projected to grow 6% in 2021 and 4.4% in 2022 as per IMF. The Covid-19 crisis has made it imperative for companies to reconfigure their operations—and an opportunity to transform them. To the extent that they do so, greater productivity will follow.

The Indian Chemical Industry is in a sweet spot of unrealised potential and tremendous opportunity. It holds a prominent position on the global stage – sixth largest in the world, and the third largest in Asia. The Indian Chemical industry should experience significant growth in the coming years, driven by rising household incomes, the existing consumption gap and a huge export opportunity.

The Indian chemical and petrochemical industry is one of the fastest-growing sectors in the world and is projected to be worth USD 300 billion by 2025. Over the last few years, Indian chemical manufacturers have been focusing on ramping up their respective niches through sustained capital deployment, building up of R&D capabilities and integration of manufacturing processes. These efforts have led to the capitalization of favourable trends at an opportune moment. Going forward, given the scale of potential opportunities, both globally (partly as a result of the shift from China) and domestically (in a bid to be self-reliant), Indian chemical manufacturers remain well-positioned to scale up their capacities to harness the structural growth trend.

The year 2020 was turbulent for the whole world – the sudden onslaught of the Covid-19 pandemic grounded economies with the emergence of countless challenges and miseries. As the pandemic ravaged the country and the world, Indian chemical manufacturers too felt the heat and were impacted in various ways, depending on how global and domestic demand in their end-user industries shaped up. However, as economies opened up along with a resurgence in international trade, and more importantly, demand surging to higher-than-expected levels, the recovery witnessed in certain segments of the Indian chemical industry was nothing short of spectacular (as restrictions started to ease). Owing to the Government of India's proactive measures such as announcing economic stimulus packages, implementing a nationwide lockdown and launching the vaccination drive, the industry progressed towards a V-shaped recovery. With the index of industrial production (IIP) for chemical manufacturing returning to pre-Covid levels, the industry is expected to grow at a CAGR of about 9.2% by FY2025.

For manufacturers of products in the pharmaceutical, agro-chemical, personal care, chemicals, food additives and packaging value chains, the impact of the pandemic was mostly transient as demand was



strong. These segments were largely unaffected due to China trend and focus on import substitution owing to supply chain de-risking strategies. In 2021, we expect heightened momentum in other segments as well. The resurgence in automotive and consumer discretionary segments should drive demand improvements in products in these value chains, e.g. specialized polymers, polymer additives, rubber chemicals, pigments, resins etc.

In addition to the industry's historic growth trajectory, the Government has taken progressive steps, such as the economic stimulus package, Production Linked Incentive (PLI) Scheme, tax and labour reforms, setting up of the National Infrastructure Pipeline (NIP) and various chemical industry specific policies and schemes, including its public procurement policy, mandatory BIS standards, skill development programmes and renewal of the PCPIR policy.

#### Key trends shaping the Indian chemical industry:

**Shift in customers' preferences:** Customers are increasingly getting interested in environmentally friendly and socially responsible products and services.

**Increasing per capita consumption:** The current per capita consumption of chemical products in India is about one-tenth of the global average and is expected to double by 2025.

**Digitalisation and Industry 4.0:** Digitalisation offers competitive advantages through improved horizontal and vertical integration, a new definition of operations management, and innovation and new digital business models. Chemical companies are implementing digitalisation initiatives and tools in their supply chains, demand planning and pricing strategies.

**Increasing M&A and investment-related activity:** Downstream value-added opportunities, the continued strength of specialty chemicals and realignment of portfolios are the key drivers of strong M&A and investment activities. Global oil and gas majors and leading chemical companies are looking for downstream opportunities in India and other high-growth economies. The trend has already begun with Saudi Aramco, Total and BASF showing their interest in the Indian chemical industry.

**China shift:** Consolidation in the industry, environmental reforms and tightened financing is changing the structure of China's chemical industry, resulting in uncertainty for companies dependent on the country for their supply of raw material. In addition, the Covid-19 outbreak has compelled companies to move their supplier base and look for alternative locations such as India that offer the advantage on low-cost labour and favourable investment policies.

**Capital Availability:** Investor interest has surged for the sector due to the robust operating performance of chemical companies over the last few years and

the tailwinds that it enjoys. While listed players have seen a surge in their stock prices, fundraising through public offerings/private placements have also seen considerable success in CY 2020. Similar trends are expected in CY 2021, with funds raised playing a key role in capacity expansion for the sector.

The industry is expected to resume the structural growth trend, which should significantly outpace global growth, with the specialty chemicals segment clocking early mid-teens growth. As we move ahead, by addressing key areas of feedstock sufficiency and infrastructure development, and further ease of doing business, along with progressive capital deployment, India should be able to catapult itself as a hub of chemicals globally in the years to come.

#### Phthalic Anhydride

PAN is a versatile intermediate in organic chemistry and a downstream product of a basic petrochemical, Orthoxylene (Ox). It is used as an intermediate to produce Plasticizers, Unsaturated Polyester Resins, and Alkyd Resins & Polyols. It finds application in both consumer durables to non-consumer durables. Its end users are paints, inks, coatings, boxes, containers and packaging films industries among others. The PAN market is anticipated to register a CAGR of 5%-6% owing to the following factors :

1. The growth in the demand and consumption of plasticizers used in the production of polyvinyl chloride (PVC), specifically in the Asia-Pacific region based on rising construction spending in emerging economies including China and India owing to favorable government support to improve domestic infrastructure is expected to increase the importance of PVC.
2. Increasing use of glass fiber-reinforced polymers and capacity expansion for PAN derivatives are projected to act as an opportunity for the market.
3. Growing consumption of alkyd resins in developing economies, due to the rising paints and coatings industry, are, in turn, increasing the demand for the PAN market. Gaining importance of coatings & paints for improving corrosion and thermal resistance in automotive and construction industries are expected to promote need for alkyd resins.
4. Rising popularity of lightweight automotive parts in vehicles to improve fuel economy is expected to promote industry growth for UPR. This is expected to drive PAN demand.

Emerging applications of PAN such as flame retardants, which finds applications in foams of furniture, electronics products, and car seats among others, are expected to fuel high demand from automotive, home furnishing, and electrical and electronics industry and augment the growth of PAN market.

## Maleic Anhydride

The Maleic Anhydride market size is projected to reach USD 3.5 billion by 2024 from USD 2.8 billion, at a CAGR of 4.5%. Increasing demand for Unsaturated Polyester Resins (UPR) and 1,4-Butanediol (BDO) is expected to augment market growth for Maleic Anhydride over the period. These chemicals are widely used in engineering plastics, fibers, medicines, artificial leather, cosmetics, pesticides, hardener, plasticizers, solvent, and rust remover.

Some key factors contributing to the growth are –

1. Increasing applicability of the resin in various industry verticals, owing to its high-strength fiber-based properties and easy availability. The market growth in developing economies, such as Brazil, South Africa, and Saudi Arabia, is driven by an increase in demand for residential construction and new non-residential buildings.
2. The increasing demand for heat-resistant tanks and pipes for chemical storage is a crucial factor contributing to the rise in demand for UPR, thus fuelling the maleic anhydride market in this segment.
3. Hectic lifestyle and rise in living standards have driven global packaged food & beverage market. Maleic Anhydride is converted into fumaric and maleic acid and acts as a flavour enhancer in beverages. It prevents microbial and fungal growth and commonly used preservative in food industry.
4. Growing penetration of spandex in medical textiles, compression stockings, and sportswear coupled with the increasing disposable income are factors that are projected to surge the demand for 1,4-butanediol which in turn will result in the rise in the demand of maleic anhydride.

Increasing popularity of using the maleic anhydride with the feedstock polymers that are bio-based is positively impacting the market.

### IGPL advantage

IGPL is one of the largest producers of PAN in domestic market and has more than 50% market share. IGPL, capacity expansion, entry into downstream segment and other opportunities open a new window to enter into other downstream specialty chemicals. IGPL continues to diversify its product mix and will be producing ~ 92% of PAN as a part of its overall capacity, compared to 100% PAN in 2014. With the lowest cost production, strong clientele and higher capacities, IGPL is amongst the leading PAN manufacturers globally. We are one of the lowest cost producer of PAN, due to our strategic location which is near to raw material supplier & port, catering to most of customers in the region of Gujarat and Maharashtra

and lower operating conversion cost due to state of art technology which provides better yield and efficiency in usage of energy. Operating efficiency and expertise coupled with rich cash flows from operations places IGPL in a comfortable position to venture into new chemistry as compared to its peers.

IGPL has completed its expansion project in December, 2020 which has increased its PAN capacity to 2,22,110 MTPA and MAN capacity to 7,660 MTPA and BA capacity to 1,500 MTPA. Downstream Plasticizer Project is under implementation and expected to be completed by mid of CY 2021, which will further diversify its portfolios. In view of surge in PAN demand across all the sectors mainly paints and plasticizer, specialty chemicals PVC, pigments etc., IGPL has planned for another green field expansion of 80,000 MTPA of PAN and its downstream derivatives. As a part of its vision to diversify its product portfolios, IGPL continues to explore the opportunity in downstream derivatives and other specialty chemicals project.

### Operating performance review

During FY 2020-21, revenue from operations on standalone basis increased to ₹ 1,12,361.88 lakhs as against ₹ 1,05,858.02 lakhs in the previous year – a growth of 6.10%. Despite the economic slowdown, the business has done extremely well. The Company has enjoyed good operating profitability supported by the softening of raw material prices and rising demand of PAN. The Company also registered a strong growth in volume terms at 5% in Phthalic Anhydride and 20% in Maleic Anhydride. The Company achieved EBITDA of ₹ 30,333.11 lakhs as compared to ₹ 7,822.53 lakhs in the previous year and Profit After Tax for the year stood at ₹ 18,951.67 lakhs against ₹ 2,104.40 lakhs in the previous year – a whopping growth of 801%.

The details of significant changes in the key financial ratios are:

Ratios	2020-21	2019-20	Changes (%)	Reason
Debtors Turnover	65 days	49 days	32.65%	Further credit extended to few high rated clients on account of prevailing Covid situation
Inventory Turnover	16 days	6 days	166.67%	Orders were booked but delivery delayed due to the impact of 2 <sup>nd</sup> wave of Covid and lockdown

Ratios	2020-21	2019-20	Changes (%)	Reason
Interest Coverage	20.84	4.90	325.31%	High revenue, overall improvement in margin and prepayment and repayment of loans, supported by lower interest cost
Current Ratio	1.39 times	1.20 times	15.83%	-
Debt Equity Ratio	0.14	0.28	50%	Repayment of debt including pre-payment of term loan
Operating Profit Margin	23.96%	4.56%	425.44%	Strong recovery in demand led to improved price realisation and margin
Net Profit Margin	16.87%	1.99%	747.74%	Strong recovery in demand led to improved margin
Return on net worth	23.20%	3.30%	603.03%	High operating margins resulted in higher RONW

### Corporate Social Responsibility & Community service

At IGPL, we believe in a business model where we grow together with the surrounding community. Thus, we have adopted the latest environment friendly technologies in our manufacturing process. We concentrate on uplifting the weaker section of our society through diverse initiatives in the areas of education, healthcare, livelihood and community services. The CSR Committee is responsible for discharging the Company's obligation of giving back to the society. We give immense importance to local sourcing through use of local transporters, packaging materials, waste disposal bodies and local Labour. This is embedded in IGPL philosophy and helps sustain community.

**Community Service** – We have made contributions to the Old Age Homes situated in and around the factory and Orphanage which provides the financial support and looks after the maintenance of the homeless senior / aged people / orphan / disabled persons, etc. by way of a financial support for their general upliftment.

**Education** - The Company's contribution in the field of education includes contribution to the Akshay Patra Foundation, which provides mid-day meal

to the students of various schools, distribution of LED TV's with Tata Sky channel to a Primary School and by donation through a registered public trust to the schools for purchase of school bus and other educational material.

**Healthcare** - Donation to the Child Health Foundation, Neurology Foundation and Blind Organization of India to cater to the need for medical and healthcare services for the needy section of the public.

### Internal Control Systems and Their Adequacy

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. Appropriate internal control policies and procedures have been set up to provide reasonable assurance on the following objectives:

- Effectiveness and efficiency of its operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations
- Prevention and detection of frauds and errors
- Safeguarding its assets

Compliance to these policies and procedures is an integral part of the management review process. Adequacy and effectiveness of these internal controls are routinely tested by internal auditors based on their risk-based audit plan. The audit plan covers the key process across the functions, including plants, depots and other establishments. Suggestions to further strengthen the processes or make them more effective are shared with the process owners and changes are made suitably. The Company uses robust ERP and allied IT tools as an integral part of internal control system. It also uses data analytics tools to identify data exception and trends to minimising errors and lapses, and to track crucial compliances. Wherever possible, emphasis is placed on incorporation of automated controls within the process to minimise deviations and exceptions. The risk-based internal audit plan is approved by the Audit Committee. Significant audit observations and follow-up actions thereon are reported to the Audit Committee. The Audit Committee periodically reviews the adequacy and effectiveness of the Company's internal financial controls and the implementation of audit recommendations. The Company believes in conducting business in a fair, ethical and compliant manner. Towards this, periodically courses are rolled out to make the employees aware of the code of conduct and related policies of the Company, including the whistle-blowing policy and mechanism. The Company stays committed to maintain the highest standards of governance.

**Information Technology & Human Resources**

Before the Covid-19 crisis, the idea of remote working was in the air but not proceeding very far or fast. But the pandemic changed that, with tens of millions of people transitioning to working from home, essentially overnight, in a wide range of industries. Our focus on IT infrastructure development and its continuous improvement and seamless integration with other aspects of business allowed our employees to work remotely without any hassle. Evidence shows that the benefits of reskilling current staff, rather than letting them go and then finding new people, typically costs less and brings benefits that outweigh the costs. Investing in employees can also foster loyalty, customer satisfaction, and positive brand perception. IGPL ensures that their employees experience learning and growth as the company moves ahead in the journey of growth.

**Cautionary Statement**

This report contains statements that are “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives and other statements relating to Company’s future business developments and economic performance. While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, several risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macroeconomic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Company undertakes no obligation to publicly revise any forward-looking statements to reflect future/likely events or circumstances.

# Directors' Report

To the Members,

On behalf of the Board of Directors of your Company, it gives me pleasure in presenting the Thirty Second Annual Report together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2021:

## 1. Financials

	(₹ in lakhs)	
	2020-21	2019-20
Total Revenue	112,835.52	106,511.19
Profit before interest, depreciation and tax	30,333.11	7,822.53
Finance Cost	1,455.70	1,595.43
Depreciation and Amortization expenses	3,410.37	2,990.01
Profit before tax	25,467.04	3,237.09
Provision for tax	6,453.73	1,103.24
Profit for the year	18,951.67	2,104.40
Balance brought forward from previous year	51,113.93	50,529.68
Profit available for Appropriations	18,951.67	2,104.40
Earnings per share	61.54	6.83

## 2. Dividend

The Board of Directors have recommended a dividend of ₹ 7.50/- per equity share having face value of ₹ 10/- each (75%) for the year ended 31<sup>st</sup> March, 2021 aggregating to ₹ 2,309.61 lakhs.

## 3. Operating & financial performance

During the year under review, the Phthalic Anhydride market (both domestic and international) recovered sharply from its low during the previous years. The Company generated a total revenue of ₹ 1,12,835.52 lakhs as compared to ₹ 1,06,511.19 lakhs in the year 2019-20, marginal increase by 6%. The increase in sales is attributed to the commencement of commercial production for its new plant in December 2020. EBITDA increased by almost three fold from ₹ 7,822.53 lakhs in 2019-20 to ₹ 30,333.11 lakhs in 2020-21. As compared to the overall increase in the sales and profitability, the finance cost, on the contrary, decreased from ₹ 1,595.43 lakhs to ₹ 1,455.70 lakhs on account of the prudent management of its borrowings and the early repayment of term loan. The tax expenses for the year stood at ₹ 6,453.73 lakhs

vis-à-vis ₹ 1,103.24 lakhs in the previous year. After taking into account the above, the Company recorded a substantial increase in profit after tax by eight fold from ₹ 2,104.40 lakhs in 2019-20 to ₹ 18,951.67 lakhs.

The Directors confirm that no material changes or commitments have occurred between the end of the financial year and the date of this report, which may affect the financial statements of the Company.

## 4. Covid-19 pandemic

During the year, the operations at Plant remained almost unaffected barring mandatory closure by the government on account of Covid-19 during April/May 2020 for few days. The Company has been able to maintain its momentum in the production with all necessary safety measures despite the threat of the pandemic disease not being subsided. For the overall protection of the employees, work from home were initiated to the extent possible. A separate task force was formed and SOP was put in place for implementation.

The Company had put in place adequate infrastructure and safety guidelines to sustain and grow its operations thereby negating any adverse effect of the pandemic on all stakeholders vis-à-vis the business of the Company.

## 5. Expansion

During the year under review, the Company successfully commissioned the expansion of its plant by 53,000 MTPA including MA and BA plants. Your Company is now one of the largest producer of PAN at a single location.

Due to the augmentation of the end user industries viz. plasticizers, PVC, UPR, etc. the PAN industry witnessed a strong recovery in demand in the second half of the year.

The downstream product i.e. Advance Plasticizer with a capacity of 8,400 MTPA is expected to come on stream by June, 2021 at the total cost of ₹ 3,000 lakhs.

The Company has also initiated a Greenfield Expansion of Phthalic Anhydride & its Derivatives up to 80,000 MTPA. The total cost of the project is estimated to be ₹ 60,000 lakhs.

## 6. Contribution to the Exchequer

The Company has contributed ₹ 26,433.99 lakhs to the exchequer by way of income tax, customs duty, goods and service tax, etc.



## 7. Share Capital & Finance

### a. Share Capital

The Company's paid-up Equity Share Capital remained unchanged at ₹ 3,079.81 lakhs as at 31<sup>st</sup> March, 2021. The shareholdings of the Promoters and Persons Acting in Concert with Promoters are 68.74%.

### b. Finance

The borrowings of the Company comprises of external commercial borrowings, rupee term loan and working capital facilities. During the year, the Company repaid the entire term loan of Cosmos Bank. The debts (including interest) are being serviced regularly.

### c. Credit Rating

The Credit Ratings of the Company are "IND A+" (long term) and "IND A1+" (short term) issued by India Ratings & Research.

### d. Deposits

During the year, the Company has not accepted or invited any deposits from the public.

### e. Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees or Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

## 8. Transfer to General Reserves

The Company do not propose to transfer any amount to the General Reserves.

## 9. Subsidiaries/Associates/Joint Ventures

The Company's wholly owned subsidiary i.e. IGPL International Ltd. is yet to commence its operations and the present activities relates to investments. The consolidated financial statements of the Company are prepared in accordance with the applicable provisions of the Act and the Ind AS. The audited consolidated financial statements together with the Auditors' report thereon forms part of this Annual Report.

In accordance with the provision of Section 129 of the Act, a statement containing salient features of the financial statements of the subsidiary in Form AOC-1 is attached with this Annual Report.

The financial statements of the wholly owned subsidiary are placed on the website of the Company and available for inspection by the

members of the Company. A copy of the audited accounts shall be made available to the member upon request.

## 10. Corporate Social Responsibility (CSR) initiatives

During the year, the Ministry of Corporate Affairs introduced major amendments in the provisions relating to the CSR viz. manner of spending, introduction of the concept of 'ongoing project', transfer of unspent amount to Funds specified under Schedule VII or to a bank account (in the case of ongoing project), as the case may be, monitoring of implementation of the Project by the Board of Directors of the Company, registration of the entity undertaking the CSR projects with MCA, etc.

The CSR Committee proposes and plans the allocation of its budget in accordance with the CSR Policy as approved by the Board of Directors of the Company. The CSR Policy of the Company dwells upon betterment of the underprivileged community, catering to issue of fundamental importance, sustainable development, etc.

The CSR obligation of the Company for the year 2020-21 was ₹ 299.49 lakhs against which the Company has spent ₹ 302.24 lakhs (including the transfer of ₹ 99.47 lakhs to a special bank account opened by the Company as provided under Section 135(6) of the Companies Act, 2013) towards the various CSR activities as more specifically outlined in "Annexure-I". During the previous years, the Company had through Saraswati Shishu Mandir Trust undertaken to construct a school, an 'ongoing' project as considered and approved by the Board of Directors of the Company. The said amount of ₹ 99.47 lakhs so transferred to a special bank account shall be utilized solely towards the above referred ongoing project.

The Report on CSR activities containing prescribed details are annexed to the Directors' Report as "Annexure-A".

## 11. Annual Return

Pursuant to the provisions of Sections 92(3) and 134(3)(a) of the Act, the Annual Return of the Company as at 31<sup>st</sup> March, 2021 is uploaded on the Company's website [www.igpetro.com/corporate-announcement/](http://www.igpetro.com/corporate-announcement/)

## 12. Vigil Mechanism Policy

The Vigil Mechanism Policy of the Company deals with the instances of actual or suspected unethical behavior, fraud, etc. which is being reviewed by the Audit Committee. The details of the Vigil Mechanism has been elaborated in the Corporate Governance Report and posted on the Company's website [www.igpetro.com/corporate-governance/](http://www.igpetro.com/corporate-governance/)

### 13. Transfer of shares to IEPF Authority

There will be no shares due for transfer to the IEPF Authority during the year 2021-22. Members whose shares have been transferred to the IEPF can claim their shares and dividend from the IEPF Authority by filing an online web based Form IEPF-5 available at [www.mca.gov.in](http://www.mca.gov.in). The application for the claiming of shares along with the supporting documents are required to be submitted in an online mode only as required under the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Members may contact the Company for further guidance.

### 14. Directors & Key Managerial Personnel

Shri M M Dhanuka retires by rotation and being eligible offered himself for re-appointment.

Shri J K Saboo was re-appointed as Executive Director of the Company for a period of one year effective 1<sup>st</sup> April, 2021 as per the terms, conditions and remuneration more particularly set out in the Notice. The Directors proposes to re-appoint him.

All Independent Directors of the Company have furnished declarations under Section 149(7) of the Act confirming that they meet the criteria of independence laid down in Section 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board of Directors of the Company, all Independent Directors possess high integrity, expertise and experience including the proficiency to discharge their respective duties and responsibilities.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on 31<sup>st</sup> March, 2021 are: Shri Nikunj Dhanuka, Managing Director & CEO, Shri Pramod Bhandari, Chief Financial Officer and Shri Sudhir R Singh, Company Secretary.

#### 14.1. Meetings

During the year, four meetings of the Board of Directors and six Audit Committee meetings were held as more particularly disclosed in the attached Report on Corporate Governance.

### 14.2. Board Evaluation

The annual evaluation of the performance of the Board of Directors, Committee and of the Directors individually has been made as more particularly specified in the Corporate Governance Report.

### 14.3. Remuneration Policy

The details of the Remuneration Policy forms part of the Corporate Governance Report.

The information relating to remuneration as required pursuant to Section 197 of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (“the Rules”) are given below:

- a. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 –

Shri Nikunj Dhanuka, Managing Director & CEO – 44:1

Shri J K Saboo, Executive Director – 7:1

- b. The percentage increase in the remuneration of Managing Director, Chief Financial Officer and Company Secretary for the financial year - Nil
- c. The percentage increase in the median remuneration of employees in the financial year – Nil
- d. Number of permanent employees on the rolls of the Company – 380
- e. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year and the managerial remuneration – Nil

Since no increment was given in the financial year 2020-21, the data pertaining to the percentage increase in the remuneration of KMP, median remuneration of employees and average percentage increase in salaries of employees other than the managerial personnel are not applicable.

It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

**15. Particulars of Employees**

The disclosures pertaining to remuneration and other details under Section 197(12) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given above.

In accordance with the provisions of Sections 197(12) and 136(1) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the list pertaining to the names and other particulars of employees drawing remuneration in excess of the limits set out in the aforesaid Rules, is kept open for inspection during working hours at the registered office of the Company and the report and accounts as set out therein are being sent to all the members of the Company. The said information will be provided to the members upon receipt of the request.

**16. Directors' Responsibility Statement**

To the best of our knowledge and belief and according to the information and explanation obtained by us, in terms of Section 134(3) (c) of the Companies Act, 2013, we state:

- a. that in the preparation of the annual financial statements for the year ended 31<sup>st</sup> March, 2021, all the applicable accounting standards have been followed and no material departures have been made from the same;
- b. that appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> March, 2021 and of the profit of the Company for that year;
- c. 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/detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

**17. Related Party transactions**

The transactions with related parties were on arm's length basis and in the ordinary course of business and necessary approvals were obtained, wherever required.

There were no material related party transactions. The necessary disclosures regarding the transactions are given in the notes to accounts.

**18. Internal Control**

The Audit Committee defines the framework for the audit based on the areas identified in discussion with the Internal Auditors. The Internal Audit function is designed to cover all the major areas of operations. The Internal Auditor participates in all meetings of and reports directly to the Audit Committee.

The Internal Audit strives to evaluate the efficacy and adequacy of internal control system and processes, accounting policies and procedures, compliance with laws and regulations concerning the operations of the Company.

The Company's internal financial control systems commensurate with its nature of business, size and operations.

**19. Risk Management**

The internal control mechanism of the Company enables it to identify, assess and mitigate the risk related to its business. Risks are evaluated on various parameters, which are reviewed, as and when needed.

The risk management framework enables the management to identify and analyze the risks faced by the Company and implements risk management practices thereby ensuring that all activities are conducted in accordance with the principles as outlined by it. It also helps in setting appropriate risk limits and controls and to monitor the risks and adherence to limits. The Company's risk management practices aims to limit the business risk through its operations and finance activities.

The Board of Directors reviews the risk assessment and management program.

**20. Auditors****20.1. Statutory Auditors**

M/s Uday & Co. and M/s SMMP & Associates are the Statutory Auditors of the Company appointed by the members of the Company at the annual general meetings.

## 20.2. Cost Auditor

The cost accounts and records are required to be maintained under Section 148(1) of the Act. In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors of the Company has appointed M/s Krishna S & Associates, Cost Accountants as the Cost Auditor to conduct an audit of the cost records of the Company for the year 2021-22.

A resolution seeking members' ratification for the remuneration payable to M/s Krishna S & Associates is included in the Notice convening the AGM.

## 20.3. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Makarand M Joshi & Co., Practicing Company Secretaries to conduct the Secretarial Audit and their Report on the Secretarial Audit for the year 2020-21 is annexed herewith as "Annexure-II".

## 21. Material changes and commitment affecting financial position of the Company

There are no material changes and commitments, affecting the financial position of the Company, which has occurred between the end of the financial year and the date of the Board's Report.

## 22. Energy Reservation, Technology Absorption and Foreign Exchange earnings and outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as "Annexure-III".

## 23. Business Responsibility Report

Pursuant to the Regulation 34 of the SEBI Listing Regulations, Business Responsibility Report for the year ended 31<sup>st</sup> March, 2021 is provided separately and annexed to the Directors' Report as "Annexure-IV".

## 24. Corporate Governance

The Company has complied with the requirements of Corporate Governance and a report on the same along with the Auditors' Certificate confirming compliance is attached with and forms part of this report.

A report on Management Discussion and Analysis forms an integral part of this report.

## 25. Prevention of sexual harassment

The Company is an equal opportunity provider and has zero tolerance in any form or manner towards the sexual harassment of women at work place. In accordance with the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated a policy on prevention, prohibition and redressal of sexual harassment of women at work place.

The Company has constituted Internal Complaints Committee which meets as and when required.

No complaints pertaining to sexual harassment of women employees were received during the year.

## 26. ISO 9001 : 2015 and ISO 14001 : 2015 certification

Your Company is certified under ISO 9001:2015 for quality management systems and ISO 14001:2015 for environment management systems by Bureau Veritas.

## 27. Acknowledgements

Your Directors convey their sincere appreciation to the business partners for their unstinted support and contribution and thank the customers, members, dealers, employees, bankers and all stakeholders for their co-operation and confidence reposed in the Company.

For and on behalf of the Board of Directors

Mumbai, 24<sup>th</sup> May, 2021

**M M Dhanuka**  
Chairman  
DIN: 00193456

## Annexure 'I'

## Annual Report on Corporate Social Responsibility (CSR) Activity

- Brief outline on CSR Policy of the Company: CSR Policy of the Company is available at [www.igpetro.com/csr/](http://www.igpetro.com/csr/)
- Composition of CSR Committee:

Sl. No.	Name of Director	Designation /Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Dr. Vaijayanti Pandit	Chairperson	2	2
2.	Shri M M Dhanuka	Member		2
3.	Shri Rajesh Muni	Member		2
4.	Shri J K Saboo	Member		2

- Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company. - [www.igpetro.com/csr/](http://www.igpetro.com/csr/)
- Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable - Not Applicable
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

(₹ in lakhs)

Sl. No.	Financial Year	Amount available for set-off from preceding financial years *	Amount required to be set- off for the financial year, if any
1	2020-21	2.75	2.75
	<b>Total</b>	<b>2.75</b>	<b>2.75</b>

\* The excess amount of ₹ 2.75 lakhs spent during FY 2020-21 shall be set-off in FY 2021-22

- Average net profit of the Company as per Section 135(5) ₹ 14,974.35 lakhs
- Two percent of average net profit of the Company as per Section 135(5) ₹ 299.49 lakhs
  - Surplus arising out of the CSR projects or programmes or activities of the previous financial years. Nil
  - Amount required to be set off for the financial year, if any Nil
  - Total CSR obligation for the financial year (7a+7b- 7c). ₹ 299.49 lakhs
- CSR amount spent or unspent for the financial year 2020-21:

Total Amount Spent for the financial year (₹ in lakhs)	Amount Unspent (₹ in lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
202.77	99.47	29 <sup>th</sup> April, 2021	Nil	Nil	Nil



**(b) Details of CSR amount spent against ongoing projects for the financial year 2020-21:**

(₹ in lakhs)

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project	Amount spent in the current financial year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation- Direct Yes/No	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
1	Construction of school	ii	No	Uttar Pradesh	Mathura	1 year*	360.00	150.00	99.47	No	Saraswati Shishu Mandir Trust	-
<b>Total</b>							<b>360.00</b>	<b>150.00</b>	<b>99.47</b>			

\* Project could get delayed due to prevailing curbs on account of Covid-19

**(c) Details of CSR amount spent against other than ongoing projects for the financial year 2020-21:**

(₹ in lakhs)

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency		
				State	District			Name	CSR Registration No.	
(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)		
1.	Ann Dan	i	Yes	Mah/UP	-	7.68	Yes	-	-	
2.	Restoration of premises	iii	No	Raj.	Jhunjhunu	1.00	No	Ramakrishna Mission	-	
3.	Donation	ii	No	Kar.	Bengaluru	0.22	No	Akshaya Patra	-	
4.	Donation	i	Yes	Mah.	Mumbai	0.30	No	Blind Organisation of India	-	
5.	Donation	iii	Yes	Mah.	Panvel	3.60	No	Param Shantidham Vrindhashram	-	
6.	Donation	iv	Yes	Mah.	Mumbai	5.00	No	Utkarsh Global Foundation	-	
7.	Designing of junction	v	Yes	Mah.	Panvel	0.50	Yes	-	-	
8.	Donation	xii	Yes	Mah.	Panvel	1.00	No	Prabodhan Prakshan P Ltd	-	
9.	Garden development	iv	Yes	Mah.	Panvel	8.47	Yes	-	-	
10.	Sports	vii	Yes	Mah.	Mumbai	6.00	No	OSCAR Foundation	-	
11.	Donation	ii	Yes	Mah.	Mumbai	16.50	No	H P Dhanuka Charitable Trust & Relief Fund	-	
12.	Donation	ii	Yes	Mah.	Mumbai	2.50	Yes	Friends of Tribals Society	-	
<b>Total</b>							<b>52.77</b>			

(d) Amount spent in Administrative Overheads	Nil
(e) Amount spent on Impact Assessment, if applicable	Nil
(f) Total amount spent for the financial year (8b+8c+8d+8e)	₹ 202.77 lakhs
(g) Excess amount for set off, if any	₹ 2.75 lakhs

Sl. No.	Particulars	Amount (₹ in lakhs)
(i)	Two percent of average net profit of the Company as per Section 135(5)	299.49
(ii)	Total amount spent for the financial year	302.24
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2.75
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2.75

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

Sl. No.	Preceding financial year	Amount transferred to Unspent CSR Account under Section 135(6)	Amount spent in the reporting financial year	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount	Date of transfer	
Not applicable							

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

Sl. No.	Project ID	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting financial year	Cumulative amount spent at the end of reporting financial year	Status of the project - Completed / Ongoing
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Not applicable								

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

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5) – Not applicable

Sd/-  
**Nikunj Dhanuka**  
 Managing Director and CEO  
 DIN : 00193499  
 London, 24<sup>th</sup> May, 2021

Sd/-  
**Dr. Vaijayanti Pandit**  
 Chairperson – CSR Committee  
 DIN: 06742237  
 Mumbai, 24<sup>th</sup> May, 2021

**Form No. MR.3**  
**Secretarial Audit Report**

For The Financial Year Ended 31<sup>st</sup> March, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,  
I G Petrochemicals Limited  
T-10, 3<sup>rd</sup> Floor, Jairam Complex, Mala,  
Neugi Nagar Panaji – 403 001, Goa

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **I G Petrochemicals Limited** (hereinafter called the “Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 (hereinafter called the ‘Audit Period’) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2021 according to the provisions of:

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>(i) The Companies Act, 2013 (the Act) and the rules made there under;</li> <li>(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;</li> <li>(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;</li> <li>(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment and External Commercial Borrowings. <b>(Foreign Direct Investment Not applicable to the Company during the Audit Period)</b></li> <li>(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-</li> </ul> | <ul style="list-style-type: none"> <li>(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;</li> <li>(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;</li> <li>(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 <b>(Not applicable to the Company during the Audit Period)</b></li> <li>(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 <b>(Not applicable to the Company during the Audit Period)</b></li> <li>(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 <b>(Not applicable to the Company during the Audit Period)</b></li> <li>(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client</li> <li>(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 <b>(Not applicable to the Company during the Audit Period) and</b></li> <li>(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; <b>(Not Applicable to the Company during the Audit Period).</b></li> </ul> |
|--|--|

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**We further report that**, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and

records in pursuance thereof, on test - check basis the Company has complied with the following specific law to the extent applicable to the Company:

- Petroleum Act, 1934
- Petroleum Rules, 2002
- Chemicals Weapons Convention Act, 2000

**We further report that** the Board of Directors of the Company is duly constituted as required under the Act. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

**For Makarand M. Joshi & Co.**  
Company Secretaries

**Kumudini Bhalerao**

Partner

FCS No: 6667

C.P No: 6690

UDIN: F006667C000362165

Peer Review No. P2009MH007000

Place: Mumbai

Date: 24<sup>th</sup> May, 2021

\*This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

## Annexure A

The Members,  
I G Petrochemicals Limited  
T-10, 3<sup>rd</sup> Floor, Jairam Complex, Mala,  
Neugi Nagar, Panaji, Goa - 403 001

Our report of even date is to be read along with this letter.

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

**For Makarand M. Joshi & Co.**  
Company Secretaries

**Kumudini Bhalerao**

Partner

FCS No: 6667

C.P No: 6690

UDIN: F006667C000362165

Peer Review No. P2009MH007000

Place: Mumbai

Date: 24<sup>th</sup> May, 2021

## Annexure 'III'

**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

For Power &amp; Fuel consumption per unit (MT) of Product, Technology Absorption &amp; Foreign Earnings &amp; Outgo

		For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
<b>(A) Power &amp; fuel consumption</b>			
1. Electricity			
a. Purchased (Units)		3,36,927	6,28,307
Total Amount (₹)		54,31,531	79,91,624
Rate / Unit (₹)		16.12	12.72
b. Own Generation			
i. Through Diesel Generator		16,99,911	13,69,920
Units per Ltr. of Diesel oil		3.58	2.86
Cost / Units (₹)		18.92	22.76
ii. Through Steam Turbine		4,08,56,736	3,70,96,000
Generator (Units)		-	-
Units per Ltr. of Fuel / Oil / Gas		-	-
2. Coal is not used in Manufacturing Process		-	-
3. Furnace Oil quantity (MT)		5,510	5,261
Total Amount (₹)		15,23,51,281	17,37,79,838
Average Rate / MT (₹)		27,651	33,032
4. Other / Internal Generation		-	-
<b>(B) Consumption per unit (MT) of Product</b>			
Product	Standard		
Electricity - Units	Not Specified	254	250
Furnace Oil - Litres	Not Specified	34	35
<b>(C) Technology Absorption</b>			
Research & Development (R & D)			
(i) Specific area in which R & D carried out by the Company:			
The Company is conducting its R & D activities for developing the process of Phthalic Anhydride downstream value added products.			
(ii) Benefits derived as a result of above R & D.			
Benefits in terms of better quality and increased productivity.			
(iii) Future plan of action.			
All the efforts are being continued in the direction of product / process development as mentioned above.			
(iv) Expenditure incurred on R & D			
The Company has incurred expenditure to an extent of ₹ 69.96 lakhs.			
Total R & D expenses as a % of turnover :		0.06%	0.05%
<b>(D) Foreign Exchange Earnings &amp; Outgo :</b>			
Total Foreign Exchange Earnings		9,269.43	15,497.97
Total Foreign Exchange Outgo		3,058.37	3,008.10

For and on behalf of the Board of Directors

**M M Dhanuka**  
Chairman  
DIN: 00193456

Mumbai, 24<sup>th</sup> May, 2021



# Business Responsibility Report

(Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

## Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company: L51496GA1988PLC000915
2. Name of the Company: I G Petrochemicals Limited
3. Registered address: T-10, 3<sup>rd</sup> Floor, Jairam Complex, Mala, Neugi Nagar, Panaji, Goa - 403 001.
4. Website: [www.igpetro.com](http://www.igpetro.com)
5. E-mail id: [igpl@igpetro.com](mailto:igpl@igpetro.com)
6. Financial Year Reported: 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

Group	Class	Sub-class	Description
201	2011	20119	Manufacture of organic and inorganic chemicals

8. List three key products/services that the Company manufactures/provides (as in balance sheet): Phthalic Anhydride (PAN), Maleic Anhydride (MA) and Benzoic Acid (BA).
9. Total number of locations where business activity is undertaken by the Company:
  - (a) Number of International Locations (Provide details of major 5) - Nil
  - (b) Number of National Locations-3 (including offices)
10. Markets served by the Company – Domestic and International

## Section B: Financial Details of the Company

1. Paid up Capital (INR) – 30,79,48,500/-
2. Total Turnover (INR) – 11,23,61,87,901/-
3. Total profit after taxes (INR) – 1,89,51,66,641/-
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax(%) – INR 3,02,24,380/- 1.59%
5. List of activities in which expenditure in 4 above has been incurred:-
  - (a) Hunger, poverty, healthcare, etc.
  - (b) Education, sports, old age homes, etc.
  - (c) Environment sustainability

## Section C: Other details

1. Does the Company have any Subsidiary Company/Companies? Yes, the Company has one subsidiary as on 31<sup>st</sup> March, 2021.
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) - No
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? – No

**Section D: BR Information**

**1. Details of Director responsible for BR**

(a) Details of the Director responsible for implementation of the BR policy

1. DIN 00193512
2. Name Shri J K Saboo
3. Designation Executive Director

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	N.A.
2	Name	Shri Pramod Bhandari
3	Designation	Chief Financial Officer
4	Telephone number	022-40586100
5	e-mail id	pbhandari@igpetro.com

**2. Principle-wise (as per NVGs) BR Policy/policies**

(a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board?  Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y			Y			Y
6	Indicate the link for the policy to be Viewed online?	All essential policies are available on our website – <a href="http://www.igpetro.com">www.igpetro.com</a>								
7	Has the policy been formally Communicated to all relevant internal and external stakeholders?	All relevant policies are communicated to respective stake holders and are available on HRMS								
8	Does the company have in-house Structure to implement the policy/ policies.	The Company has established in house structure to implement the policies								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders’ grievances related to the policy/ policies?	Stakeholders can address their grievances via communicated channels through our website, and the same shall be addressed appropriately.								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	All applicable and key policies go through rigorous internal and external bodies every quarter, half year and annually. Relevant Govt. authorities audit our EHS systems and policies on a monthly basis								

### 3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. The BR performance is reviewed annually by the Board of Directors Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? The BR Report is published in the Annual Report and can be viewed at [www.igpetro.com/annual-report/](http://www.igpetro.com/annual-report/)

## Section E: Principle-wise performance

### Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others? Yes. It is applicable to the Company and its subsidiary. We ensure full compliance across the group and take declarations from all employees and Senior Management.
2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so. NIL

### Principle 2

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

Phthalic Anhydride (PAN), Maleic Anhydride (MA) and Benzoic Acid (BA)

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

Our Manufacturing process is very efficient and a model operation across the industrial belt where are plant is. We use our residual steam to manufacture our own electricity to run our operations and optimally use all heat residues wherever practically possible.

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

We have brand new ETP facility with which the effluent discharge to CETP has been reduced from 686 M3/day to less than 220 M3/day and have achieved partial ZLD and efforts are on to reach complete ZLD (Zero Liquid Discharge) status in next few years..

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

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

The Company has adopted sustainable model across the entire value chain of SCM including but not limited to procurement of Raw Material from Domestic suppliers, Delivery of Finished Goods with dedicated transport arrangements with customers in India and across the globe, Waste Disposal and partial recycling of Jumbo Bags / Bags that we use for delivery of finished goods.

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

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

We give immense importance to local sourcing through use of local transporters, packaging materials, waste disposal bodies and local Labour. This is embedded in IGPL philosophy and helps sustain community.

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

Yes, we are working towards ZLD in the coming years, with our new ETP unit, currently our plant recycling and product waste stands at.<5%, despite operating a huge complex.

**Principle 3 - HR**

1. Please indicate the total number of employees - 380
2. Please indicate the total number of employees hired on temporary/contractual/casual basis - 541
3. Please indicate the number of permanent women employees - 12
4. Please indicate the number of permanent employees with disabilities - 1
5. Do you have an employee association that is recognized by management - Yes
6. What percentage of your permanent employees is members of this recognized employee association? 36.5%
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year – There were no complaints of this nature during the financial year.

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

8. What percentage of your under mentioned employees were given safety & skill up - gradation training in the last year?
  - (a) Permanent Employees – 100% (safety Training) Skill Upgrading - 77%
  - (b) Permanent Women Employees – 100% (safety Training) Skill Upgrading - 64%
  - (c) Casual/Temporary/Contractual Employees – Safety Training - 100%
  - (d) Employees with Disabilities - 1

**Principle 4**

1. Has the Company mapped its internal and external stakeholders?  
Yes, the Company’s key stakeholders include employees, contractual workers, casual workers, suppliers, customers, business partners, regulatory agencies and local communities around its sites of operations.
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?  
Yes, the Company endeavors to reach out and empower the community in and around the place where it operates as well as other areas in order to achieve inclusive growth by supporting the underprivileged class of masses. In terms of the CSR Policy of the Company, the CSR Committee is entrusted with the responsibility of discharging the Company’s obligations to give it back to the Society.
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Yes, in the following fields:

Education - The Company’s contribution in the field of education includes contribution to the Akshay Patra Foundation which provides mid-day meal to the students of various schools, distribution of LED TV’s with Tata Sky channel to a Primary School and by donation through a registered public trust to the schools for purchase of school bus and other educational material.

Healthcare - Donation to the Child Health Foundation, Neurology Foundation and Blind Organization of India to cater to the need for medical and healthcare services for the needy section of the public.

Community Service - Contribution to the Old Age Homes situated in and around the factory and Orphanage which provides the financial support and looks after the maintenance of the homeless senior / aged people / orphan / disabled persons, etc. by way of a financial support for their general upliftment. The Company shall always strive to achieve the wellbeing of the society in which it operates, other neighboring communities and environment and the nation at large.

### Principle 5

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

The Company's Human Rights policy protects its direct and indirect stakeholders alike. Human rights policy principles covers aspects of Equal Opportunity: across all dealings irrespective of Cast, Creed, Ethnicity, Religion, Region, Sex or Sexuality.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? None

### Principle 6

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others. Applies to external third parties also.

IGPL conforms all its policies related to Principle 6 under ISO 9001:2015 and ISO 14001:2015 standards.

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

Yes, we operate our plant in the most efficient manner to reduce footprints of global warming and climate change. Our recycling facilities are world class and cater to the same. Link: [www.igpetro.com/sustainability/](http://www.igpetro.com/sustainability/)

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

Yes, IGPL conforms to ISO 9001:2015 and ISO 14001:2015 standards.

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

The Company has initiated the following measures:

- Rainwater harvesting from 2019 and aim to collect water from various building terraces, tank farm area, storm water drains and warehouse roof in a planned manner over the next 3 years.
- Water conservation trials by reduction in blow down from cooling towers. Trials have been initiated in 2019 and have been successful. The Company is ready to implement same in a phased manner over the next three years.

The above initiatives shall enable the Company in moving closure to a ZLD status with least cost implications.

- Installed CO analysers in boilers to take immediate action to control CO emissions.
  - Started blending LSHS premium with FO to control SO2 emission from boilers and are reviewing the possibility of conversion to Gas.
  - Major replacement transition to LED lights in 2018-19 and all new replacements are in LED only.
  - Solar power roof panel electricity is also under review.
5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page.
    - We have started conversion of lighting to LED for power conservation.
    - We are also reviewing various options for Solar Energy/ Lighting solutions
    - We are reviewing Gas vs FO option from clean technology
    - We are reviewing options for achieving ZLD

Link : [www.igpetro.com/sustainability/](http://www.igpetro.com/sustainability/)



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

Yes. The emissions are within permissible limits of SPCB as relevant to us.

7. Number of show cause/ legal notices received from CPCB/SPCB which is pending (i.e. not resolved to satisfaction) as one end of Financial Year. None

#### Principle 7

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

- (a) Indian Chemical Council
- (b) Bombay Chamber of Commerce and Industry
- (c) Confederation of Indian Industries (CII)

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

We have worked with Talaja Manufacturing Association for upgradation of CETP (Common Effluent Treatment Plant) Talaja for effectively processing the chemical waste from all Talaja Industries and thereby ensure clean discharge into the environment.

#### Principle 8

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

The Company's contribution in the field of education includes contribution to the Akshay Patra Foundation, Bengaluru which provides mid-day meal to the students of various schools, distribution of LED TV's with Tata Sky channel to a Primary School in Ghotgaon, Talaja, Maharashtra and by donation through a Public Trust to the schools in Vrindavan for purchase of school bus and other educational material.

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

In house as well as in partnership with external NGO.

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

The various activities carried out for upliftment of the Society by and large and helped the needy during the alarming pandemic situation.

Collaborated with various organizations / NGOs for the following activities:

- Distribution of food packets to migrant labourers and dry ration for their daily needs who were badly affected due to loss of pay.
- Daily needs of senior citizens at old age homes in terms of giving them nutritious foods.
- Contribution towards the education of blind children.
- Contribution to support the various government initiatives for providing relief during the pandemic.
- Feeding to stray animals during pandemic period.

4. What is your Company's direct contribution to community development projects- Amounting INR and the

details of the projects undertaken?

Details are available in our CSR Report.

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

Contribution to the Old Age Homes situated in and around the factory and Orphanage which provides the financial support and looks after the maintenance of the homeless senior / aged people / orphan / disabled persons, etc. by way of a financial support for their general upliftment. The Company shall always strive to achieve the wellbeing of the society in which it operates, other neighboring communities and environment and the nation at large.

#### **Principle 9**

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year - Nil
2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information) - Yes
3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as one end of financial year. If so, provide details thereof, in about 50 words or so - No
4. Did your Company carry out any consumer survey/ consumer satisfaction trends? No, however we take customer feedbacks for each shipment of finished goods and have a very thorough Quality Control System to assure quality products and replacements.

# Report on Corporate Governance

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

The Directors present the Company's Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2021

## COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Corporate Governance philosophy plays an important role in the way the business operations are carried out and lays out the clear path on how the authority is exercised within the Company.

The Board of Directors of the Company acts as the catalyst to guide and enable execution of the management's plan and assumes and discharges its responsibilities towards achieving the overall framework of the business, within which the Company operates. It serves as a prudent fiduciary for shareholders and to oversee the management of the Company's business. It also ensures to promote the sustainable growth of the Company and increase the corporate value over the period. The importance of sound corporate governance is imbibed in the manner in which the Company does its business.

## BOARD OF DIRECTORS

### Composition and category of the Directors

The Board of Directors, led by a Non-executive Chairman, comprises of six Directors with diverse background and profession and having an optimum combination of Executive and Non-executive Directors in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Half of the Board consists of Independent Directors, whose terms are fixed in accordance with the provisions of Section 149 of the Companies Act, 2013 ("the Act").

The Company has Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee, which functions in accordance with the defined criteria.

### ATTENDANCE OF THE DIRECTORS AT THE MEETINGS

The Board met four times during the year i.e., on 24<sup>th</sup> June, 2020, 13<sup>th</sup> August, 2020, 10<sup>th</sup> November, 2020 and 9<sup>th</sup> February, 2021.

During the year, all meetings of the Board were held through Video Conference as permitted pursuant to Rule 4 of the Companies (Meetings of Board and its Powers) Rules, 2014. The AGM was held on 26<sup>th</sup> August, 2020 through Video Conferencing / Other Audio-Visual Means.

The attendance of the Directors at the Board Meetings and the Annual General Meeting, Directorship and Committee Membership in other Companies are given below:

Name of the Directors	Category	Number of Board Meetings attended	Attendance at AGM held on 26 <sup>th</sup> August, 2020	Number of Directorship(s) held in other public companies	Number of Committee positions held in other public companies		No. of shares held
					Chairman	Member	
Shri M M Dhanuka	Non-Executive	4	Yes	1	0	0	104,904
Shri Nikunj Dhanuka	Executive	3	Yes	1	0	2	19,000
Shri J K Saboo	Executive	4	Yes	2	0	0	0
Shri Rajesh Muni	Non-Executive & Independent	4	Yes	1	1	1	5,500
Dr. A K A Rathi	Non-Executive & Independent	4	Yes	0	1	1	100
Dr. Vajjayanti Pandit	Non-Executive & Independent	4	Yes	6	1	5	0

The familiarization programme of the Directors can be accessed at [www.igpetro.com](http://www.igpetro.com).

None of the Directors of the Company are related to each other.

### Matrix of skills/competence/expertise of the Board of Directors

The Board of Directors of the Company comprises of people with diverse knowledge, skills and expertise and experience such as chemical industries, management, finance, tax, etc. The Board is led by the Chairman who is himself a chemical engineer and has over three decades of experience and expertise on the functioning of chemical industries. The Managing Director and Executive Director are in charge of the overall affairs of the Company and at Plants respectively. The Independent Directors brings with them their respective domain expertise which are engineering, accountancy and tax and management.

All proposals placed before the Board/Committees are discussed and deliberated at length. The recommendation of the Independent Directors are taken into account and minuted and decisions are accordingly arrived at. Expert or consultation advice are sought wherever required. Two-third of the Board comprises of non-executive directors.

The major skills/competencies/expertise and the directorships held by the Directors in other listed companies are summarized below:

Name of the Directors	Directorships held in	Category	Skills/Expertise
Shri M M Dhanuka	Mysore Petro Chemicals Limited	Chairman & Managing Director	Chemical Industries, sales, marketing, procurement, commercial, board governance and compliance, production and technical, project set-up, general management
Shri Nikunj Dhanuka	Mysore Petro Chemicals Limited	Non-Executive	Finance, Banking, Chemical Industries, Operations and Management, Risk assessment and mitigation, business development, corporate strategy and planning
Shri J K Saboo	-	-	Factory and labour laws, set-up and operations of plant, regulatory compliances, legal, Accounts
Shri Rajesh Muni	Inspirisys Solutions Ltd.	Non-Executive & Independent	Audit, Accounts, Taxation, Finance, compliances
Dr. A K A Rathi	-	-	Chemical and petrochemical industrial practices, Environmental management, Engineering education
Dr. Vaijayanti Pandit	Indo Count Industries Ltd. Automobile Corporation of Goa Ltd. Banswara Syntex Ltd. Everest Kanto Cylinder Ltd	Non-Executive & Independent	Business management, industry experience, political science, business associations, implementation of CSR.

In the opinion of the Board, all the independent directors have fulfilled the conditions of the SEBI Listing Regulations and that they are independent of the Company's management. Further, as at 31<sup>st</sup> March, 2021, all directors are below the age of 75 years as stipulated under SEBI Listing Regulations.

### AUDIT COMMITTEE

The Audit Committee acts as a mechanism for the Board whereby all critical businesses which are defined and identified goes through its scrutiny so as to enable the Board to take an informed decision. The Board base its decisions on the recommendations of the Audit Committee, wherever applicable as per the terms of reference laid down in Regulation 18 of the SEBI Listing Regulations and Section 177 of the Act.

The Audit Committee reviews information such as those relating to overseeing the financial statements and its reporting process, internal audit reports/programme, insider trading mechanism, related party transactions, internal financial controls, appointment of statutory/internal auditors, functioning of whistle blower mechanism, etc.

Three-fourth of the members of the Audit Committee consists of independent directors with diverse experience and expertise. The Chairman of the committee is a member of The Institute of Chartered Accountants of India and possesses relevant financial expertise. The meetings of the Committee are held at regular intervals.

The Audit Committee met six times during the year i.e. 24<sup>th</sup> June, 2020, 13<sup>th</sup> August, 2020, 10<sup>th</sup> November, 2020, 23<sup>rd</sup> November, 2020, 17<sup>th</sup> December, 2020 and 9<sup>th</sup> February, 2021, which were attended by all the members of the Committee. The Committee comprises of:

Name of the Members	Position	Category
Shri Rajesh Muni	Chairman	Non-Executive & Independent
Shri M M Dhanuka	Member	Non-Executive
Dr. A K A Rathi	Member	Non-Executive & Independent
Dr. Vijayanti Pandit	Member	Non-Executive & Independent

The Company Secretary acts as the Secretary of the Committee. The Internal Auditors, Statutory Auditors, Chief Financial Officer and President – Finance & Accounts are the invitees to all Audit Committee meetings and have attended all meetings during the year.

#### NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee functions within the ambit of powers as vested by the Board vis-à-vis Regulation 19 of the SEBI Listing Regulations and Section 178 of the Act, which includes amongst others policy relating to the remuneration of the directors, key managerial personnel and other employees, formulation of criteria for evaluation of performance of independent directors and Board of Directors, devising a policy on diversity of Board, appointment of directors, key managerial personnel, senior management level employees, recommending to the Board the appointment of directors, evaluating the re-appointment and determining whether to extend the tenure of the independent directors, recommending to the Board the remuneration payable to senior management employees, etc. The detailed terms of reference of the Committee is available on the website of the Company.

Two-thirds of the members of the Committee are independent directors. During the year, three meetings were held on 24<sup>th</sup> June, 2020, 10<sup>th</sup> November, 2020 and 9<sup>th</sup> February, 2021 and which were attended by all the members of the Committee.

The Composition of Nomination and Remuneration committee are given below.

Name of the Members	Position	Category
Dr. A K A Rathi	Chairman	Non-Executive & Independent
Shri M M Dhanuka	Member	Non-Executive
Shri Rajesh Muni	Member	Non-Executive & Independent

The Company Secretary acts as the Secretary of the Committee.

#### Performance evaluation criteria of independent directors

The criteria for the evaluation of directors are determined by the Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Act and SEBI Listing Regulations on the basis of discussion amongst the Directors covering all aspects of the functioning of the Board and the Committees. The evaluation criteria provide for different parameters for the evaluation of the performance of the Board, its committees and Directors. The criteria for evaluation covers areas such as functioning of the Board/Committees, discharge of key responsibilities, Board governance, attendance at the meetings, independence of judgement exercised by the Directors, etc.

All the Directors carried out the performance evaluation. The Independent Directors evaluated the performance of non-independent directors, the Board as a whole and Chairman. The performance evaluation of independent directors was done by the entire Board members in which the independent directors who were being evaluated did not participate.



## Remuneration of Directors

The Remuneration Policy of the Company strives to ensure that the level and composition of the remuneration is reasonable and sufficient to attract, retain and motivate the best talent commensurate with the size of the Company and that it involves a balance between fixed and incentive pay reflecting short and long-term performance objectives to the working.

During the year, there was no pecuniary relationship or transactions between the Company and any of its Non-Executive Directors apart from sitting fees and commission.

The shareholders at an Annual General Meeting held on 20<sup>th</sup> September, 2017 have approved the payment of Commission @ 1% of the net profits to the Non-Executive Directors (including Independent Directors). Approval of the shareholders is being sought for the payment of remuneration paid to the Non-Executive Director in excess of the limit as provided under Regulation 17(6)(ca) of the SEBI Listing Regulations.

The details of the remuneration of Non -Executive Directors are given below: -

(₹ in lakhs)			
Name	Commission#	Sitting Fees	Total
Shri M M Dhanuka\$	234.51	7.10	241.61
Shri Rajesh Muni	8.69	6.90	15.59
Dr. A K A Rathi	8.69	6.20	14.89
Dr. Vaijayanti Pandit	8.69	6.00	14.69
<b>Total</b>	<b>260.57</b>	<b>26.20</b>	<b>286.77</b>

#Payable in FY 2021-22

\$ Subject to approval of shareholders

Details of remuneration of Managing/Executive Director:

(₹ in lakhs)		
Particulars	Shri Nikunj Dhanuka	Shri J K Saboo
Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	90.00	51.91
Perquisites	44.00	19.45
Commission	390.85	-
<b>Total</b>	<b>524.86</b>	<b>71.36</b>

The payment of remuneration to Managing Director and Executive Director are as per their terms of appointment agreed to between the Company and the said Directors individually subject to the same being within the overall limits as prescribed under the Act. There are no performance linked incentives or severance fees payable to the Directors. The Company has not granted Stock Option either to Directors or its employees.

The terms of appointment of the Managing Director and Executive Director provide that the appointment may be terminated by either party by giving to the other party three months' notice of such termination or the Company paying three months remuneration in lieu thereof.

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee meets as and when required and reviews all matters relating to the resolution of the investors grievances viz. transfer of shares, non-receipt of annual report, non-receipt of dividends, issue of duplicate share certificates, etc.

Two-thirds of the members of the Committee are independent directors. During the year, one meeting was held on 13<sup>th</sup> August, 2020 which were attended by all the members of the Committee.

The investor grievances are being attended by M/s Bigshare Services Pvt. Ltd., Registrar and Share Transfer Agent (RTA) administered under the supervision of the Company Secretary and a periodical report on the same is being presented before the Committee.

The details of composition and attendance are given below:

Name of the Members	Position	Category	No. of complaint received	No. of complaint resolved	No. of complaint pending
Dr. A K A Rathi	Chairman	Non-Executive & Independent	1	1	0
Shri M M Dhanuka	Member	Non-Executive			
Dr. Vajayanti Pandit	Member	Non-Executive & Independent			

Shri Sudhir R Singh acts as the Secretary of the Committee and is the Compliance Officer of the Company.

#### GENERAL BODY MEETINGS

##### a. Annual General Meetings

Financial Year	Date	Time	Venue	Special Resolution
2017-18	27 <sup>th</sup> August, 2018	3.00 p.m.	Hotel Mandovi, D.B. Bandodkar Road, Panaji Goa – 403 001	Nil
2018-19	5 <sup>th</sup> August, 2019	3.00 p.m.		<ol style="list-style-type: none"> <li>1. Re-appointment of Shri Nikunj Dhanuka as Managing Director &amp; CEO</li> <li>2. Re-appointment of Shri Rajesh Muni as an Independent Director for a second term</li> <li>3. Re-appointment of Dr. A K A Rathi as an Independent Director for a second term</li> <li>4. Payment of remuneration to the Non- Executive Director</li> </ol>
2019-20	26 <sup>th</sup> August, 2020	3.00 p.m.		Through VC/OAVM

b. During the year, no Special Resolution was passed through postal ballot.

c. No special resolution is proposed to be conducted through postal ballot at this AGM.

#### MEANS OF COMMUNICATION

Quarterly results	The quarterly results are published in the newspapers and displayed on the Company's website.
Newspapers wherein results published	The results are generally published in Business Standard/ Financial Express and Nav Prabha
Any website, where displayed	The quarterly results of the Company are displayed on the website of the i.e. <a href="http://www.igpetro.com/quarterly-financial-results/">www.igpetro.com/quarterly-financial-results/</a>
Whether it also displays official news releases	Yes
The presentations made to institutional investors or to analysts	The Company generally makes presentation to investors/ analysts after the declaration of financial results and also participates in conference call with financial analysts

The quarterly financial results and other information (as applicable) are promptly disclosed to the stock exchanges and are published in newspapers. The investor presentations and the financial results are uploaded on the website of the Company [www.igpetro.com/quarterly-financial-results/](http://www.igpetro.com/quarterly-financial-results/).

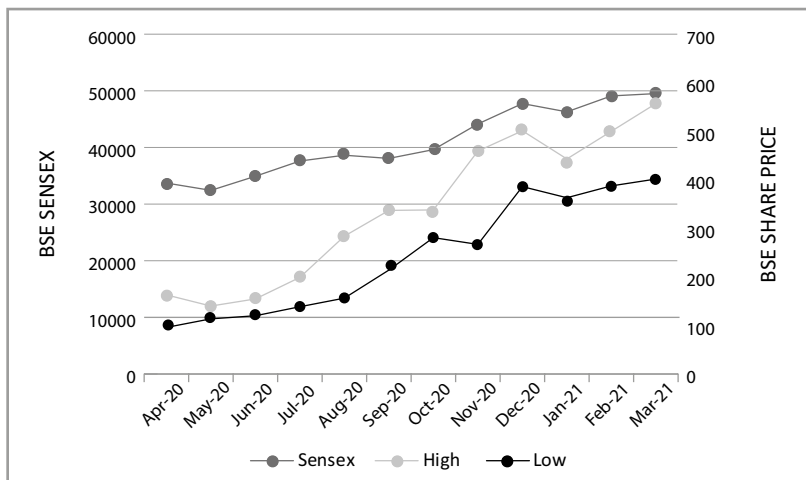
**GENERAL INFORMATION TO SHAREHOLDERS**

Day, Date and Time of Annual General Meeting	Friday, 23 <sup>rd</sup> July, 2021 at 3.00 p.m. through VC / OAVM pursuant to the MCA Circular dated 5 <sup>th</sup> May, 2020 and 13 <sup>th</sup> January, 2021 and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of AGM.
Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March
Date of Book Closure	17 <sup>th</sup> July, 2021 to 19 <sup>th</sup> July, 2021 (both days inclusive)
Dividend Payment Date	On or after 28 <sup>th</sup> July, 2021
ISIN Code	INE204A01010
Listing on stock exchanges and stock code	BSE Ltd. – 500199 and The National Stock Exchange of India Ltd. - IGPL The listing fees for the year 2021-22 have been paid to the stock exchanges
Registrar & Share Transfer Agents	M/s Bigshare Services Pvt. Ltd. 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East) - Mumbai – 400 059 Tel: 022-62638200 • Fax: 022-62638299 E-mail: <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a>
Share Transfer System	By the Registrar & Share Transfer Agents
Dematerialization of shares and liquidity	96.71% of the shares are held in dematerialized form as at 31 <sup>st</sup> March, 2021
Plant locations	T-2, MIDC Industrial Area, Talaja - 410 208 Dist. Raigad, Maharashtra
Address for correspondence	401-404, Raheja Centre, 214, Nariman Point, Mumbai - 400 021 Tel: +91-22-40586100 E-mail- <a href="mailto:igpl@igpetro.com">igpl@igpetro.com</a>

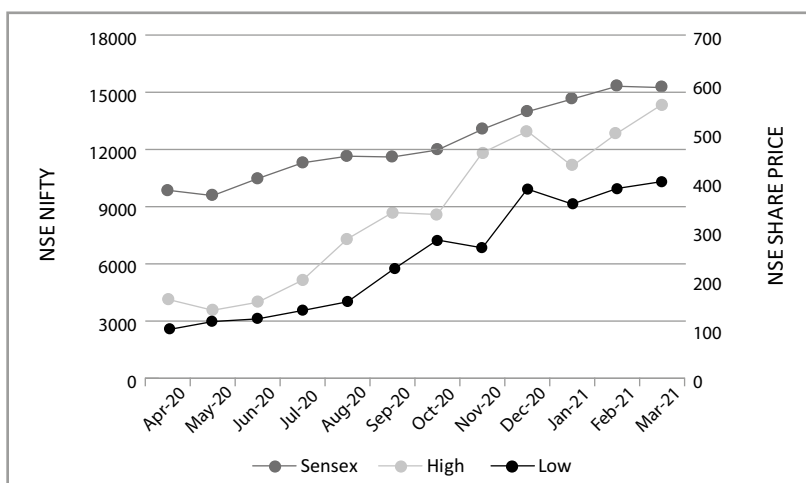
**MARKET PRICE DATA DURING THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021 (MONTH-WISE)**

Months	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April	163.00	96.00	161.05	99.00
May	140.00	113.65	138.70	115.70
June	154.65	120.00	155.00	121.15
July	199.05	138.60	200.20	138.25
August	284.00	156.30	284.40	156.00
September	337.00	214.10	337.95	221.00
October	338.00	280.90	334.00	282.00
November	459.20	267.00	459.80	266.00
December	501.00	386.00	503.95	385.95
January	443.00	363.10	432.90	355.35
February	500.00	387.50	499.90	387.15
March	557.00	401.60	558.50	401.20

**PERFORMANCE OF IGPL SHARE PRICE IN COMPARISON WITH SENSEX (BSE)**



**PERFORMANCE OF IGPL SHARE PRICE IN COMPARISON WITH NIFTY (NSE)**



**DISTRIBUTION OF SHAREHOLDING AS AT 31<sup>ST</sup> MARCH, 2021**

Shareholding	No. of shareholders	% of total	No. of shares	% of total
1-500	27,608	94.31	29,40,934	9.55
501-1000	847	2.89	6,92,402	2.25
1001-2000	415	1.42	6,34,063	2.06
2001-3000	107	0.37	2,72,042	0.88
3001-4000	81	0.28	2,91,801	0.95
4001-5000	49	0.17	2,28,689	0.74
5001-10000	82	0.28	5,62,498	1.83
10001 & above	86	0.29	2,51,72,421	81.74
<b>Total</b>	<b>29,275</b>	<b>100.00</b>	<b>3,07,94,850</b>	<b>100.00</b>

**OTHER DISCLOSURES**

- a. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large

There were no material related party transactions which could have had potential conflict with the interest of the Company at large.

- b. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the Board or any statutory authority, on any matter related to capital markets, during the last three years.

No penalties or strictures were imposed by the stock exchanges or SEBI or any other statutory authority during the last three years.

- c. Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel have been denied access to the audit committee

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and it provides its employees a channel for the reporting of genuine concerns about unethical behavior, actual or suspected or misconduct without fear of punishment or unfair treatment.

The mechanism provides for adequate safeguards against victimization and direct access to the Chairman of the Audit Committee.

During the year, no employee has been denied access to the Audit Committee.

- d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements.

The Company complies with all mandatory legislations including but not restricted to Ind As, Secretarial Standards, Internal Financial Controls, Code of Conduct, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, Corporate Social Responsibility, etc.

The Company has adopted the following non-mandatory requirements:

- a. The financial statements of the Company contain an unmodified audit opinion.
  - b. The office of the Chairman and Managing Director are being held by separate persons.
  - c. The report of the Internal Auditor is placed before the Audit Committee meeting and they are invitees to the meeting.
- e. Web link where policy for determining 'material' subsidiaries is disclosed
- The Company do not have any material subsidiary.
- f. Web link where policy on dealing with related party transactions
- The Policy on related party transactions is available at [www.igpetro.com/corporate-governance/](http://www.igpetro.com/corporate-governance/)
- g. Disclosure of commodity price risks and commodity hedging activities – NIL
- h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) – Not applicable
- i. Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority
- The certificate forms part of this report.
- j. Where the Board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof – None



- k. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part

Audit Fees	– ₹ 18.00 lakhs
Reimbursement of Expenses	– ₹ 0.16 lakhs
Total	– ₹ 18.16 lakhs

- l. The details of the related party transactions as per Indian Accounting Standards (Ind AS) - 24 are given in the notes to the Standalone Financial Statements of the Company.

- m. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

No complaints pertaining to sexual harassment of women employees were received during the year.

- n. Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed – Nil

- o. The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted – Given above

- p. Disclosure with respect to demat suspense account /unclaimed suspense account – Not applicable

The Company has complied with the corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI Listing Regulations.

**DECLARATION ON CODE OF CONDUCT**

I hereby confirm and declare that all the Directors and Senior Management personnel of the Company as defined in the Code of Conduct of the Company have submitted annual declarations for the year ended 31<sup>st</sup> March, 2021 confirming their compliance of the same.

London, 24<sup>th</sup> May, 2021

**Nikunj Dhanuka**  
Chief Executive Officer

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

The Members of  
**I G Petrochemicals Limited**  
T-10, 3<sup>rd</sup> Floor, Jairam Complex,  
Mala, Neugi Nagar, Panaji,  
Goa- 403001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **I G Petrochemicals Limited** having CIN L51496GA1988PLC000915 and having registered office at T-10, 3<sup>rd</sup> Floor, Jairam Complex, Mala, Neugi Nagar, Panaji, Goa - 403 001 (hereinafter referred to as 'the Company'), produced before us by the Company in electronic mode, for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. No physical verification of any document / record was possible due to the current nationwide lockdown owing to the outbreak of Covid-19 pandemic.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31<sup>st</sup> March 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of appointment in Company</b>
1.	Jitendra Vishwanath Saboo	00193512	1 <sup>st</sup> July, 1998
2.	Nikunj Dhanuka	00193499	1 <sup>st</sup> July, 1998
3.	Madan Mohan Dhanuka	00193456	18 <sup>th</sup> October, 1988
4.	Rajesh Ramniklal Muni	00193527	30 <sup>th</sup> April, 2002
5.	Arjun Kumar Rathi	00209505	28 <sup>th</sup> July, 2009
6.	Vaijayanti Ajit Pandit	06742237	30 <sup>th</sup> March, 2015

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

For **Martinho Ferrao & Associates**  
Company Secretaries

**Martinho Ferrao**

Proprietor

F.C.S. No. 6221

C.P. No. 5676

UDIN: F006221C000351711

Date: 24<sup>th</sup> May, 2021  
Place: Mumbai

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Members of  
**I G Petrochemicals Limited**

We have examined the compliance of conditions of Corporate Governance by I G Petrochemicals Limited (“the Company”) for the year ended 31<sup>st</sup> March, 2021 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 (‘SEBI Listing Regulations’) and as amended from time to time.

### **Management’s Responsibility**

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

### **Auditor’s Responsibility**

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

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### **Opinion**

Based on our examination of relevant records and information and according to the explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations, during the year ended 31<sup>st</sup> March, 2021, as applicable.

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

### **Other Matters**

In view of the initial and ongoing lockdown we have examined most of the records online based on remote access of data, as provided by the management, instead of standard conventional examination. This resulted in need for carrying out alternative examination procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI). The examination of the records has been carried out based on the advisory on “Specific Considerations while conducting Distance Audit/ Remote Audit/ Online Audit under current Covid-19 situation” issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management that the data provided for our examination is correct, complete, reliable, and are directly generated by the accounting and other secretarial systems of the Company without any further manual modifications. We have examined these statements in the aforesaid conditions.

Our opinion is not modified in respect of the above.

**Restriction on use**

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **Uday & Co.**

Chartered Accountants

Firm's Registration No.004440S

**K. Sathyanarayanan**

Partner

Membership No.203644

UDIN no.21203644AAAAAI5012

Place: Bengaluru

Date: 24<sup>th</sup> May, 2021

Form AOC-1

Statement containing salient features of the financial statement of subsidiaries

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Name of Subsidiary	Reporting Period	Reporting Currency	Exchange Rate	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments	Turn Over	Profit/ (Loss) Before Taxation	Profit/ (Loss) After Taxation	Proposed Dividend	% of share holding
IGPL International Ltd	31 <sup>st</sup> March, 2021	GBP	100.9509	5,983,101	(1,401,293)	12,021,104	12,021,104	-	-	(139,416)	(139,416)	-	100

For and on behalf of the Board of Directors of

**I G Petrochemicals Limited**

**Nikunj Dhanuka**

Managing Director & CEO

DIN: 00193499

Place: London

**Rajesh Muni**

Independent Director

DIN: 00193527

Place: Mumbai

**Pramod Bhandari**

Chief Financial Officer

Place : Mumbai

Date: 24<sup>th</sup> May, 2021

**Sudhir R Singh**

Company Secretary

Place: Mumbai



# Independent Auditor's Report

To the Members of I G Petrochemicals Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of I G Petrochemicals Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31<sup>st</sup> March 2021, and the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on

Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 ('the Act'). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
<p><b>Capitalisation of Property, Plant and Equipment</b></p> <p>During the year ended 31<sup>st</sup> March, 2021, the Company has incurred significant capital expenditure. Out of the total additions to Property, Plant and Equipment of Rs. 26,444.21 lakhs, significant part of the capitalisation pertain to PA4 plant. The plant has been successfully commissioned and capitalized during the year.</p> <p>Significant level of judgement is involved to ensure that the aforesaid capital expenditure/additions meet the recognition criteria of Ind AS 16 - Property, Plant and Equipment, specifically in relation to determination of trial run period and costs associated with trial runs for it to be ready for intended use.</p> <p>As a result, the aforesaid matter was determined to be a key audit matter</p>	<p>Our audit approach was a combination of test of internal controls and substantive procedures including:</p> <ul style="list-style-type: none"> <li>• Performing walk through of the capitalisation process and testing the design and operating effectiveness of the controls in the process.</li> <li>• Assessing the nature of additions made to property, plant and equipment and capital work- in-progress on a test check basis and carry out testing to ensure that they meet the recognition criteria as set out in para 16 to 22 of Ind AS 16, including any such costs incurred specifically for trial run.</li> <li>• Assessing that the borrowing cost capitalised (including foreign exchange to the extent it is considered as an adjustment to interest cost) is in accordance with the accounting policy of the Company.</li> <li>• Reviewing the project completion certificate provided by the management to determine whether the asset is in the location and condition necessary for it to be capable of operating in the manner intended by the management.</li> </ul>

### Emphasis of Matter

We draw your attention to Note No. 40 to the standalone financial statements, where the Company had shut down its manufacturing facilities in the last week of March 2020 due to the nationwide lockdown announced by the Government of India to contain the spread of Covid-19. It restarted its operations from mid April 2020 in a phased manner and gradually achieved normal level of production by end of May 2020. The Company has carried out a detailed study to assess the impact of Covid-19, including the second wave, on its liquidity position and on the recoverability and carrying values of its assets and has concluded that there is no significant impact on account of the same on its financial results as at 31<sup>st</sup> March 2021. The impact assessment of Covid-19 is a continuous process given the uncertainties associated with its nature and duration. The management will continue to monitor material changes to the future economic conditions which may have an impact on the operations of the Company.

Our opinion is not modified in respect of the above matter.

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance Report, and Shareholder Information, but does not include the standalone financial statements and our auditor's report thereon. This other information is expected to be made available to us after the date of this auditors' report.

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

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

When we read such other information as and when made available to us and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit / loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 SAs 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 standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider

quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

#### **Other Matters**

In view of the initial lockdown and ongoing lockdown most of the audit for the year was carried out online based on remote access of data, as provided by the management, instead of standard conventional Audit. This resulted in need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI). The Audit has been carried out based on the advisory on "Specific Considerations while conducting Distance Audit/ Remote Audit/ Online Audit under current Covid-19 situation" issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable, and are directly generated by the accounting system of the Company without any further manual modifications. Audit of the financial statements has been performed in the aforesaid conditions

Our opinion is not modified in respect of the above matter.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report 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 purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- (h) 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, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 31 to the standalone financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For UDAY & Co.**  
Chartered Accountants  
Firm's Registration No.  
004440S

**For SMMP & Company**  
Chartered Accountants  
Firm's Registration No.  
120438W

**K Sathyanarayanan**  
Partner  
Membership No. 203644  
UDIN : 21203644AAAAAL7764  
**Place:** Bengaluru  
**Date:** 24<sup>th</sup> May, 2021

**Chintan Shah**  
Partner  
Membership No. 166729  
UDIN : 21166729AAAAJS1076  
**Place:** Mumbai  
**Date:** 24<sup>th</sup> May, 2021

**Annexure - A to the Independent Auditors' Report**
**As referred to in paragraph 1 under ' Report on Other Legal and Regulatory Requirements' of our report of even date**

- (i) a) As per information and explanation provided to us and based on our examination of the records of the Company, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) According to information and explanation given to us, there is a regular programme of physical verification of the fixed assets by the management which in our opinion is reasonable having regard to the size of the Company and nature of its assets. As informed to us, no material discrepancies were noticed on such verification.
- c) As per information provided to us and to the best of our knowledge and belief, the title deeds of immovable properties are held in the name of the Company.
- (ii) As per information provided to us and to the best of our knowledge and belief, the physical verification of inventory has been conducted by the management at reasonable intervals. No material discrepancies have been noticed on physical verification of inventories as compared to book records.
- (iii) The Company has granted loan to one body corporate covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act").
- a) In our opinion, the rate of interest and other terms and conditions on which the loan had been granted to the body corporate listed in the register maintained under Section 189 of the Act were not, prima facie prejudicial to the interest of the Company.
- b) In case of the loan granted to the body corporate listed in the register maintained under Section 189 of the Act, the borrower have been regular in the payment of the principal and interest as stipulated.
- c) There is no overdue amount in respect of the loan granted to the body corporate listed in
- the register maintained under Section 189 of the Act.
- (iv) According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act.
- (v) According to the information and explanations given to us, during the financial year, the Company has not accepted deposits within the meaning of Section 73 to 76 of the Act. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a) According to the information provided and explanations given to us and based on our examination of the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. There are no material outstanding statutory dues existing as on the last day of the financial year which is outstanding for more than six months from the day these becomes payable.
- b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited on account of any dispute other than those indicated below :

<b>Name of the statute</b>	<b>Nature of disputed dues</b>	<b>Amount (₹ in lakhs)</b>	<b>Year to which demand relates</b>	<b>Forum, where dispute is pending</b>
Central Excise Act, 1944	Excise Duty	1,820.11	Various Years from 1997 to 2009	CESTAT
Income Tax Act, 1961	Income Tax	5,531.43#	Various Assessment Year from 1992-93 to 2018-19	Karnataka High Court / ITAT/ CIT (Appeals)

# After taking into consideration of the payments under protest / MAT adjustments.

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution, bank, Government or dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given to us and to the best of our knowledge and belief, the Company did not take any loan & did not raise money by way of initial public offer or further public offer during the year.
- (x) According to the information and explanations given to us and to the best of our knowledge and belief, no fraud by or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on examination of the record of the Company, the Company has paid / provided for the managerial remuneration in accordance with requisite approval mandated by the provisions of Section 197 read with schedule V to the Act.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has entered transactions, during the period, with the related parties as per the provisions of Section 177 and

188 of the Act, and wherever applicable the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For UDAY & Co.**  
Chartered Accountants  
Firm's Registration No.  
004440S

**For SMMP & Company**  
Chartered Accountants  
Firm's Registration No.  
120438W

**K Sathyanarayanan**  
Partner  
Membership No. 203644  
UDIN : 21203644AAAAAL7764  
**Place:** Bengaluru  
**Date:** 24<sup>th</sup> May, 2021

**Chintan Shah**  
Partner  
Membership No. 166729  
UDIN : 21166729AAAAJS1076  
**Place:** Mumbai  
**Date:** 24<sup>th</sup> May, 2021



**Annexure - B to the Independent Auditors' Report**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of I G Petrochemicals Ltd of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of I G Petrochemicals Limited ("the Company") as of 31<sup>st</sup> March, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 (ICAI). 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 its business, including adherence to 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 Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2021, based on the internal control over financial reporting 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.

**For UDAY & Co.**  
Chartered Accountants  
Firm's Registration No.  
004440S

**For SMMP & Company**  
Chartered Accountants  
Firm's Registration No.  
120438W

**K Sathyanarayanan**  
Partner  
Membership No. 203644  
UDIN : 21203644AAAAAL7764  
**Place:** Bengaluru  
**Date:** 24<sup>th</sup> May, 2021

**Chintan Shah**  
Partner  
Membership No. 166729  
UDIN : 21166729AAAAJS1076  
**Place:** Mumbai  
**Date:** 24<sup>th</sup> May, 2021

# Balance Sheet

as at 31<sup>st</sup> March, 2021

(₹ in lakhs)

Particulars	Notes	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>ASSETS</b>			
<b>Non Current assets</b>			
Property, Plant and Equipment	1	69,826.26	46,700.74
Right to Use Assets		103.85	175.43
Capital Work-In-Progress	1	4,057.78	26,722.91
Goodwill	1	201.14	201.14
Other Intangible Assets	1	26.24	55.31
		<b>74,215.27</b>	<b>73,855.53</b>
<b>Financial Assets</b>			
(i) Investments	2	4,820.23	4,359.15
(ii) Loans	3	3,899.87	1,044.22
(iii) Other Financial Assets	4	2,331.18	368.84
Non- Current Tax Assets (Net)		1,613.09	1,076.10
Other Non-Current Assets	5	806.95	1,008.06
<b>Total Non Current Assets</b>		<b>87,686.59</b>	<b>81,711.90</b>
<b>Current Aseets</b>			
Inventories	6	14,384.24	9,508.18
<b>Financial Assets</b>			
(i) Investments	7	1,000.00	1,155.51
(ii) Trade Receivables	8	19,874.96	14,334.47
(iii) Cash and Cash Equivalents	9(a)	748.93	152.42
(iv) Bank balances other than (iii) above	9(b)	3,598.62	3,427.61
(v) Loans	10	70.69	72.02
(vi) Other Financial Assets	11(a)	34.93	1,427.61
Other Current Assets	11(b)	983.16	1,163.07
<b>Total Current Assets</b>		<b>40,695.53</b>	<b>31,240.89</b>
<b>TOTAL</b>		<b>1,28,382.12</b>	<b>1,12,952.79</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	12	3,079.81	3,079.81
Other Equity	13	78,732.05	60,331.07
<b>Total Equity</b>		<b>81,811.86</b>	<b>63,410.88</b>
<b>Non Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	14	8,981.60	14,740.11
(ii) Other Financial Liabilities	15	952.51	2,043.90
Provisions	16	386.91	352.54
Deferred Tax Liabilities (Net)	17	6,963.91	6,290.65
<b>Total Non Current Liabilities</b>		<b>17,284.93</b>	<b>23,427.20</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	18	1.57	619.69
(ii) Trade Payables	19(a)	23,969.59	19,956.93
(iii) Other Financial Liabilities	19(b)	4,187.25	4,979.77
Other Current Liabilities	20	1,028.42	341.85
Provisions	21	98.50	216.47
<b>Total Current Liabilities</b>		<b>29,285.33</b>	<b>26,114.71</b>
<b>TOTAL</b>		<b>1,28,382.12</b>	<b>1,12,952.79</b>
<b>Significant Accounting Policies</b>	A		
Notes on Financial Statements	1-45		

As per our report of even date

**For Uday & Co.**

Chartered Accountants

**K. Sathyanarayanan**

Partner

Place: Bengaluru

Membership No: 203644

Firm's Registration No: 004440S

**For SMMP & Company**

Chartered Accountants

**Chintan Shah**

Partner

Place: Mumbai

Membership No: 166729

Firm's Registration No: 120438W

For and on behalf of the Board of Directors of

**I G Petrochemicals Limited****Nikunj Dhanuka**

Managing Director &amp; CEO

DIN: 00193499

Place: London

**Pramod Bhandari**

Chief Financial Officer

Place : Mumbai

**Rajesh Muni**

Independent Director

DIN: 00193527

Place: Mumbai

**Sudhir R Singh**

Company Secretary

Place: Mumbai

Date: 24<sup>th</sup> May, 2021

**Statement of Profit & Loss**for the year ended 31<sup>st</sup> March, 2021

(₹ in lakhs)

Particulars	Notes	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>INCOME</b>			
Revenue from Operations	22	1,12,361.88	1,05,858.02
Other Income	23	473.64	653.17
<b>Total Income</b>		<b>1,12,835.52</b>	<b>1,06,511.19</b>
<b>EXPENSES</b>			
Cost of Raw Materials Consumed	24	66,224.80	81,454.02
Changes In Inventories of Finished Goods and Work-in-Progress	25	(1,081.13)	262.03
Employee Benefits Expense	26	7,069.79	6,016.35
Finance Cost	27	1,455.70	1,595.43
Depreciation and Amortisation Expenses	1	3,410.37	2,990.01
Other Expenses	28	10,288.95	10,956.26
<b>Total Expenses</b>		<b>87,368.48</b>	<b>1,03,274.10</b>
<b>Profit before Exceptional Items &amp; Tax</b>		<b>25,467.04</b>	<b>3,237.09</b>
Less: Exceptional Items			
Investment on Liquidation of Subsidiary written off		1,041.09	-
Less: Provision made in earlier years		(979.45)	29.45
<b>Profit before Tax</b>		<b>25,405.40</b>	<b>3,207.64</b>
<b>Tax Expenses</b>	37		
Current Tax		5,780.47	374.24
Deferred Tax		673.26	729.00
<b>Profit for the year</b>		<b>18,951.67</b>	<b>2,104.40</b>
<b>Other Comprehensive Income / (Expenses)</b>			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plan - Gratuity		87.14	(71.59)
(ii) Income Tax relating to items that will not be reclassified to profit or loss		(21.93)	25.02
<b>Other Comprehensive Income For the Year</b>		<b>65.21</b>	<b>(46.57)</b>
<b>Total Comprehensive Income For the Year</b>		<b>19,016.88</b>	<b>2,057.83</b>
Earning per Equity Share:	29		
Face value of shares ₹ 10 each, (Previous Year: ₹ 10 each)			
Basic & Diluted - ₹		61.54	6.83
<b>Significant Accounting Policies</b>	A		
<b>Notes on Financial Statements</b>	1-45		

As per our report of even date

**For Uday & Co.**

Chartered Accountants

**For SMMP & Company**

Chartered Accountants

For and on behalf of the Board of Directors of

**I G Petrochemicals Limited****K. Sathyanarayanan**

Partner

Place: Bengaluru

Membership No: 203644

Firm's Registration No: 004440S

**Chintan Shah**

Partner

Place: Mumbai

Membership No: 166729

Firm's Registration No: 120438W

**Nikunj Dhanuka**

Managing Director &amp; CEO

DIN: 00193499

Place: London

**Rajesh Muni**

Independent Director

DIN: 00193527

Place: Mumbai

**Pramod Bhandari**

Chief Financial Officer

Place : Mumbai

**Sudhir R Singh**

Company Secretary

Place: Mumbai

Date: 24<sup>th</sup> May, 2021

## Statement of Changes in Equity

for the year ended 31<sup>st</sup> March, 2021

(₹ in lakhs)

Particulars	As at	As at
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>(A) Equity Share Capital</b>		
Opening Balance	3,079.81	3,079.81
Changes in Equity Share Capital	-	-
Closing Balance	<b>3,079.81</b>	<b>3,079.81</b>

**(B) Other Equity**

Particulars	Reserves and Surplus				Other Comprehensive Income	Total Other Equity
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings		
<b>Balance at 1<sup>st</sup> April, 2019</b>	<b>116.25</b>	<b>2,275.00</b>	<b>7,000.00</b>	<b>50,529.68</b>	<b>(127.54)</b>	<b>59,793.39</b>
Profit for the Year	-	-	-	2,104.40	-	2,104.40
Transaction Impact of Ind AS-116, net of Tax	-	-	-	(35.16)	-	(35.16)
Other Comprehensive Income, net of tax	-	-	-	-	(46.57)	(46.57)
Dividend Including Dividend -Distribution Tax	-	-	-	(1,484.99)	-	(1,484.99)
<b>Balance at 31<sup>st</sup> March, 2020</b>	<b>116.25</b>	<b>2,275.00</b>	<b>7,000.00</b>	<b>51,113.93</b>	<b>(174.11)</b>	<b>60,331.07</b>
Profit for the Year	-	-	-	18,951.67	-	18,951.67
Other Comprehensive Income, net of tax	-	-	-	-	65.21	65.21
Dividend	-	-	-	(615.90)	-	(615.90)
<b>Balance at 31<sup>st</sup> March, 2021</b>	<b>116.25</b>	<b>2,275.00</b>	<b>7,000.00</b>	<b>69,449.70</b>	<b>(108.90)</b>	<b>78,732.05</b>

As per our report of even date  
**For Uday & Co.**  
Chartered Accountants

**For SMMP & Company**  
Chartered Accountants

For and on behalf of the Board of Directors of  
**I G Petrochemicals Limited**

**K. Sathyanarayanan**  
Partner  
Place: Bengaluru  
Membership No: 203644  
Firm's Registration No: 004440S

**Chintan Shah**  
Partner  
Place: Mumbai  
Membership No: 166729  
Firm's Registration No: 120438W

**Nikunj Dhanuka**  
Managing Director & CEO  
DIN: 00193499  
Place: London

**Rajesh Muni**  
Independent Director  
DIN: 00193527  
Place: Mumbai

Date: 24<sup>th</sup> May, 2021

**Pramod Bhandari**  
Chief Financial Officer  
Place : Mumbai

**Sudhir R Singh**  
Company Secretary  
Place: Mumbai

## Cash Flow Statement

for the year ended 31<sup>st</sup> March, 2021

(₹ in lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before tax and Extraordinary Items</b>	25,405.40	3,207.64
Non -cash Adjustment to reconcile profit before tax to net cash flow:		
Depreciation / Amortisation Expenses	3,410.37	2,990.01
Impairment in the value of Investment in Subsidiary	61.64	29.45
Loss / (Profit) on Sale / Write off of Fixed Assets	4.62	13.24
Loss / (Profit) on Sale of Investments	(24.86)	(205.76)
Profit on Fair Value of Investment through Profit & Loss	(7.51)	(106.00)
Foreign Exchange Translation Difference Loss (Net)	(218.73)	370.55
Sundry Balances / Excess Provision Written Back	1.22	(19.81)
Interest Expense	1,066.34	1,087.85
Interest Income	(417.22)	(259.11)
Dividend Income	(0.49)	(0.59)
<b>Operating Profit Before Working Capital Changes</b>	<b>29,280.78</b>	<b>7,107.47</b>
<b>Movements in Working Capital</b>		
Increase / (decrease) in Trade Payables / Other Current liabilities	4,618.15	(3,669.26)
Decrease / (increase) in Trade receivables	(5,298.37)	3,851.16
Decrease / (increase) in Inventories	(4,876.06)	3,435.86
Decrease / (increase) in loans and advances	(2,982.98)	(1,570.03)
	<b>(8,539.26)</b>	<b>2,047.73</b>
<b>Cash Generated From/(Used In) Operations</b>	<b>20,741.52</b>	<b>9,155.20</b>
Direct Taxes Paid (Net of refunds)	(6,274.74)	(761.88)
<b>Net Cash Flow From / (Used In) Operating Activities</b>	<b>14,466.78</b>	<b>8,393.32</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets, including intangible assets, CWIP	(5,157.80)	(16,270.63)
Proceeds from Sale of Fixed Assets	15.88	43.23
Purchase of Investments	(334.84)	6,083.71
Interest Received	258.76	253.66
Dividend Received	0.49	0.59
<b>Net Cash Flow From / (Used In) Investing Activities</b>	<b>(5,217.51)</b>	<b>(9,889.44)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayments) of Long-term borrowings	(6,374.86)	6,035.82
Interest Paid	(1,058.68)	(1,045.75)
Dividend Paid	(601.10)	(1,457.28)
<b>Net Cash Flow From / (Used In) Financing Activities</b>	<b>(8,034.64)</b>	<b>3,532.79</b>
<b>Net Increase / (Decrease) (A+B+C)</b>	<b>1,214.63</b>	<b>2,036.67</b>
<b>Cash and Cash Equivalents (Opening Balance)</b>	<b>(467.27)</b>	<b>(2,503.94)</b>
<b>Cash and Cash Equivalents (Closing Balance)</b>	<b>747.36</b>	<b>(467.27)</b>

NOTE : 1. Previous year figures have been regrouped / reclassified wherever applicable.

As per our report of even date

**For Uday & Co.**

Chartered Accountants

**For SMMP & Company**

Chartered Accountants

For and on behalf of the Board of Directors of

**I G Petrochemicals Limited****K. Sathyanarayanan**

Partner

Place: Bengaluru

Membership No: 203644

Firm's Registration No: 004440S

**Chintan Shah**

Partner

Place: Mumbai

Membership No: 166729

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**Nikunj Dhanuka**

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DIN: 00193499

Place: London

**Rajesh Muni**

Independent Director

DIN: 00193527

Place: Mumbai

**Pramod Bhandari**

Chief Financial Officer

Place : Mumbai

**Sudhir R Singh**

Company Secretary

Place: Mumbai

Date: 24<sup>th</sup> May, 2021

## Significant Accounting Policies

### Note A :

#### (A) CORPORATE INFORMATION

I G Petrochemicals Limited (“the Company”) having CIN L51496GA1988PLC000915, is a public limited company incorporated in India with its registered office at T-10, 3<sup>rd</sup> Floor, Jairam Complex, Mala Neugi Nagar, Panaji, Goa - 403 001.

#### (B) BASIS OF PREPARATION

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under Section 133 of the Companies Act 2013 (“the Act”), read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, and on the basis of accounting principle of a going concern in accordance with generally accepted accounting principles (GAAP). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The financial statements are presented in lakhs or decimal thereof unless otherwise specified.

Items included in the financial statements of Company are measured using the currency of the primary economic environment in which the Company operates (“the functional currency”). Indian rupee is the functional currency of the Company.

All amounts are rounded to two decimal places to the nearest lakh, unless otherwise stated.

#### (C) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at acquisition cost net of recoverable taxes, trade discount and rebates less accumulated depreciation and accumulated impairment losses, if any.

##### Subsequent Cost

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

All other repairs and maintenance costs are charged to the Statement of Profit and Loss during the period in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

##### Capital Work In Progress

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as “Capital work-in-progress”.

##### Depreciation

Depreciation is calculated as per the estimated useful life of assets prescribed by the Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are Reviewed at each financial year end and adjusted prospectively, if appropriate with exception to the following :

- Depreciation on property, plant and equipment of Maleic Anhydride acquired in earlier year from Mysore Petro Chemicals Limited is provided based on the useful life determined by the valuer which is as follows:

Asset	Useful life as per valuer	Useful life as per Schedule II
Building	20 to 30 years	30 years
Furniture & fixtures	5 years	10 years
Vehicles	5 to 6 years	8 years
Plant & Equipment	20 years	8 to 20 years
Road	10 years	10 years

Catalyst used in the production process is amortized over a period of 3 years against useful life of 8 to 20 years as per schedule II, so as to expense out the cost over its estimated useful life based on a technical evaluation.

Freehold land is not depreciated and leasehold land is amortized over the period of lease.

#### (D) INTANGIBLE ASSETS AND GOODWILL

Separately purchased intangible assets are initially measured at cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date.



## Significant Accounting Policies

Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives.

Intangible assets comprising of Software are amortised on a straight line basis over its estimated useful life or maximum 5 years, whichever is less.

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any.

These assets are not amortised but are tested for impairment annually.

### (E) INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURE

Investments in subsidiaries and joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

### (F) OTHER INCOME

Insurance and other claims are accounted as and when unconditionally admitted by the appropriate authorities.

### (G) INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a weighted average basis. Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

### (H) BORROWING COST

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost, except in case of foreign currency borrowing which existed on the date of transition i.e. 1<sup>st</sup> April, 2016 from previous GAAP to Ind AS wherein Company continues to exercise the option in terms of para 46A inserted in the AS-11. The effects of change in Foreign Exchange rates. Consequently the loss/gain of foreign exchange on translation of foreign exchange borrowing continued to be capitalized.

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

### (I) FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial Assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value. In case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognized in the Statement of Profit and Loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at

- **Amortised cost**

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortization of EIR and loss arising from impairment, if any is recognized in the Statement of Profit and Loss.

- **Fair value through profit and loss (FVTPL)**

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured

## Significant Accounting Policies

at fair value with all changes in fair value, including interest income and dividend income if any, is recognised in the Statement of Profit and Loss.

- **Fair value through other comprehensive income (FVOCI)**

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income.

- **Fair value movements are recognized in the other comprehensive income (OCI)**

Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the Statement of Profit and Loss.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

### Trade Receivables and Loans

Trade receivables are held at realisable value net of any expected credit losses.

### Debt Instruments

Debt instruments are subsequently measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

- (a) **Measured at amortised cost**

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

- (b) **Measured at fair value through other comprehensive income**

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

- (c) **Cash and Cash Equivalents**

Cash and cash equivalents are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

- (d) **Measured at fair value through profit or loss**

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

### Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value. The Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

## Significant Accounting Policies

### Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

### Impairment of Financial Asset

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financial assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

### Financial Liabilities

#### Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

#### Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method.

### Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

## (J) PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised when the Company has a present obligation (legal or constructive)

as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The contingent liability is not recognized in books of account but its existence is disclosed in financial statements.

## (K) REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Ind AS 115 "Revenue from contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

- a) Identify the contracts with a customer.
- b) Identify the performance obligations.
- c) Determine the transaction price.
- d) Allocate the transaction price to the performance obligations.
- e) Recognise revenue when or as an entity satisfies performance obligation.

## Significant Accounting Policies

### Export incentive

Income from export incentives such as duty drawback and MEIS are recognised on accrual basis.

### Service Contract

Income from services rendered is recognised based on agreements / arrangements with the customers as the service is performed in proportion to the stage of completion of the transaction at the reporting date and the amount of revenue can be measured reliably.

### Interest Income

Interest income is recognized on accrual basis.

### Dividend Income

Dividend income on investments is recognised when the right to receive dividend is established.

### Insurance Claims

Insurance claim receivable is accounted for when amount of claim is finalized by insurance Company.

## (L) EMPLOYEE BENEFITS

### Defined contribution plans

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.

Company's provident fund contribution, in respect of certain employees, is made to an irrevocable trust set up by the Company and contribution to pension fund deposited with the Regional Provident Fund Commissioner and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

In respect of certain employee, provident fund contributions are made to a trust administered by the Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The liability in respect of the shortfall

of interest earnings of the Fund is determined on the basis of an actuarial valuation. The Company also provides for retirement/post-retirement benefits in the form of gratuity and leave pay.

### Defined benefit plans

For defined benefit plans, the amount recognised as 'Employee benefit expenses' in the Statement of Profit and Loss is the cost of accruing employee benefits promised to employees over the year and the costs of individual events such as past/future service benefit changes and settlements (such events are recognised immediately in the Statement of Profit and Loss). The amount of net interest expense calculated by applying the liability discount rate to the net defined benefit liability or asset is charged or credited to 'Employee benefit expense' in the Statement of Profit and Loss. Any differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

The defined benefit plan surplus or deficit on the Balance Sheet comprises the total for each plan of the fair value of plan assets less the present value of the defined benefit liabilities (using a discount rate by reference to market yields on government bonds at the end of the reporting period).

All defined benefit plans obligations are determined based on valuations, as at the Balance Sheet date, made by independent actuary using the projected unit credit method. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

### Termination benefits

Termination benefits, in the nature of voluntary retirement benefits or termination benefits arising from restructuring, are recognised in the Statement of Profit and Loss. The Company recognises termination benefits at the earlier of the following dates:

- (a) when the Company can no longer withdraw the offer of those benefits; or
- (b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

## Significant Accounting Policies

Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value

### Compensated absences

The employees of the Company are entitled to leave as per the leave policy of the Company. The liability in respect of unutilized leave balances is provided at the end of year and charged to the Statement of Profit and Loss.

### (M) IMPAIRMENT OF NON FINANCIAL ASSETS

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

Goodwill is tested annually for impairment.

### (N) INCOME TAXES

Income tax expense for the year comprises of current tax and deferred tax. Tax is recognised in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognised directly in equity or in other comprehensive income. In which case, the tax is also recognised in other comprehensive income or equity.

#### Current Tax

Current tax is the expected tax payable/receivable on the taxable income/loss for the year using

applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years. Interest income/expenses and penalties, if any, related to income tax are included in current tax expense.

#### Deferred Tax

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

### (O) FOREIGN CURRENCIES

The financial statements are presented in INR, the functional currency of the Company. In preparing the financial statement, transactions in currencies other than the entity's functional currencies (foreign currencies) are recognized at the rates of exchange prevailing at the dates of transactions. At the end of each reporting period, monetary items denominated in foreign currencies are restated at the rates prevailing at that date. Non monetary items that are measured



## Significant Accounting Policies

in terms of historical cost in a foreign currency are not restated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for :

Exchange differences on translations or settlement of long term foreign currency monetary items in respect of loans borrowed before 1<sup>st</sup> April, 2016 at rates different from those at which they were initially recorded or reported in the previous financial statements, in so far as it relates to acquisition of depreciable assets, are adjusted to the cost of the assets and depreciated over remaining useful life of such assets. In other cases of long term foreign currency monetary items, these are accumulated in "Foreign currency monetary item translation difference" and amortised by recognition as income or expense in each period over the balance term of such items till settlement occurs but not beyond 31<sup>st</sup> March, 2021.

Exchange difference on foreign currency borrowing relating to assets under construction for future productive use are included in the cost of those assets to the extent they are regarded as an adjustment to interest cost.

### (P) EARNINGS PER SHARE

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

### (Q) BUSINESS COMBINATION

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are

recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss.

Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

### (R) LEASES

The Company has adopted Ind AS 116-Leases effective 1<sup>st</sup> April, 2019 using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognized on the date of initial application (1<sup>st</sup> April, 2019). Accordingly previous period information has not been restated.

The Company's lease asset classes primarily consist of leases for Buildings. The Company assesses whether a contract is or contains a lease, at inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset,
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for



## Significant Accounting Policies

leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments.

The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrences of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payment have been classified as financing cash flows.

# Notes

## to the financial statements for the year ended 31<sup>st</sup> March, 2021

### 1 PROPERTY, PLANT AND EQUIPMENT

Particulars	(₹ in lakhs)													
	Freehold Land	Leasehold Land	Buildings	Plant & Equipments	Office Equipments	Furniture & Fixtures	Vehicles	Catalyst	Total	Intangible Assets (Computer Software)	Goodwill	Right to Use Assets	Improvement Assets	Capital work-in-progress (Refer Note-2)
<b>Gross Carrying Amount</b>														
At 1 <sup>st</sup> April, 2020	233.87	4,524.84	3,431.76	81,393.86	462.89	1,018.32	918.32	2,244.97	94,228.83	158.79	201.14	429.74	-	26,722.91
Additions	-	-	780.54	24,829.34	16.65	6.00	71.30	740.38	26,444.21	-	-	-	11.53	3,613.21
Disposal	-	-	-	(4.01)	(0.44)	-	(38.93)	(502.53)	(545.91)	-	-	-	-	(26,278.34)
<b>At 31<sup>st</sup> March, 2021</b>	<b>233.87</b>	<b>4,524.84</b>	<b>4,212.30</b>	<b>1,06,219.19</b>	<b>479.10</b>	<b>1,024.32</b>	<b>950.69</b>	<b>2,482.82</b>	<b>1,20,127.13</b>	<b>158.79</b>	<b>201.14</b>	<b>429.74</b>	<b>11.53</b>	<b>4,057.78</b>
<b>Accumulated Depreciation</b>														
At 1 <sup>st</sup> April, 2020	-	298.07	1,531.75	43,287.86	360.23	539.74	320.12	1,190.32	47,528.09	103.48	-	254.31	-	-
Depreciation for the year	-	59.05	113.25	2,326.11	33.85	67.78	102.77	595.38	3,298.19	29.07	-	80.71	2.40	-
Disposal	-	-	-	(0.74)	(0.40)	-	(21.74)	(502.53)	(525.41)	-	-	-	-	-
<b>At 31<sup>st</sup> March, 2021</b>	<b>-</b>	<b>357.12</b>	<b>1,645.00</b>	<b>45,613.23</b>	<b>393.68</b>	<b>607.52</b>	<b>401.15</b>	<b>1,283.17</b>	<b>50,300.87</b>	<b>132.55</b>	<b>-</b>	<b>335.02</b>	<b>2.40</b>	<b>-</b>
<b>Net Carrying Amount</b>														
At 1 <sup>st</sup> April, 2020	233.87	4,226.77	1,900.01	38,106.00	102.66	478.58	598.20	1,054.65	46,700.74	55.31	201.14	175.43	-	26,722.91
<b>At 31<sup>st</sup> March, 2021</b>	<b>233.87</b>	<b>4,167.72</b>	<b>2,567.30</b>	<b>60,605.96</b>	<b>85.42</b>	<b>416.80</b>	<b>549.54</b>	<b>1,199.65</b>	<b>69,826.26</b>	<b>26.24</b>	<b>201.14</b>	<b>94.72</b>	<b>9.13</b>	<b>4,057.78</b>

#### Notes :

- Buildings include ₹ 250/- (Previous year ₹ 250/-) for shares issued in favor of the Company having office premises in a co-operative society.
- Capital work in Progress & Addition to fixed Assets includes Property, Plant & Equipment under construction ₹ 3,709.36 lakhs (Previous year - ₹ 23,553.68 lakhs), Machinery Spares Stock ₹ 194.48 lakhs (Previous year - ₹ 1,365.60 lakhs) and preoperative expenses and trial run expenses incurred during the year in the form of Employee Benefits expense of ₹ 396.71 lakhs (Previous year ₹ 368.96 lakhs), Rates & Taxes - ₹ 4.76 lakhs (Previous year ₹ 11.40 lakhs), Interest & Finance Expenses ₹ 724.93 lakhs (Previous year - ₹ 1,167.85 lakhs), Insurance Premium ₹ 44.48 lakhs (Previous year - ₹ 18.31 lakhs), Power, Fuel & Water Charges ₹ 436.02 Lakhs (Previous year ₹ 182.98 lakhs), Raw materials consumed ₹ 2807.71 lakhs (Previous year Nil), Stores and packing material consumed ₹ 41.75 lakhs (Previous year Nil), Repair & Maintenance ₹ 33.31 lakhs (Previous year Nil), Selling expenses ₹ 124.72 lakhs (Previous year Nil), Depreciation ₹ 477.1 lakhs (Previous year Nil) and Miscellaneous Expenses ₹ 31.63 lakhs (Previous year - ₹ 54.14 lakhs) Less Sale of Finished Goods ₹ 5,066.00 lakhs (Previous year Nil) and Other operating income ₹ 5.62 lakhs (Previous year Nil).

#### Goodwill

The Company tests goodwill annually for impairment

Goodwill was recognised from business combination during the year ended 31<sup>st</sup> March, 2018 and represents difference of purchase consideration paid & allocation to Identified Assets & Liabilities as per Valuer's Report on acquiring manufacturing unit of Maleic anhydride. The estimated value-in-use of the Unit is based on the future cash flows using at 2% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 17%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the Unit would decrease below its carrying amount.

- Pursuant to the amendment to the Companies (Accounting Standards) Rules 2006 by notification dated 29<sup>th</sup> December 2011 issued by the Ministry of Corporate Affairs and exemption allowed vide D1334A of Ind AS-101 first time adoption of Ind AS, the Company continues to exercise the option in terms of Para 46A inserted in the Standard for long term foreign currency monetary assets and liabilities. Consequently the loss of foreign exchange of ₹ 83.34 lakhs for the year and loss of foreign exchange ₹ 1,168.76 lakhs as on 31<sup>st</sup> March 2021 has been capitalised.

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021

### 2 NON-CURRENT INVESTMENTS

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Investment at Cost</b>		
<b>Unquoted</b>		
<b>Investment in Equity Instruments (Fully Paid-up)</b>		
17,610 (Previous year - 17,610) shares of ₹ 100 each in Cosmos Co-operative Bank Ltd.	17.61	17.61
2,94,348 (Previous year - 2,94,348) Share of AED 100 each in IGPL International Limited (wholly owned subsidiary)	5,278.58	5,278.58
Less: Written off / Provision	(1,041.09)	(979.45)
Nil (Previous year - 37) Share of AED 150,000 each in IGPL (FZE) (wholly owned subsidiary)	-	35.16
<b>Total Non Current Investment at Cost</b>	<b>4,255.10</b>	<b>4,351.90</b>
<b>Investment measured at Fair Value through Profit &amp; Loss</b>		
<b>Investment in Mutual Funds (Fully Paid-up)</b>		
40,537.392 (Previous year - 40,537.392) units of ₹ 10 each in Principal Mutual Fund	11.48	7.25
<b>Investment in Debentures (Fully Paid-up)</b>		
50 (Previous year - NIL) 8.75% Debentures of Muthooth FinCorp Limited of ₹ 10,00,000 each (Maturity date of above Debentures is 21 <sup>st</sup> March, 2023)	<b>500.00</b>	-
5 (Previous year - Nil) 7.99% Debentures of L&T Infra Debt Fund Limited of ₹ 10,00,000 each. (Maturity date of above Debentures is 6 <sup>th</sup> October, 2023)	<b>53.65</b>	-
<b>Total Non Current Investment measured at Fair Value through Profit &amp; Loss</b>	<b>565.13</b>	<b>7.25</b>
<b>Total Non Current Investments</b>	<b>4,820.23</b>	<b>4,359.15</b>
Aggregate amount of unquoted Investments	4,820.23	4,359.15

### 3 NON-CURRENT - FINANCIAL ASSETS

<b>(Unsecured, Considered Good)</b>		
Loan to Wholly Owned Subsidiary	3,899.87	1,044.22
	<b>3,899.87</b>	<b>1,044.22</b>

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021**4 NON-CURRENT - OTHER FINANCIAL ASSETS**

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Deposits – Others	120.96	117.03
Loans to Employees	99.54	128.72
Fixed Deposits with Banks with a maturity period of above 12 months	2,039.25	52.86
Security Deposit – Related Party (Refer Note No. 33)	71.43	70.23
	<b>2,331.18</b>	<b>368.84</b>

**5 OTHER NON CURRENT ASSETS**

Capital Advances for Purchase of Property, Plant and Equipment	50.61	197.95
Other Advances (Deposit with Government Authorities, etc.)	756.34	810.11
	<b>806.95</b>	<b>1,008.06</b>

**6 INVENTORIES**

(at lower of cost and net realisable value)		
Raw Materials	3,398.56	3,752.94
Raw Materials in transit	2,412.63	284.09
Stores and Spares	5,113.96	3,093.19
Work - in- Progress	591.79	997.16
Finished Goods	2,867.30	1,380.80
	<b>14,384.24</b>	<b>9,508.18</b>

**7 CURRENT INVESTMENTS**

<b>Unquoted</b>		
<b>Investment measured at Fair Value through Profit &amp; Loss</b>		
<b>Investment in Mutual Funds - (Fully Paid-up)</b>		
Nil (Previous year- 10,00,000) Units of Indostar Capital Finance Ltd ₹ 100 each	-	1,155.51
<b>Investment with Portfolio Management Service provider</b>		
Avendus Absolute Return Strategy (PMS)	1,000.00	-
<b>Total Current Investment</b>	<b>1,000.00</b>	<b>1,155.51</b>
Aggreagte amount of unquoted Investments	1,000.00	1,155.51

# Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021

## 8 TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Unsecured, Considered Good	19,882.94	14,338.33
Less: Provision for doubtful debts	(7.98)	(3.86)
	<b>19,874.96</b>	<b>14,334.47</b>

## 9 CASH AND CASH EQUIVALENTS

(a) Cash in hand	2.99	3.43
Balance with Scheduled Banks		
In Current Accounts	745.94	148.99
	<b>748.93</b>	<b>152.42</b>
(b) Other Bank Balances		
In Fixed Deposits (Held with Scheduled Banks as Margin)	2,001.88	1,071.35
In Deposits with Maturity of less than 12 Months	1,431.10	2,205.67
In Fixed Deposits (Provided to Government Department as Security)	1.17	1.04
In Margin Money Accounts	0.12	-
In Unpaid Dividend Account	164.35	149.55
	<b>3,598.62</b>	<b>3,427.61</b>
	<b>4,347.55</b>	<b>3,580.03</b>

## 10 CURRENT-FINANCIAL ASSETS - LOANS

Loan to Employees	70.69	72.02
	<b>70.69</b>	<b>72.02</b>

## 11 (a) CURRENT ASSETS - OTHER FINANCIAL ASSETS

Advances recoverable in cash or kind or for value to be received		
- Considered Good	34.93	33.94
Balance with GST Authorities	-	1,393.67
	<b>34.93</b>	<b>1,427.61</b>

## 11 (b) OTHER CURRENT ASSETS

Prepayment	401.94	632.34
Export Incentive Receivable	230.56	318.71
Advances to Suppliers	350.66	212.02
	<b>983.16</b>	<b>1,163.07</b>

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021**12 EQUITY SHARE CAPITAL**

(₹ in lakhs)

Particulars	As at	As at
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Authorised</b>		
4,00,00,000 (Previous year - 4,00,00,000) Equity Shares of ₹ 10/- each	4,000.00	4,000.00
10,00,000 (Previous year- 10,00,000) Preference Share of ₹ 100/- each	1,000.00	1,000.00
	<b>5,000.00</b>	<b>5,000.00</b>
<b>Issued</b>		
3,08,01,350 (Previous year- 3,08,01,350) Equity Shares of ₹ 10/- each	3,080.14	3,080.14
<b>Subscribed and Paid-up</b>		
3,07,94,850 (Previous year - 3,07,94,850) Equity Shares of ₹ 10/- each	3,079.49	3,079.49
Add: Amount paid-up on 6,500 shares forfeited	0.32	0.32
	<b>3,079.81</b>	<b>3,079.81</b>

The reconciliation of the number of shares outstanding is set out below

Particulars	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	3,07,94,850	3,07,94,850
Add : Shares Issued during the year	-	-
Equity Shares at the end of the year	3,07,94,850	3,07,94,850

The Details of Shareholders holding more than 5% Shares in the company

Name of the Shareholder	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	No. of Shares	%	No. of Shares	%
Gembel Trade Enterprises Ltd.	23,80,489	7.73	26,66,491	8.66
Kamrup Enterprises Ltd.	33,21,401	10.79	33,21,401	10.79
Mysore Petrochemicals Ltd.	40,75,000	13.23	40,75,000	13.23
Savita Investment Co.Ltd.	19,33,414	6.28	19,33,414	6.28
Shekhawati Investment Co. Ltd.	31,00,425	10.07	31,00,425	10.07
Vincent (India) Ltd.	48,89,927	15.88	48,89,927	15.88



## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021

(₹ in lakhs)		
<b>13 OTHER EQUITY</b>	<b>As at</b>	<b>As at</b>
<b>Particulars</b>	<b>31<sup>st</sup> March, 2021</b>	<b>31<sup>st</sup> March, 2020</b>
<b>Capital Reserve</b>		
Balance as per last Balance Sheet	116.25	116.25
<b>Securities Premium Reserve</b>		
Balance as per last Balance Sheet	2,275.00	2,275.00
<b>General Reserve</b>		
Balance as per last Balance Sheet	7,000.00	7,000.00
<b>Retained Earning</b>		
Opening Balance at the beginning of the year	51,113.93	50,529.68
Transaction Impact of Ind AS-116, net of Tax	-	(35.16)
Add : Profit for the year	18,951.67	2,104.40
	<b>70,065.60</b>	<b>52,598.92</b>
Less : Appropriation		
Equity dividend	615.90	1,231.79
Tax on Dividend	-	253.20
	<b>69,449.70</b>	<b>51,113.93</b>
<b>Other Comprehensive Income (OCI)</b>		
As per Last Balance Sheet	(174.11)	(127.54)
Add : Movement in OCI (Net) during the year	65.21	(46.57)
	<b>(108.90)</b>	<b>(174.11)</b>
<b>Total Other Equity</b>	<b>78,732.05</b>	<b>60,331.07</b>

### **14 NON-CURRENT-FINANCIAL LIABILITIES-BORROWINGS**

<b>Secured Loans</b>		
Term Loan - Rupee Term Loan from a Bank	-	4,142.84
External Commercial Borrowing	8,981.60	10,597.27
	<b>8,981.60</b>	<b>14,740.11</b>

- i The Company has availed two External Commercial Borrowings (ECB) and both are payable in 17 equal semi-annual instalments from their respective due dates which are 15<sup>th</sup> September, 2013 and 29<sup>th</sup> November, 2019. The ECBs are secured by the first pari-pasu charge on the fixed movable assets (other than current assets) and registered mortgage on immovable properties of the Company by way of first pari-passu charge.
- ii Term Loan was secured by the first pari-passu charge by way of hypothecation of movable fixed assets of the Company including but not limited to plants, machinery, equipment, etc. and second pari-passu charge by way of hypothecation on all current assets of the Company including but not limited to book debts, stocks and all other current assets of the Company. The loan was also secured by mortgage of immovable properties of the Company by way of first pari-passu charge and Personal Guarantee of two Directors of the Company. The loan was repaid in full on 15<sup>th</sup> January, 2021.

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021**15 NON-CURRENT FINANCIAL LIABILITIES**

(₹ in lakhs)

Particulars	As at	As at
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Due to Related Party (Refer Note No. 33)	919.00	1,922.00
Right to Use Assets	33.51	121.90
	<b>952.51</b>	<b>2,043.90</b>

**16 LONG TERM PROVISIONS**

Provision for Leave Encashment	386.91	352.54
	<b>386.91</b>	<b>352.54</b>

**17 DEFERED TAX LIABILITIES (NET)**

Deferred Tax Assets :		
Provision allowed under tax on payment basis	(21.04)	42.50
	<b>(21.04)</b>	<b>42.50</b>
Deferred Tax Liabilities :		
Property, Plant & Equipments	6,922.52	6,380.94
Financial Assets	20.35	(47.79)
	<b>6,942.87</b>	<b>6,333.15</b>
Net Deferred Tax Liability (Net)	<b>6,963.91</b>	<b>6,290.65</b>
The movement on the deferred Tax account is as under:		
At the beginning of the year	6,290.65	5,561.65
Charge to statement of Profit & Loss (Net)	673.26	729.00
At the end of the year	<b>6,963.91</b>	<b>6,290.65</b>

**18 CURRENT FINANCIAL LIABILITIES - BORROWINGS**

<b>Secured</b>		
Bank Borrowings	1.57	619.69
	<b>1.57</b>	<b>619.69</b>

- i Bank borrowings are secured by first pari passu charge on the entire current assets of the Company and second pari passu charge on the entire movable fixed assets of the Company amongst Working Capital lenders under consortium banking arrangement. The loan is also secured by mortgage of immovable properties of the Company by way of second charge and Personal Guarantee of two Directors of the Company.

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021

### 19 (a) CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Dues of Micro, Medium and Small Enterprises	113.32	49.15
Dues of creditors other than Micro, Medium and Small Enterprises	23,856.27	19,907.78
	<b>23,969.59</b>	<b>19,956.93</b>

Dues to parties covered under the Micro, Small and Medium Enterprises as per MSMED Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditor.

### 19 (b) OTHER FINANCIAL LIABILITIES - OTHER

Unpaid Dividend (shall be credited to Investor Education and Protection Fund as and when due)	164.35	149.55
Security Deposits	3.50	3.50
Current maturities of long term Secured debts		
- External Commercial Borrowing	2,167.84	2,647.00
- Due to Related Party - Refer Note No. 33	1,630.01	1,662.23
Right to Use Assets	88.39	89.15
Interest Accrued But not Due on Loans	53.84	46.18
Book Overdraft	57.50	18.77
Other Liabilities	21.82	363.39
	<b>4,187.25</b>	<b>4,979.77</b>

### 20 OTHER CURRENT LIABILITIES

Advance from Customers	1.17	33.36
Statutory Dues & Taxes payable	1,027.25	308.49
	<b>1,028.42</b>	<b>341.85</b>

### 21 SHORT TERM PROVISIONS

Provision for Leave Encashment	79.72	84.60
Provision for Gratuity	18.78	131.87
	<b>98.50</b>	<b>216.47</b>

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021**22 REVENUE FROM OPERATIONS**

(₹ in lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>Sale of products</b>		
Finished Goods	1,12,113.26	1,05,158.39
Other Operating Revenues	248.62	699.63
	<b>1,12,361.88</b>	<b>1,05,858.02</b>

**23 OTHER INCOME**

<b>Interest</b>		
- Bank Deposits	264.62	121.94
- Others	152.60	137.17
Profit on Fair Value of Investment through Profit & Loss	7.51	106.00
Profit on Sale of Investments	24.86	205.76
Dividend Received	0.49	0.59
Insurance Claim Received	-	44.18
Other Non Operating Income	23.56	37.53
	<b>473.64</b>	<b>653.17</b>

**24 COST OF RAW MATERIALS CONSUMED**

Opening Stock	3,752.94	5,994.44
Add: Purchases (Net)	65,870.42	79,212.52
	<b>69,623.36</b>	<b>85,206.96</b>
Less: Closing Stock	3,398.56	3,752.94
	<b>66,224.80</b>	<b>81,454.02</b>

**25 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK -IN-PROGRESS**

Opening Inventories		
Work - in- Progress	997.16	1,118.89
Finished Goods	1,380.80	1,521.10
Closing Inventories		
Work - in- Progress	591.79	997.16
Finished Goods	2,867.30	1,380.80
	<b>(1,081.13)</b>	<b>262.03</b>

# Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021

## 26 EMPLOYEE BENEFIT EXPENSE

(₹ in lakhs)

Particulars	Year ended	Year ended
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Salaries, Wages and Bonus	6,007.95	4,999.35
Contribution to Provident and Other Funds	276.68	272.21
Gratuity Expenses	81.05	59.53
Staff Welfare Expenses	704.11	685.26
	<b>7,069.79</b>	<b>6,016.35</b>

## 27 FINANCE COST

Interest		
- on Term Loans	431.38	215.58
- on Others	634.96	872.27
Bills Discounting and Bank Charges	389.36	507.58
	<b>1,455.70</b>	<b>1,595.43</b>

## 28 OTHER EXPENSES

Consumption of Stores, Spares and Consumables	302.62	261.64
Consumption of Packing Materials	695.04	630.25
Power, Fuel and Water charges	2,495.90	2,530.12
Repairs and Maintenance		
Plant and Equipments	1,760.75	2,176.09
Buildings	31.12	31.38
Others	26.67	48.66
Insurance Premium	530.77	419.79
Rent	5.68	5.98
Rates and Taxes	85.30	268.54
Selling Expenses		
Brokerage and Commission	220.90	42.37
Freight outward	2,645.55	2,445.45
Port charges	75.07	99.26
Other selling expenses	99.34	127.36
Directors' Sitting Fees & Commission	286.77	47.05
Payment to Auditors (Refer Note 28.1)	18.16	20.45
Travelling & Conveyance	310.68	666.00
Legal & Professional fees	300.82	367.30
Foreign Exchange Translation Difference	(218.73)	370.55
Communication Cost	18.32	28.65
CSR Expenditure (Refer Note 41)	302.24	32.82
Loss /(Profit) on Sale of Fixed Assets	1.34	13.24
Provision for Doubtful Debtors	4.12	(2.87)
Miscellaneous Expenses	290.52	326.18
	<b>10,288.95</b>	<b>10,956.26</b>

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021

### 28.1 PAYMENTS TO AUDITORS

(₹ in lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
Audit Fees (Including Fee for Limited review)	18.00	18.00
For other matters	-	0.50
Reimbursement of Expenses	0.16	1.95
	<b>18.16</b>	<b>20.45</b>

### 29 EARNING PER SHARE OF ₹ 10 EACH (EPS)

Profit after tax as per Statement of Profit & Loss	18,951.67	2,104.40
Weighted average No. of Shares in calculating basic and diluted EPS	3,07,94,850	3,07,94,850
<b>Earning per Share</b>		
Basic & Diluted - ₹	<b>61.54</b>	<b>6.83</b>

### 30 CAPITAL COMMITMENT

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances.	474.66	1,203.85

### 31 CONTINGENT LIABILITIES

Contingent Liabilities not provided for		
a. Disputed Excise & Service tax matters		
i) Cases decided in favour of the Company which are taken further in appeal before the appellate authorities by the department. (Deposit under Protest ₹ NIL, (Previous year ₹ NIL).	750.87	750.87
ii) Other Matters for which the Company is in appeal. (Deposits paid under protest ₹ 735.53 lakhs (Previous year ₹ 794.57 lakhs)	735.53	794.57
iii) Show Cause Notices received (Deposits paid under protest ₹ 15.55 lakhs (Previous year ₹ 15.55 lakhs)	333.71	454.92
b. Claim against the Company not acknowledged as Debt.	189.29	29.63
c. Income Tax matters under dispute for various years due to additions/disallowances.	5,984.23	5,742.07
d. Electricity Duty Disputed, writ petition has been filed before the Mumbai High Court through Captive Power Producers Association and stay has been granted.	1,949.58	1,606.37

The Management is confident that the matters will be in favour of the company as per legal opinions obtained / legal precedents.

Future cash outflows in respect of above items are determinable only on receipt of judgments / decisions pending at various forums/authorities.



## Notes

### to the financial statements for the year ended 31<sup>st</sup> March, 2021

- e. The Board at its meeting held on 24<sup>th</sup> May, 2021 considered and recommended a dividend @75% i.e. ₹ 7.50/- per share of ₹ 10/- each for the financial year 2020-21 amounting to ₹ 2,309.61 lakhs. (Previous Year @ 20% i.e. ₹ 2/- per share taken as deduction under Reserves & Surplus) subject to approval of the members of the Company.
- f. Workmen's Union Demand of the Company at Plant with effect from 1<sup>st</sup> June, 2020 is under negotiation, amount presently not ascertainable.

### **32** SEGMENT INFORMATION

#### Primary Business Segment

The Company is exclusively engaged in a single business segment of manufacture and sale of organic chemicals and accordingly this is the only primary reportable segment.

#### Geographical Segments

Secondary segmental reporting is based on the geographical location of customer. The geographical segments have been disclosed based on revenues within India (sales to Customers within India) and revenues outside India (sales to customers located outside India). Secondary segment assets and liabilities are based on the location of such asset/liability.

Information about Secondary Geographical Segments

(₹ in lakhs)

Segment Information	Year ended 31 <sup>st</sup> March, 2021			Year ended 31 <sup>st</sup> March, 2020		
	India	Outside India	Total	India	Outside India	Total
Revenue	1,03,092.45	9,269.43	1,12,361.88	90,360.05	15,497.97	1,05,858.02
Carrying amount of segment assets	1,17,331.43	11,050.69	1,28,382.12	1,02,764.26	10,188.53	1,12,952.79
Carrying amount of segment liabilities	30,499.38	16,070.88	46,570.26	31,366.94	18,174.97	49,541.91
Additions to Property, Plant & Equipment	26,455.74	-	26,455.74	11,430.52	-	11,430.52

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021

### 33 RELATED PARTY DISCLOSURE

Names of other related parties with whom transactions have taken place during the year	
a. Key Management Personnel	Shri Nikunj Dhanuka - Managing Director & CEO Shri J K Saboo- Executive Director Shri M M Dhanuka- Chairman Shri Rajesh Muni- Director Dr. A K A Rathi- Director Dr. Vijayanti Pandit- Director Shri Pramod Bhandari- Chief Financial Officer Shri Sudhir R Singh - Company Secretary
b. Relatives of key management personnel	Shri Mayank Dhanuka – Son of Chairman Shri Umang Dhanuka – Brother of Managing Director & CEO Shri Arpan Dhanuka – Son of Managing Director & CEO Smt. Bina Devi Dhanuka – Spouse of Chairman Smt. Raj Kumari Dhanuka – Mother of Managing Director & CEO Smt. Neha Dhanuka - Daughter in law of Chairman
c. Enterprises Over which Key Management personnel and their relatives can exercise control	Mysore Petro Chemicals Limited Savita Investment Company Limited
d. Subsidiary Company	IGPL International Limited (Wholly owned Subsidiary)

#### Notes :

- The related party relationships have been determined on the basis of the requirements of the Indian Accounting Standard (Ind AS -24) “ Related party disclosures” and the same have been relied upon by auditors.
- The relationships as mentioned above pertain to those related parties with whom transactions have taken place during the year, except where control exist, in which case the relationships have been mentioned irrespective of the transactions with the relatives.

# Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021

Transactions carried out and year end balances with related parties referred in above, in ordinary course of business are as under:

		(₹ in lakhs)			
Sr.	Nature of Transaction	Related parties referred to in			
		i(a) above	i(b) above	i(c) above	i(d) above
<b>1</b>	<b>Income</b>				
	Sale of Goods (Including Taxes)	-	-	<b>2,544.66</b>	-
		(-)	(-)	(1,433.24)	(-)
	Interest Charged	-	-	-	<b>142.58</b>
		(-)	(-)	(-)	(22.24)
	Rent Received ( Including Taxes)	-	-	15.46	-
		(-)	(-)	(-)	(-)
<b>2</b>	<b>Expenses</b>				
	Remuneration	<b>751.95</b>	<b>237.69</b>	-	-
		(388.84)	(233.72)	(-)	(-)
	Directors Sitting Fees & Commission	<b>286.77</b>	-	-	-
		<b>(47.05)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>
	Interest	-	-	<b>302.72</b>	-
		(-)	(-)	(346.93)	(-)
	Rent (Including Taxes)	-	<b>10.16</b>	<b>113.39</b>	-
		(-)	(8.40)	(88.85)	(-)
<b>3</b>	<b>Loans given during the year</b>	-	-	-	<b>2,624.72</b>
		(-)	(-)	(-)	<b>(837.68)</b>
<b>4</b>	<b>Investment (Net of Impairment)</b>	-	-	-	<b>4,237.49</b>
		(-)	(-)	(-)	(4,334.28)
<b>5</b>	<b>Amount Payable at year end</b>				
	Against Purchase of MA Unit	-	-	<b>2,549.01</b>	-
		(-)	(-)	(3,584.23)	(-)
<b>6</b>	<b>Amount Receivable at year end</b>				
	Security Deposit	-	<b>2.40</b>	<b>69.03</b>	-
		(-)	(1.20)	(69.03)	(-)
	Other Receivable	-	-	-	<b>3,899.87</b>
		(-)	(-)	(-)	(1,044.22)

Note: Amount in bracket represents figures for previous year.

Key managerial personnel related to retirement benefits (i.e. gratuity) are recognised under employee benefit expenses in Statement of Profit and Loss with other employees gratuity cost of the company based on the actuarial valuation carried out by independent actuary.

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021**34 EMPLOYEE BENEFITS****i. General Description of defined benefit plan**

The Gratuity scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss account and the funded status and amounts recognized in the balance sheet.

(₹ in lakhs)

Particulars	Gratuity (funded) 31 <sup>st</sup> March, 2021	Gratuity (funded) 31 <sup>st</sup> March, 2020
<b>a Statement of Profit and Loss</b>		
Net employee benefit expense (recognized in Personnel Expenses in Note 26)		
Current service cost	77.43	57.44
Net Interest cost on benefit obligation	3.62	2.09
Past service cost	-	-
Net Benefit / Cost	81.05	59.53
<b>b Net employee benefit expense (recognized in Profit &amp; Loss and other Comprehensive Income)</b>		
Amount recognised in Profit & Loss account	81.05	59.53
Amount recognised in Other Comprehensive Income	(87.14)	71.59
Total Expenses / (Income) Recognized for the year	(6.09)	131.12
<b>c Balance sheet</b>		
Details of Provision for gratuity		
Defined benefit obligation	1,306.28	1,343.39
Fair value of plan assets	1,287.50	1,211.52
Less: Unrecognized past service cost		
Amount Recognised in the Balance Sheet	(18.78)	(131.87)
<b>d Changes in the present value of the defined benefit obligation are as follows:</b>		
Opening defined benefit obligation	1,343.39	1,171.48
Interest cost	85.40	86.03
Current service cost	77.43	57.44
Benefits paid	(111.42)	(39.62)
Actuarial (gains) / losses on obligation	(88.51)	68.06
Past service cost	-	-
Closing defined benefit obligation	1,306.29	1,343.39
<b>e Changes in the fair value of plan assets are as follows:</b>		
Opening fair value of plan assets	1,211.52	1,080.31
Contributions by employer	81.78	83.94
Benefits paid	(4.43)	50.80
Actuarial gains / (losses)	(1.37)	(3.53)
Closing fair value of plan assets	1,287.50	1,211.52

# Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021

(₹ in lakhs)

Particulars	<b>Gratuity (funded) 31<sup>st</sup> March, 2021</b>	<b>Gratuity (funded) 31<sup>st</sup> March, 2020</b>
<b>f Maturity Profile of defined benefit Plan assets</b>		
Within next 12 months (next annual reporting period)	193.87	241.63
Between 2 and 5 years	521.85	358.34
Between 6 and 10 years	786.03	800.32
<b>g Quantitative sensitivity analysis for significant assumption is as below</b>		
<b>Increase / decrease on present value of defined benefits obligation at the end of the year</b>		
One percentage point increase in discount rate	(74.60)	(76.72)
One percentage point decrease in discount rate	80.25	82.53
One percentage point increase in rate of salary	58.50	60.16
One percentage point decrease in rate of salary	(53.53)	(55.05)
<b>h Sensitivity Analysis Method</b>		
Sensitivity analysis is determined based on the expected movement in liability, if the assumptions were not proved to be true on different count		
<b>i The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:</b>	<b>%</b>	<b>%</b>
Discount rate	7.07	6.75
Expected rate of return on assets	7.07	6.75
Employee turnover	5	5
Salary Escalation	4	4
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Retirement Age	60	60

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021

### 35 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

The Company uses Forward Exchange Contracts to hedge its exposure in foreign currency. The Information on derivative instruments is as follows:

Particulars	31 <sup>st</sup> March, 2021		31 <sup>st</sup> March, 2020	
	Amount in Foreign currency	(₹ in lakhs)	Amount in Foreign currency	(₹ in lakhs)
i. Forward Contracts of sale outstanding as at the balance sheet date				
Forward currency contract - US\$	3,963,464	2,913.33	6,249,105	4,710.95
iii. Particulars of Unhedged foreign currency exposure as at the balance sheet date				
<b>Amount Receivable</b>				
US \$	-	-	131,436	99.08
GBP	3,863,139	3,899.87	1,121,902	1,044.22
<b>Amount Payable</b>				
Advance against Supply - US \$	-	-	34,860	26.28
Import of Goods - Euro	5,057,058	4,354.08	5,057,058	4,199.87
Loans Payable - Euro	13,608,518	11,716.80	16,795,770	13,948.82

### 36 FINANCIAL INSTRUMENTS

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criterial for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note-I of significant accounting policies to the financial statements

#### (a) Financial assets and liabilities

The following table Presents carrying amount and Fair Value of each category of financial assets and liabilities.

Particulars	Amortised Cost	Fair Value through Profit and Loss A/c	Total Carrying Value	(₹ in lakhs)	
				Total Fair Value (Level 2)	Total Fair Value (Level 3)
<b>As at 31<sup>st</sup> March, 2021</b>					
<b>Financial Assets</b>					
Trade Receivable	19,874.96	-	19,874.96	19,874.96	-
Investment	4,255.10	1,565.13	5,820.23	5,820.23	-
Cash and bank	4,347.55	-	4,347.55	4,347.55	-
Other financial assets	6,336.67	-	6,336.67	-	6,336.67
<b>Total</b>	<b>34,814.28</b>	<b>1,565.13</b>	<b>36,379.41</b>	<b>30,042.74</b>	<b>6,336.67</b>
<b>Financial Liabilities</b>					
Borrowings	8,983.17	-	8,983.17	8,983.17	-
Trade Payable	23,969.59	-	23,969.59	23,969.59	-
Other financial liabilities	5,139.76	-	5,139.76	-	5,139.76
<b>Total</b>	<b>38,092.52</b>	<b>-</b>	<b>38,092.52</b>	<b>32,952.76</b>	<b>5,139.76</b>



# Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021

Particulars	Amortised Cost	Fair Value through Profit and Loss A/c	Total Carrying Value	Total Fair Value (Level 2)	Total Fair Value (Level 3)
<b>As at 31<sup>st</sup> March, 2020</b>					
<b>Financial Assets</b>					
Trade Receivable	14,334.47	-	14,334.47	14,334.47	-
Investment	4,351.90	1,162.76	5,514.66	5,514.66	-
Cash and bank	3,580.03	-	3,580.03	3,580.03	-
Other financial assets	2,912.69	-	2,912.69		2,912.69
<b>Total</b>	<b>25,179.09</b>	<b>1,162.76</b>	<b>26,341.85</b>	<b>23,429.16</b>	<b>2,912.69</b>
<b>Financial Liabilities</b>					
Borrowings	15,359.80	-	15,359.80	15,359.80	-
Trade Payable	19,956.93	-	19,956.93	19,956.93	-
Other financial liabilities	7,023.67	-	7,023.67	-	7,023.67
<b>Total</b>	<b>42,340.40</b>	<b>-</b>	<b>42,340.40</b>	<b>35,316.73</b>	<b>7,023.67</b>

**(b) The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into level 1 to level 3, as described below :**

Level-1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level-2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level-3 : Techniques which use inputs that have a significant effect on the recorded Fair Value that are not based on observable market data.

**(c) Financial Risk Management Policies and objectives:**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures and borrowings.

### Interest rate risk

The Company's does not have any significant interest bearing asset however there are certain insignificant interest bearing liability. As such, the Company is not exposed to significant interest rate risk as at the reporting date.

## Notes

### to the financial statements for the year ended 31<sup>st</sup> March, 2021

#### Foreign currency risk

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

#### Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company maintains sufficient cash and cash equivalents to manage its liquidity risk.

#### Credit Risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Company. To manage this, the Company periodically assess the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and agreeing of accounts receivable. Individual risk limit are set accordingly.

Financial instruments that are subject to Concentrations of credit risk principally consist of trade receivables, investments, derivatives, Cash and cash equivalents, bank deposits and other financial assets.

#### (d) Foreign Currency exposure as at 31<sup>st</sup> March, 2021 (₹ in lakhs)

Particulars	USD	EUR	GBP	Total
Trade Receivables	2,913.33	-	-	2,913.33
Loans and advances		-	3,899.87	3,899.87
Trade Payable	-	(4,354.08)	-	(4,354.08)
Loan in Foreign Currency	-	(11,716.80)	-	(11,716.80)
Net Exposure	<b>2,913.33</b>	<b>(16,070.88)</b>	<b>3,899.87</b>	<b>(9,257.68)</b>

#### Foreign Currency exposure as at 31<sup>st</sup> March, 2020

Trade Receivables	4,810.03	-	-	4,810.03
Loans and advances	-	-	1,044.22	1,044.22
Trade Payable	(26.28)	(4,199.87)	-	(4,226.15)
Loan in Foreign Currency	-	(13,948.82)	-	(13,948.82)
Net Exposure	<b>4,783.75</b>	<b>(18,148.69)</b>	<b>1,044.22</b>	<b>(12,320.72)</b>

#### (e) 1% increase or decrease in foreign currency exchange rates will have the following impact on profit before tax. (₹ in lakhs)

Particulars	2020-21		2019-20	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	29.13	(29.13)	47.84	(47.84)
EUR	(160.71)	160.71	(181.49)	181.49
GBP	39.00	(39.00)	10.44	(10.44)
AED	-	-	-	-
Increase / (Decrease) in Profit	<b>(92.58)</b>	<b>92.58</b>	<b>(123.21)</b>	<b>123.21</b>

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021

### 37 INCOME TAXES (IND AS 12) :

(₹ in lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
Income tax recognised in Statement of Profit and Loss		
Current tax	5,780.47	374.24
Deferred tax	673.26	729.00
<b>Total Income tax expenses recognised in the current year</b>	<b>6,453.73</b>	<b>1,103.24</b>
The Income tax expenses for the year can be reconciled to the accounting profit as follows:		
Profit before tax	25,405.40	3,207.64
Add: Exceptional Items	61.64	29.45
Profit before exceptional items & tax	25,467.04	3,237.09
Applicable Tax Rate	25.17%	34.94%
Computed Tax Expense	6,409.54	1,131.17
Tax effect of :		
Income at Concessional rate of Tax	12.85	(36.70)
Expenses disallowed	32.92	31.54
Additional allowances	(674.84)	(751.77)
Current Tax expense	5,780.47	374.24
Incremental Deferred Tax Liability on account Property, Plant & Equipments	652.91	776.79
Incremental Deferred Tax Asset on account of Financial Assets and Other items	20.35	(47.79)
Deferred tax provision (Net)	673.26	729.00
Tax Expenses recognised in Statement of Profit and Loss	6,453.73	1,103.24
Effective Tax Rate	25.34%	34.08%

### 38 BUSINESS COMBINATION

During the year ended 31<sup>st</sup> March, 2018 the Company has acquired the manufacturing unit of M/s Mysore Petro Chemicals Limited with effect from 1<sup>st</sup> April, 2017 for a consideration of ₹ 7,448.00 lakhs on slump sale basis, as per the valuation by Haribhakti & Co. LLP. The transaction was accounted under Ind AS 103 “ Business Combination “ as a business combination with the purchases price being allocated to identifiable assets and liabilities at fair value as determined by an approved valuer.

Following Table present the allocation of purchase price

Particulars	(₹ in lakhs)
Net Tangible Assets	7,246.86
Goodwill	201.14
<b>Total Purchase price</b>	<b>7,448.00</b>

## Notes

### to the financial statements for the year ended 31<sup>st</sup> March, 2021

Goodwill arose in the acquisition of above business because the cost of combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and assembled workforce of acquired business combination. These benefits are not recognised separately from goodwill as they do not meet the recognised criteria for identifiable intangible assets. The Goodwill is expected to be deductible for Income Tax purposes.

#### 39 RESEARCH & DEVELOPMENT

Research & Development Expenditure of ₹ 69.96 lakhs (Previous Year ₹ 57.44 lakhs) has been accounted for in the respective heads of the Statement of Profit and Loss.

40 The Company had shut down its manufacturing facilities in the last week of March 2020 due to the nationwide lockdown announced by Government of India to contain the spread of Covid-19. It restarted its operations from mid April, 2020 in a phased manner and gradually achieved normal level of production by end of May, 2020. The Company has carried out a detailed study to assess the impact of Covid-19, including the second wave, on its liquidity position and on the recoverability and carrying values of its assets and has concluded that there is no significant impact on account of the same on its financial results as at 31<sup>st</sup> March 2021. The impact assessment of Covid-19 is a continuous process given the uncertainties associated with its nature and duration. The management will continue to monitor material changes to the future economic conditions which may have an impact on the operations of the Company.

#### 41 CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities.

Particulars	(₹ in lakhs)
(a) Gross amount required to be spent by the Company during the year is	299.49
(b) Amount spent during the year :	302.24
i Construction / Acquisition of any assets	-
ii On Purposes other than (i) above.	302.24
<b>Total</b>	<b>302.24</b>

42 IGPL-FZE wholly owned subsidiary of the Company has been liquidated on 12<sup>th</sup> April, 2020. Losses on account of the subsidiary amounting to ₹ 1,041.09 lakhs have been written off.

43 There was no impairment loss on non- financial assets on the basis of review carried out by the management in accordance with the Indian Accounting Standard (Ind AS -36) " Impairment of Assets ".

44 The Company has elected to exercise the option permitted under Section 115 BAA of the Income Tax Act, 1961 accordingly the Company has recognised Provision for Income Tax for the year ended 31<sup>st</sup> March, 2021.

#### 45 PREVIOUS YEAR COMPARATIVES

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date		For and on behalf of the Board of Directors of	
For Uday & Co.	For SMMP & Company	I G Petrochemicals Limited	
Chartered Accountants	Chartered Accountants		
<b>K. Sathyanarayanan</b>	<b>Chintan Shah</b>	<b>Nikunj Dhanuka</b>	<b>Rajesh Muni</b>
Partner	Partner	Managing Director & CEO	Independent Director
Place: Bengaluru	Place: Mumbai	DIN: 00193499	DIN: 00193527
Membership No: 203644	Membership No: 166729	Place: London	Place: Mumbai
Firm's Registration No: 004440S	Firm's Registration No: 120438W		
		<b>Pramod Bhandari</b>	<b>Sudhir R Singh</b>
		Chief Financial Officer	Company Secretary
		Place : Mumbai	Place: Mumbai

Date: 24<sup>th</sup> May, 2021

# Independent Auditor's Report

To the Members of I G Petrochemicals Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of I G Petrochemicals Limited (hereinafter referred to as "the Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31<sup>st</sup> March, 2021, and the consolidated Statement of Profit and Loss (including other comprehensive income), and the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the group as at 31<sup>st</sup> March, 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 ('the Act'). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
<p>Capitalisation of Property, Plant and Equipment</p> <p>During the year ended 31<sup>st</sup> March, 2021, the Holding Company has incurred significant capital expenditure. Out of the total additions to Property, Plant and Equipment of ₹ 26,444.21 lakhs, significant part of the capitalisation pertain to PA4 plant. The plant has been successfully commissioned and capitalized during the year.</p> <p>Significant level of judgement is involved to ensure that the aforesaid capital expenditure/additions meet the recognition criteria of Ind AS 16 - Property, Plant and Equipment, specifically in relation to determination of trial run period and costs associated with trial runs for it to be ready for intended use.</p> <p>As a result, the aforesaid matter was determined to be a key audit matter</p>	<p>Our audit approach was a combination of test of internal controls and substantive procedures including:</p> <ul style="list-style-type: none"> <li>• Performing walk through of the capitalisation process and testing the design and operating effectiveness of the controls in the process.</li> <li>• Assessing the nature of additions made to property, plant and equipment and capital work-in-progress on a test check basis and carry out testing to ensure that they meet the recognition criteria as set out in para 16 to 22 of Ind AS 16, including any such costs incurred specifically for trial run.</li> <li>• Assessing that the borrowing cost capitalised (including foreign exchange to the extent it is considered as an adjustment to interest cost) is in accordance with the accounting policy of the Company.</li> </ul>

- Reviewing the project completion certificate provided by the management to determine whether the asset is in the location and condition necessary for it to be capable of operating in the manner intended by the management.

### Emphasis of Matter

We draw your attention to Note No. 39 to the consolidated financial statements, where the Holding Company had shut down its manufacturing facilities in the last week of March 2020 due to the nationwide lockdown announced by the Government of India to contain the spread of Covid-19. It restarted its operations from mid April 2020 in a phased manner and gradually achieved normal level of production by end of May 2020. The Group has carried out a detailed study to assess the impact of Covid-19, including the second wave, on its liquidity position and on the recoverability and carrying values of its assets and has concluded that there is no significant impact on account of the same on its financial results as at 31<sup>st</sup> March 2021. The impact assessment of Covid-19 is a continuous process given the uncertainties associated with its nature and duration. The management will continue to monitor material changes to the future economic conditions which may have an impact on the operations of the Group.

Our opinion is not modified in respect of the above matter.

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

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

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

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

When we read such other information as and when made available to us and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss, including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each entity 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 Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entity included in the Group is responsible for overseeing the financial reporting process of each entity.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report



that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the entity has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the

consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
- We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

- a) We did not audit the financial statements of foreign subsidiary whose financial statements reflect total assets of ₹ 3,998.05 Lakhs as at 31<sup>st</sup> March 2021, total revenues of ₹ 1.78 Lakhs and net cash flows amounting to ₹ 2,411.79 Lakhs



for the year ended on that date, as considered in the consolidated financial statements. This financial statement have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

- b) In view of the initial lockdown and ongoing lockdown most of the audit for the year was carried out online based on remote access of data, as provided by the management, instead of standard conventional Audit. This resulted in need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI). The Audit has been carried out based on the advisory on “Specific Considerations while conducting Distance Audit/ Remote Audit/ Online Audit under current Covid-19 situation” issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable, and are directly generated by the accounting system of the Company without any further manual modifications. Audit of the consolidated financial statements has been performed in the aforesaid conditions

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to online audit and our reliance on the work done and the report of the other auditors.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, 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 purposes of our audit of the aforesaid consolidated financial statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and report of the other auditors;

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including the Other Comprehensive Income), the Consolidated Statement of Changes in Equity, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2021 and taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31<sup>st</sup> March, 2021 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 over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our audit report on standalone financial statements. The subsidiary is incorporated outside India and hence the requirements of this clause are not applicable to this entity.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) 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, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations as at 31<sup>st</sup> March, 2021 on the consolidated financial position of the

Group– Refer Note 30 to the consolidated financial statements;

- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

**For UDAY & Co.**  
Chartered Accountants  
Firm's Registration No.  
004440S

**K Sathyanarayanan**  
Partner  
Membership No. 203644  
UDIN : 21203644AAAAAAM2659  
**Place:** Bengaluru  
**Date:** 24<sup>th</sup> May, 2021

**For SMMP & Company**  
Chartered Accountants  
Firm's Registration No.  
120438W

**Chintan Shah**  
Partner  
Membership No. 166729  
UDIN : 21166729AAAAJT9618  
**Place:** Mumbai  
**Date:** 24<sup>th</sup> May, 2021

## Consolidated Balance Sheet

as at 31<sup>st</sup> March, 2021

(₹ in lakhs)

Particulars	Notes	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>ASSETS</b>			
<b>Non Current assets</b>			
Property, Plant and Equipment	1	69,826.26	46,700.74
Right to Use Assets	1	103.85	175.43
Capital Work-In-Progress	1	13,185.55	33,945.27
Goodwill	1	201.14	201.14
Other Intangible Assets	1	26.24	55.31
		<b>83,343.04</b>	<b>81,077.89</b>
<b>Financial Assets</b>			
(i) Investments	2	582.74	24.86
(ii) Other Financial Assets	3	2,331.18	368.84
Non- Current Tax Assets (Net)		1,613.09	1,076.10
Other Non-Current Assets	4	806.95	1,008.06
<b>Total Non Current Assets</b>		<b>88,677.00</b>	<b>83,555.75</b>
<b>Current Aseets</b>			
Inventories	5	14,384.24	9,508.18
<b>Financial Assets</b>			
(i) Investments	6	1,000.00	1,155.51
(ii) Trade Receivables	7	19,874.96	14,334.47
(iii) Cash and Cash Equivalents	8(a)	3,504.19	798.28
(iv) Bank balances other than (iii) above	8(b)	3,851.00	4,128.27
(v) Loans	9	70.69	72.02
(vi) Other Financial Assets	10(a)	34.93	1,427.61
Other Current Assets	10(b)	983.16	1,163.07
<b>Total Current Assets</b>		<b>43,703.17</b>	<b>32,587.41</b>
<b>TOTAL</b>		<b>1,32,380.17</b>	<b>1,16,143.16</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	11	3,079.81	3,079.81
Other Equity	12	79,119.94	60,191.80
<b>Total Equity</b>		<b>82,199.75</b>	<b>63,271.61</b>
<b>Non Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	13	8,981.60	14,740.11
(ii) Other Financial Liabilities	14	952.51	2,043.90
Provisions	15	386.91	352.54
Deferred Tax Liabilities (Net)	16	6,963.91	6,290.65
<b>Total Non Current Liabilities</b>		<b>17,284.93</b>	<b>23,427.20</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	17	3,611.57	3,948.09
(ii) Trade Payables	18(a)	23,969.75	19,958.17
(iii) Other Financial Liabilities	18(b)	4,187.25	4,979.77
Other Current Liabilities	19	1,028.42	341.85
Provisions	20	98.50	216.47
<b>Total Current Liabilities</b>		<b>32,895.49</b>	<b>29,444.35</b>
<b>TOTAL</b>		<b>1,32,380.17</b>	<b>1,16,143.16</b>
<b>Significant Accounting Policies</b>	<b>A</b>		
<b>Notes on Financial Statements</b>	1-45		

As per our report of even date

**For Uday & Co.**

Chartered Accountants

**K. Sathyanarayanan**

Partner

Place: Bengaluru

Membership No: 203644

Firm's Registration No: 004440S

**For SMMP & Company**

Chartered Accountants

**Chintan Shah**

Partner

Place: Mumbai

Membership No: 166729

Firm's Registration No: 120438W

For and on behalf of the Board of Directors of

**I G Petrochemicals Limited****Nikunj Dhanuka**

Managing Director &amp; CEO

DIN: 00193499

Place: London

**Pramod Bhandari**

Chief Financial Officer

Place : Mumbai

**Rajesh Muni**

Independent Director

DIN: 00193527

Place: Mumbai

**Sudhir R Singh**

Company Secretary

Place: Mumbai

Date: 24<sup>th</sup> May, 2021

# Consolidated Statement of Profit & Loss

for the year ended 31<sup>st</sup> March, 2021

(₹ in lakhs)

Particulars	Notes	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>INCOME</b>			
Revenue from Operations	21	1,12,361.88	1,05,858.02
Other Income	22	332.84	636.81
<b>Total Income</b>		<b>1,12,694.72</b>	<b>1,06,494.83</b>
<b>EXPENSES</b>			
Cost of Raw Materials Consumed	23	66,224.80	81,454.02
Changes In Inventories of Finished Goods and Work-in-Progress	24	(1,081.13)	262.03
Employee Benefits Expense	25	7,069.79	6,016.35
Finance Cost	26	1,455.73	1,596.97
Depreciation and Amortisation Expenses	1	3,410.37	2,990.01
Other Expenses	27	10,288.95	10,956.26
<b>Total Expenses</b>		<b>87,368.51</b>	<b>1,03,275.64</b>
<b>Profit before Exceptional Items &amp; Tax</b>		<b>25,326.21</b>	<b>3,219.19</b>
Less: Exceptional Items			
Investment on Liquidation of Subsidiary written off		61.64	28.15
<b>Profit before Tax</b>		<b>25,264.57</b>	<b>3,191.04</b>
<b>Tax Expenses</b>	36		
Current Tax		5,780.47	374.24
Deferred Tax		673.26	729.00
<b>Profit for the year</b>		<b>18,810.84</b>	<b>2,087.80</b>
<b>Other Comprehensive Income / (Expenses)</b>			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plan - Gratuity		87.14	(71.59)
(ii) Income Tax relating to items that will not be reclassified to profit or loss		(21.93)	25.02
<b>Other Comprehensive Income For the Year</b>		<b>65.21</b>	<b>(46.57)</b>
<b>Total Comprehensive Income For the Year</b>		<b>18,876.05</b>	<b>2,041.23</b>
Earning per Equity Share:	28		
Face value of shares ₹ 10 each (Previous Year: ₹ 10 each)			
Basic & Diluted - ₹		61.08	6.78
<b>Significant Accounting Policies</b>	A		
<b>Notes on Financial Statements</b>	1-45		

As per our report of even date

**For Uday & Co.**

Chartered Accountants

**For SMMP & Company**

Chartered Accountants

For and on behalf of the Board of Directors of

**I G Petrochemicals Limited**

**K. Sathyanarayanan**

Partner

Place: Bengaluru

Membership No: 203644

Firm's Registration No: 004440S

**Chintan Shah**

Partner

Place: Mumbai

Membership No: 166729

Firm's Registration No: 120438W

**Nikunj Dhanuka**

Managing Director & CEO

DIN: 00193499

Place: London

**Rajesh Muni**

Independent Director

DIN: 00193527

Place: Mumbai

**Pramod Bhandari**

Chief Financial Officer

Place : Mumbai

**Sudhir R Singh**

Company Secretary

Place: Mumbai

Date: 24<sup>th</sup> May, 2021

## Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2021

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>(A) Equity Share Capital</b>		
Opening Balance	3079.81	3079.81
Changes in Equity Share Capital	-	-
Closing Balance	3079.81	3079.81

Particulars	Reserves and Surplus					Other Comprehensive Income	Total Other Equity
	Capital Reserve	Securities Premium Reserve	General Reserve	Foreign Currency Translation reserve on consolidation	Retained Earnings		
<b>Balance at 1<sup>st</sup> April, 2019</b>	<b>116.25</b>	<b>2,275.00</b>	<b>7,000.00</b>	<b>103.74</b>	<b>50,460.30</b>	<b>(127.54)</b>	<b>59,827.75</b>
Profit for the Year	-	-	-	-	2,087.80	-	2,087.80
Other Comprehensive Income, net of tax	-	-	-	-	-	(46.57)	(46.57)
Transaction Impact of Ind AS-116, net of Tax	-	-	-	-	(35.16)	-	(35.16)
Foreign Currency Translation reserve on consolidation	-	-	-	(157.03)	-	-	(157.03)
Dividend including Dividend -Distribution Tax	-	-	-	-	(1,484.99)	-	(1,484.99)
<b>Balance at 31<sup>st</sup> March, 2020</b>	<b>116.25</b>	<b>2,275.00</b>	<b>7,000.00</b>	<b>(53.29)</b>	<b>51,027.95</b>	<b>(174.11)</b>	<b>60,191.80</b>
Profit for the Year	-	-	-	-	18,810.84	-	18,810.84
Other Comprehensive Income, net of tax	-	-	-	-	-	65.21	65.21
Foreign Currency Translation reserve on consolidation	-	-	-	667.99	-	-	667.99
Dividend	-	-	-	-	(615.90)	-	(615.90)
<b>Balance at 31<sup>st</sup> March, 2021</b>	<b>116.25</b>	<b>2,275.00</b>	<b>7,000.00</b>	<b>614.70</b>	<b>69,222.89</b>	<b>(108.90)</b>	<b>79,119.94</b>

As per our report of even date

**For Uday & Co.**

Chartered Accountants

**K. Sathyanarayanan**

Partner

Place: Bengaluru

Membership No: 203644

Firm's Registration No: 004440S

Date: 24<sup>th</sup> May, 2021

**For SMMP & Company**

Chartered Accountants

**Chintan Shah**

Partner

Place: Mumbai

Membership No: 166729

Firm's Registration No: 120438W

For and on behalf of the Board of Directors of

**I G Petrochemicals Limited**

**Nikunj Dhanuka**

Managing Director & CEO

DIN: 00193499

Place: London

**Pramod Bhandari**

Chief Financial Officer

Place : Mumbai

**Rajesh Muni**

Independent Director

DIN: 00193527

Place: Mumbai

**Sudhir R Singh**

Company Secretary

Place: Mumbai

# Consolidated Cash Flow Statement

for the year ended 31<sup>st</sup> March, 2021

(₹ in lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before tax and Extraordinary Items</b>	25,264.57	3,191.04
Non -cash Adjustment to reconcile profit before tax to net cash flow:		
Depreciation / Amortisation Expenses	3,410.37	2,990.01
Loss / (Profit) on Sale / Write off of Fixed Assets	4.62	13.24
Foreign Currency Translation reserve on consolidation	667.99	(157.03)
Loss / (Profit) on Sale of Investments	(24.86)	(205.76)
Profit on Fair Value of Investment through Profit & Loss	(7.51)	(106.00)
Foreign Exchange Translation Difference Loss (Net)	(218.73)	370.55
Sundry Balances / Excess Provision Written Back	1.22	(19.81)
Interest Expense	1,066.34	1,087.85
Interest Income	(276.42)	(242.60)
Dividend Income	(0.49)	(0.59)
<b>Operating Profit Before Working Capital Changes</b>	<b>29,887.10</b>	<b>6,920.90</b>
<b>Movements in Working Capital</b>		
Increase / (decrease) in Trade Payables / Other Current liabilities	4,617.07	(3,670.35)
Decrease / (increase) in Trade receivables	(5,298.37)	3,851.16
Decrease / (increase) in Inventories	(4,876.06)	3,435.86
Decrease / (increase) in loans and advances	271.46	(1,405.61)
	<b>(5,285.90)</b>	<b>2,211.06</b>
<b>Cash Generated From/(Used In) Operations</b>	<b>24,601.20</b>	<b>9,131.96</b>
Direct Taxes Paid (Net of refunds)	(6,274.74)	(761.88)
<b>NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES</b>	<b>18,326.46</b>	<b>8,370.08</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets, including intangible assets, CWIP	(7,063.21)	(16,842.06)
Proceeds from Sale of Fixed Assets	15.88	43.23
Purchase of Investments	(370.00)	6,160.52
Interest Received	167.45	237.15
Dividend Received	0.49	0.59
<b>Net Cash Flow From / (Used In) Investing Activities</b>	<b>(7,249.39)</b>	<b>(10,400.57)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds / (Repayments) of Long-term borrowings	(6,374.86)	6,035.82
Interest Paid	(1,058.68)	(1,045.75)
Dividend Paid	(601.10)	(1,457.28)
<b>Net Cash Flow From / (Used In) Financing Activities</b>	<b>(8,034.64)</b>	<b>3,532.79</b>
<b>Net Increase / (Decrease) (A+B+C)</b>	<b>3,042.43</b>	<b>1,502.30</b>
<b>Cash and Cash Equivalents (Opening Balance)</b>	<b>116.72</b>	<b>(1,385.58)</b>
<b>Cash and Cash Equivalents (Closing Balance)</b>	<b>3,159.15</b>	<b>116.72</b>

NOTE : 1. Previous year figures have been regrouped / reclassified wherever applicable.

As per our report of even date

**For Uday & Co.**

Chartered Accountants

**For SMMP & Company**

Chartered Accountants

For and on behalf of the Board of Directors of

**I G Petrochemicals Limited**

**K. Sathanarayanan**

Partner

Place: Bengaluru

Membership No: 203644

Firm's Registration No: 004440S

**Chintan Shah**

Partner

Place: Mumbai

Membership No: 166729

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Independent Director

DIN: 00193527

Place: Mumbai

**Pramod Bhandari**

Chief Financial Officer

Place : Mumbai

**Sudhir R Singh**

Company Secretary

Place: Mumbai

Date: 24<sup>th</sup> May, 2021

## Significant Accounting Policies

### Note A :

#### (A) GENERAL INFORMATION

I G Petrochemicals Limited (“the Company”) having CIN L51496GA1988PLC000915 together with its subsidiaries are engaged in the manufacturing of Phthalic Anhydride and Maleic Anhydride. The company is a public limited company incorporated in India with its registered office at T-10, 3<sup>rd</sup> Floor, Jairam Complex, Mala, Neugi Nagar, Panaji, Goa - 403 001.

#### (B) BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under section 133 of the Companies Act 2013 (“the Act”), read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, and on the basis of accounting principle of a going concern in accordance with generally accepted accounting principles (GAAP). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Financial Statements are presented in Lakhs or decimal thereof unless otherwise specified.

Items included in the financial statements of Company are measured using the currency of the primary economic environment in which the Company operates (“the functional currency”). Indian rupee is the functional currency of the Company.

All amounts are rounded to two decimal places to the nearest lakh, unless otherwise stated.

#### (C) PRINCIPLES OF CONSOLIDATION

- i) The consolidated financial statements have been prepared under the historical cost convention, with the exception of certain assets and liabilities that are required to be carried at fair values by Ind-AS.
- ii) The financial statements of the Group are consolidated on line-by-line basis, intra-group transactions, balances and any unrealized gains arising from intra-group transactions are eliminated. Unrealised

losses are eliminated, but only to the extent that there is no evidence of impairment. All temporary differences that arise from the elimination of profits and losses resulting from intra group transactions are recognized as per Ind AS 12, Income Taxes.

- iii) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transaction and other events in similar circumstances and are presented to the extent possible in the same manner as the Company’s standalone financial statements.
- iv) Translation of the financial statement of foreign operation is effected as under:
  - 1) Income and expenses are translated at the average exchange rate prevailing during the year.
  - 2) All assets and liabilities both monetary and non-monetary are translated at the exchange rate prevalent at the date of financial statement.
  - 3) The resulting net exchange differences are recognized as foreign currency translation reserve as part of Reserve and Surplus.

#### (D) THE LIST OF SUBSIDIARIES COMPANIES AND COMPANY’S HOLDINGS ARE AS UNDER:

Name of the Company	Country of incorporation	Ownership in % either Directly or through Subsidiaries	
		2020-21	2019-20
Foreign subsidiaries			
IGPL International Limited	UAE	100%	100%
IGPL (FZE)	UAE	Nil	100%

#### (E) USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ



## Significant Accounting Policies

from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material their effects are disclosed in the notes to the consolidated financial statements.

### (F) FUNCTIONAL AND PRESENTATION CURRENCY

The consolidated financial statements are presented in Indian rupees (INR), which is also the functional currency of the holding Company. All amounts have been rounded off to the nearest Lakhs, unless otherwise indicated in respect of subsidiaries whose functional currency has been determined to be currency of the primary economic environment in which the entity operates.

### (G) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at acquisition cost net of recoverable taxes, trade discount and rebates less accumulated depreciation and accumulated impairment losses, if any.

#### Subsequent Cost

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

All other repairs and maintenance costs are charged to the Statement of Profit and Loss during the period in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

#### Capital Work In Progress

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

#### Depreciation

Depreciation is calculated as per the estimated useful life of assets prescribed by the Schedule II to the Companies Act 2013.

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

prospectively, if appropriate with exception to the following :

- Depreciation on property, plant and equipment acquired from Mysore Petro Chemicals Limited is provided based on the useful life determined by the valuer which is as follows :

Asset	Useful life as per valuer	Useful life as per Schedule II
Building	20 to 30 years	30 years
Furniture & fixtures	5 years	10 years
Vehicles	5 to 6 years	8 years
Plant & Equipment	20 years	8 to 20 years
Road	10 years	10 years

Cost of catalyst has been amortized from the date, the same has been issued in the production process in 3 years as against 8 to 20 years defined in schedule II, so as to expense out the cost over its estimated useful life based on a technical evaluation.

Freehold land is not depreciated and Leasehold land is amortized over the period of lease.

### (H) INTANGIBLE ASSETS AND GOODWILL

Separately purchased intangible assets are initially measured at cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives.

Intangible assets comprising of Software are amortised on a straight line basis over its estimated useful life or maximum 5 years, whichever is less.

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

Goodwill represents the cost of acquired business as established at the date of acquisition of the

## Significant Accounting Policies

business in excess of the acquiree's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any.

These assets are not amortised but are tested for impairment annually.

### (I) INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

### (J) OTHER INCOME

Insurance and other claims are accounted as and when unconditionally admitted by the appropriate authorities.

### (K) INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a weighted average basis. Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

### (L) BORROWING COST

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost, except in case of foreign currency borrowing which existed on the date of transition i.e. 1<sup>st</sup> April, 2016 from previous GAAP to Ind AS wherein company continues to exercise the option in terms of para 46A inserted in the AS-11 The Effects of Change in Foreign Exchange Rates. Consequently the loss/gain of foreign exchange on translation of foreign exchange borrowing continued to be capitalized.

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

### (M) FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial Assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value. In case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognized in the Statement of Profit and Loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at

#### Amortised cost

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortization of EIR and loss arising from impairment, if any is recognized in the Statement of Profit and Loss.

#### Fair value through profit and loss (FVTPL)

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, is recognised in the Statement of Profit and Loss.

#### Fair value through other comprehensive income (FVOCI)

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income.

#### Fair value movements are recognized in the other comprehensive income (OCI)

Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously

## Significant Accounting Policies

recognized in OCI is reclassified from the equity to the Statement of Profit and Loss.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

### (a) Trade Receivables and Loans:

Trade receivables are held at realisable value net of any expected credit losses.

### (b) Debt Instruments:

Debt instruments are subsequently measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

**(i) Measured at amortised cost:** Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

**(ii) Measured at fair value through other comprehensive income:** Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

### (c) Cash and Cash Equivalents:

Cash and cash equivalents are short-term (three months or less from the date of

acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

### (d) Measured at fair value through profit or loss:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL.

Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

### Equity Instruments:

All investments in equity instruments classified under financial assets are initially measured at fair value. The Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

### Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

### Impairment of Financial Asset

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 months expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the

## Significant Accounting Policies

financial asset has not increased significantly since its initial recognition.

The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component. In determining the allowances for doubtful trade receivables, the company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

### Financial Liabilities

#### Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

#### Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method.

#### Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

### (N) PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the

provision due to the passage of time is recognised as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The contingent liability is not recognized in books of account but its existence is disclosed in financial statements.

### (O) REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Ind AS 115 "Revenue from contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

- a) Identify the contracts with a customer,
- b) Identify the performance obligations,
- c) Determine the transaction price,
- d) Allocate the transaction price to the performance obligations,
- e) Recognise revenue when or as an entity satisfies performance obligation.

#### Export incentive

Income from export incentives such as duty drawback and MEIS are recognised on accrual basis.

#### Service Contract

Income from services rendered is recognised based on agreements/ arrangements with the customers as the service is performed in proportion to the stage of completion of the transaction at the reporting date and the amount of revenue can be measured reliably.

## Significant Accounting Policies

### Interest Income

Interest income is recognized on accrual basis.

### Dividend Income

Dividend income on investments is recognised when the right to receive dividend is established.

### Insurance Claims

Insurance claim receivable is accounted for when amount of claim is finalized by insurance company.

## (P) EMPLOYEE BENEFITS

### Defined contribution plans

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.

Company's provident fund contribution, in respect of certain employee is made to an irrevocable trust set up by the company and contribution to pension fund deposited with the Regional Provident Fund Commissioner and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

### Defined benefit plans

In respect of certain employees, provident fund contributions are made to a trust administered by the Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The liability in respect of the shortfall of interest earnings of the Fund is determined on the basis of an actuarial valuation. The Company also provides for retirement/post-retirement benefits in the form of gratuity and leave pay.

For defined benefit plans, the amount recognised as 'Employee benefit expenses' in the Statement of Profit and Loss is the cost of accruing employee benefits promised to employees over the year and the costs of individual events such as past/future service benefit changes and settlements (such events are recognised immediately in

the Statement of Profit and Loss). The amount of net interest expense calculated by applying the liability discount rate to the net defined benefit liability or asset is charged or credited to 'Employee Benefit Expenses' in the Statement of Profit and Loss. Any differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

The defined benefit plan surplus or deficit on the Balance Sheet comprises the total for each plan of the fair value of plan assets less the present value of the defined benefit liabilities (using a discount rate by reference to market yields on government bonds at the end of the reporting period).

All defined benefit plans obligations are determined based on valuations, as at the Balance Sheet date, made by independent actuary using the projected unit credit method. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

### Termination benefits

Termination benefits, in the nature of voluntary retirement benefits or termination benefits arising from restructuring, are recognised in the Statement of Profit and Loss. The Company recognises termination benefits at the earlier of the following dates:

- (a) when the Company can no longer withdraw the offer of those benefits; or
- (b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

## (Q) IMPAIRMENT OF NON FINANCIAL ASSETS

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less



## Significant Accounting Policies

costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

Goodwill is tested annually for impairment.

### (R) INCOME TAXES

Income tax expense for the year comprises of current tax and deferred tax. Tax is recognised in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognised directly in equity or in other comprehensive income. In which case, the tax is also recognised in other comprehensive income or equity.

#### Current Tax

Current tax is the expected tax payable/receivable on the taxable income/ loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years. Interest income/ expenses and penalties, if any, related to income tax are included in current tax expense.

#### Deferred Tax

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

### (S) FOREIGN CURRENCIES

The financial statements are presented in INR, the functional currency of the Company. In preparing the financial statement, transactions in currencies other than the entity's functional currencies (foreign currencies) are recognized at the rates of exchange prevailing at the dates of transactions. At the end of each reporting period, monetary items denominated in foreign currencies are restated at the rates prevailing at that date. Non monetary items that are measured in terms of historical cost in a foreign currency are not restated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for :

Exchange differences on translations or settlement of long term foreign currency monetary items in respect of loans borrowed before 1<sup>st</sup> April, 2016 at rates different from those at which they were initially recorded or reported in the previous financial statements, in so far as it relates to acquisition of depreciate assets, are adjusted to the cost of the assets and depreciated over remaining useful of such assets. In other cases of long term foreign currency monetary items, these are accumulated in "Foreign currency monetary item translation difference" and amortised by

## Significant Accounting Policies

recognition as income or expense in each period over the balance term of such items till settlement occurs but not beyond March 31, 2021.

Exchange difference on foreign currency borrowing relating to assets under construction for future productive use are included in the cost of those assets to the extent they are regarded as an adjustment to interest cost.

### (T) EARNINGS PER SHARE

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

### (U) BUSINESS COMBINATION

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss.

Transaction costs are expensed as incurred, other than those incurred in relation to the

issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

### (V) LEASES

The Company has adopted Ind AS 116-Leases effective 1<sup>st</sup> April, 2019 using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognized on the date of initial application (1<sup>st</sup> April, 2019). Accordingly previous period information has not been restated.

The Company's lease asset classes primarily consist of leases for Buildings. The Company assesses whether a contract is or contains a lease, at inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding leases liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognizes the lease payments as on operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.



## Significant Accounting Policies

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrences of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payment have been classified as financing cash flows.

# Notes

## to the financial statements for the year ended 31<sup>st</sup> March, 2021

### 1 PROPERTY, PLANT AND EQUIPMENT

Particulars	(₹ in lakhs)													
	Freehold Land	Leasehold Land	Buildings	Plant & Equipments	Office Equipments	Furniture & Fixtures	Vehicles	Catalyst	Total	Intangible Assets (Computer - Software)	Goodwill	Right to Use Assets	Improvement of Right to Use Assets	Capital work-in-progress (Refer Note-2)
<b>Gross Carrying Amount</b>														
At 1 <sup>st</sup> April, 2020	233.87	4,524.84	3,431.76	81,393.86	462.89	1,018.32	918.32	2,244.97	94,228.83	158.79	201.14	429.74	-	33,945.27
Additions	-	-	780.54	24,829.34	16.65	6.00	71.30	740.38	26,444.21	-	-	-	11.53	5,518.62
Disposal	-	-	-	(4.01)	(0.44)	-	(38.93)	(502.53)	(545.91)	-	-	-	-	(26,278.34)
<b>At 31<sup>st</sup> March, 2021</b>	<b>233.87</b>	<b>4,524.84</b>	<b>4,212.30</b>	<b>1,06,219.19</b>	<b>479.10</b>	<b>1,024.32</b>	<b>950.69</b>	<b>2,482.82</b>	<b>1,20,127.13</b>	<b>158.79</b>	<b>201.14</b>	<b>429.74</b>	<b>11.53</b>	<b>13,185.55</b>
<b>Accumulated Depreciation</b>														
At 1 <sup>st</sup> April, 2020	-	298.07	1,531.75	43,287.86	360.23	539.74	320.12	1,190.32	47,528.09	103.48	-	254.31	-	-
Depreciation for the year	-	59.05	113.25	2,326.11	33.85	67.78	102.77	595.38	3,298.19	29.07	-	80.71	2.40	-
Disposal	-	-	-	(0.74)	(0.40)	-	(21.74)	(502.53)	(525.41)	-	-	-	-	-
<b>At 31<sup>st</sup> March, 2021</b>	<b>-</b>	<b>357.12</b>	<b>1,645.00</b>	<b>45,613.23</b>	<b>393.68</b>	<b>607.52</b>	<b>401.15</b>	<b>1,283.17</b>	<b>50,300.87</b>	<b>132.55</b>	<b>-</b>	<b>335.02</b>	<b>2.40</b>	<b>-</b>
<b>Net Carrying Amount</b>														
At 1 <sup>st</sup> April, 2020	233.87	4,226.77	1,900.01	38,106.00	102.66	478.58	598.20	1,054.65	46,700.74	55.31	201.14	175.43	-	33,945.27
<b>At 31<sup>st</sup> March, 2021</b>	<b>233.87</b>	<b>4,167.72</b>	<b>2,567.30</b>	<b>60,605.96</b>	<b>85.42</b>	<b>416.80</b>	<b>549.54</b>	<b>1,199.65</b>	<b>69,826.26</b>	<b>26.24</b>	<b>201.14</b>	<b>94.72</b>	<b>9.13</b>	<b>13,185.55</b>

#### Notes :

- Buildings include ₹ 250/- (Previous year ₹ 250/-) for shares issued in favor of the Company having office premises in a co-operative society.
- Capital work in Progress & Addition to fixed Assets includes Property, Plant & Equipment under construction ₹ 12,837.13 lakhs (Previous year - ₹ 30,776.04 lakhs), Machinery Spares Stock ₹ 194.48 lakhs (Previous year - ₹ 1,365.60 lakhs) and preoperative expenses and trial run expenses incurred during the year in the form of Employee Benefits expense of ₹ 396.71 lakhs (Previous year - ₹ 368.96 lakhs), Rates & Taxes - ₹ 4.76 lakhs (Previous year ₹ 11.40 lakhs), Interest & Finance Expenses ₹ 724.93 lakhs (Previous year - ₹ 1,167.85 lakhs), Insurance Premium ₹ 44.48 lakhs (Previous year - ₹ 18.31 lakhs), Power, Fuel & Water Charges ₹ 436.02 Lakhs (Previous year ₹ 182.98 lakhs), Raw materials consumed ₹ 2,807.71 lakhs (Previous year Nil), Stores and packing material consumed ₹ 41.75 lakhs (Previous year Nil), Repair & Maintenance ₹ 33.31 lakhs (Previous year Nil), Selling expenses ₹ 124.72 lakhs (Previous year Nil), Depreciation ₹ 47.71 lakhs (Previous year Nil) and Miscellaneous Expenses ₹ 31.63 lakhs (Previous year - ₹ 54.14 lakhs) Less Sale of Finished Goods ₹ 5,066.00 lakhs (Previous year Nil) and Other operating income ₹ 5.62 lakhs (Previous year Nil).

#### 3 Goodwill

The Company tests goodwill annually for impairment

Goodwill was recognised from business combination during the year ended 31<sup>st</sup> March, 2018 and represents difference of purchase consideration paid & allocation to Identified Assets & Liabilities as per Valuer's Report on acquiring manufacturing unit of Maleic anhydride. The estimated value-in-use of the Unit is based on the future cash flows using at 2% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 17%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the Unit would decrease below its carrying amount.

- Pursuant to the amendment to the Companies (Accounting Standards) Rules 2006 by notification dated 29<sup>th</sup> December, 2011 issued by the Ministry of Corporate Affairs and exemption allowed vide D133AA of Ind AS-101 first time adoption of Ind AS, the Company continues to exercise the option in terms of Para 46A inserted in the Standard for long term foreign currency monetary assets and liabilities. Consequently the loss of foreign exchange of ₹ 83.34 lakhs for the year and loss of foreign exchange ₹ 1,168.76 lakhs as on 31<sup>st</sup> March, 2021 has been capitalised.

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021**2** NON-CURRENT INVESTMENTS

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Investment at Cost</b>		
<b>Unquoted</b>		
<b>Investment in Equity Instruments (Fully Paid- up)</b>		
17,610 (Previous year - 1,000) shares of ₹ 100 each in Cosmos Cooperative Bank Ltd.	17.61	17.61
<b>Total Non Current Investment at Cost</b>	<b>17.61</b>	<b>17.61</b>
<b>Investment measured at Fair Value through Profit &amp; Loss</b>		
<b>Investment in Mutual Funds (Fully Paid-up)</b>		
40,537.392 (Previous year - 40,537.392) units of ₹ 10 each in Principal Mutual Fund	11.48	7.25
<b>Investment in Debentures (Fully Paid up)</b>		
50 (Previous year - NIL) 8.75% Debentures of Muthooth FinCorp Limited of ₹ 10,00,000 each (Maturity date of above Debentures is 21 <sup>st</sup> March, 2023)	500.00	-
5 (Previous year - Nil) 7.99% Debentures of L&T Infra Debt Fund Limited of ₹ 10,00,000 each. (Maturity date of above Debentures is 6 <sup>th</sup> October, 2023)	53.65	-
<b>Total Non Current Investment measured at Fair Value through Profit &amp; Loss</b>	<b>565.13</b>	<b>7.25</b>
<b>Total Non Current Investments</b>	<b>582.74</b>	<b>24.86</b>
Aggregate amount of unquoted Investments	582.74	24.86

**3** NON-CURRENT - OTHER FINANCIAL ASSETS

Deposits – Others	120.96	117.03
Loans to Employees	99.54	128.72
Fixed Deposits with Banks with a maturity period of above 12 months	2,039.25	52.86
Security Deposit – Related Party (Refer Note No. 32)	71.43	70.23
	<b>2,331.18</b>	<b>368.84</b>

**4** OTHER NON-CURRENT ASSETS

Capital Advances for Purchase of Property, Plant and Equipment	50.61	197.95
Other Advances (Deposit with Government Authorities, etc.)	756.34	810.11
	<b>806.95</b>	<b>1,008.06</b>

# Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021

## 5 INVENTORIES

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>(at lower of cost and net realisable value)</b>		
Raw Materials	3,398.56	3,752.94
Raw Materials in transit	2,412.63	284.09
Stores and Spares	5,113.96	3,093.19
Work - in- Progress	591.79	997.16
Finished Goods	2,867.30	1,380.80
	<b>14,384.24</b>	<b>9,508.18</b>

## 6 CURRENT INVESTMENTS

<b>Unquoted</b>		
<b>Investment measured at Fair Value through Profit &amp; Loss</b>		
<b>Investment in Mutual Funds - (Fully Paid-up)</b>		
Nil (Previous year- 10,00,000) Units of Indostar Capital Finance Ltd ₹ 100 each	-	1,155.51
<b>Investment with Portfolio Management Service provider</b>		
Avendus Absolute Return Strategy (PMS)	1,000.00	
<b>Total Current Investment</b>	<b>1,000.00</b>	<b>1,155.51</b>
Aggregate amount of unquoted Investments	1,000.00	1,155.51

## 7 TRADE RECEIVABLES

(₹ in lakhs)

Unsecured, Considered Good	19,882.94	14,338.33
Less: Provision for doubtful debts	(7.98)	(3.86)
	<b>19,874.96</b>	<b>14,334.47</b>

## 8 CASH AND CASH EQUIVALENTS

(a) Cash in hand	9.85	4.08
Balance with Scheduled Banks		
In Current Accounts	3,494.34	794.20
	<b>3,504.19</b>	<b>798.28</b>

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021

(₹ in lakhs)

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
(b) Other Bank Balances		
In Fixed Deposits (Held with Scheduled Banks as Margin)	2,001.88	1,071.35
In Deposits with Maturity of less than 12 Months	1,683.48	2,906.33
In Fixed Deposits (Provided to Government Department as Security)	1.17	1.04
In Margin Money Accounts	0.12	-
In Unpaid Dividend Account	164.35	149.55
	<b>3,851.00</b>	<b>4,128.27</b>
	<b>7,355.19</b>	<b>4,926.55</b>

**9 CURRENT-FINANCIAL ASSETS - LOANS**

Loan to Employees	70.69	72.02
	<b>70.69</b>	<b>72.02</b>

**10 (a) CURRENT ASSETS - OTHER FINANCIAL ASSETS**

Advances recoverable in cash or kind or for value to be received		
- Considered Good	34.93	33.94
Balance with GST Authorities	-	1,393.67
	<b>34.93</b>	<b>1,427.61</b>

**10 (b) OTHER CURRENT ASSETS**

Prepayment	401.94	632.34
Export Incentive Receivable	230.56	318.71
Advances to Suppliers	350.66	212.02
	<b>983.16</b>	<b>1,163.07</b>

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021**11 EQUITY SHARE CAPITAL**

(₹ in lakhs)

Particulars	As at	As at
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Authorised</b>		
4,00,00,000 (Previous year - 4,00,00,000) Equity Shares of ₹ 10/- each	4,000.00	4,000.00
10,00,000 (Previous year - 10,00,000) Preference Share of ₹ 100/- each	1,000.00	1,000.00
	<b>5,000.00</b>	<b>5,000.00</b>
<b>Issued</b>		
3,08,01,350 (Previous year - 3,08,01,350) Equity Shares of ₹ 10/- each	3,080.14	3,080.14
<b>Subscribed and Paid up</b>		
3,07,94,850 (Previous year - 3,07,94,850) Equity Shares of ₹ 10/- each	3,079.49	3,079.49
Add: Amount paid up on 6,500 shares forfeited	0.32	0.32
	<b>3,079.81</b>	<b>3,079.81</b>

**The reconciliation of the number of shares outstanding is set out below**

Particulars	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	3,07,94,850	3,07,94,850
Add : Shares Issued during the year	-	-
Equity Shares at the end of the year	3,07,94,850	3,07,94,850

**The Details of Shareholders holding more than 5% Shares in the company**

Name of the Shareholder	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	No. of Shares	%	No. of Shares	%
Gembel Trade Enterprises Ltd.	23,80,489	7.73	26,66,491	8.66
Kamrup Enterprises Ltd.	33,21,401	10.79	33,21,401	10.79
Mysore Petrochemicals Ltd.	40,75,000	13.23	40,75,000	13.23
Savita Investment Co.Ltd.	19,33,414	6.28	19,33,414	6.28
Shekhawati Investment Co. Ltd.	31,00,425	10.07	31,00,425	10.07
Vincent (India) Ltd.	48,89,927	15.88	48,89,927	15.88

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021**12 OTHER EQUITY**

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Capital Reserve</b>		
Balance as per last Balance Sheet	116.25	116.25
<b>Securities Premium Reserve</b>		
Balance as per last Balance Sheet	2,275.00	2,275.00
<b>General Reserve</b>		
Balance as per last Balance Sheet	7,000.00	7,000.00
Foreign Currency Translation reserve on consolidation	614.70	(53.29)
<b>Retained Earning</b>		
Opening Balance at the beginning of the year	51,027.95	50,460.30
Add : Profit for the year	18,810.84	2,087.80
	<b>69,838.79</b>	<b>52,548.10</b>
Transaction Impact of Ind AS-116, net of Tax	-	(35.16)
Less : Appropriation		
Equity dividend	615.90	1,231.79
Tax on Dividend	-	253.20
	<b>69,222.89</b>	<b>51,027.95</b>
<b>Other Comprehensive Income (OCI)</b>		
As per Last Balance Sheet	(174.11)	(127.54)
Add : Movement in OCI (Net) during the year	65.21	(46.57)
	<b>(108.90)</b>	<b>(174.11)</b>
<b>Total Other Equity</b>	<b>79,119.94</b>	<b>60,191.80</b>

**13 NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS**

<b>Secured Loans</b>		
Term Loan - Rupee Term Loan from a Bank	-	4,142.84
External Commercial Borrowing	8,981.60	10,597.27
	<b>8,981.60</b>	<b>14,740.11</b>



# Notes

## to the financial statements for the year ended 31<sup>st</sup> March, 2021

- i The Company has availed two External Commercial Borrowings (ECB) and both are payable in 17 equal semi-annual instalments from their respective due dates which are 15<sup>th</sup> September, 2013 and 29<sup>th</sup> November, 2019. The ECBs are secured by the first pari-pasu charge on the fixed movable assets (other than current assets) and registered mortgage on immovable properties of the Company by way of first pari-passu charge.
- ii Term Loan was secured by the first pari-passu charge by way of hypothecation of movable fixed assets of the Company including but not limited to plants, machinery, equipment, etc. and second pari-passu charge by way of hypothecation on all current assets of the Company including but not limited to book debts, stocks and all other current assets of the Company. The loan was also secured by mortgage of immovable properties of the Company by way of first pari-passu charge and Personal Guarantee of two Directors of the Company. The loan was repaid in full on 15<sup>th</sup> January, 2021.

### 14 NON CURRENT - FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at	As at
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Due to Related Party (Refer Note No. 32)	919.00	1,922.00
Right to Use Assets	33.51	121.90
	<b>952.51</b>	<b>2,043.90</b>

### 15 LONG TERM PROVISIONS

Provision for Leave Encashment	386.91	352.54
	<b>386.91</b>	<b>352.54</b>

### 16 DEFERED TAX LIABILITIES (NET)

Deferred Tax Assets :		
Provision allowed under tax on payment basis	(21.04)	42.50
	<b>(21.04)</b>	<b>42.50</b>
Deferred Tax Liabilities :		
Property, Plant & Equipments	6,922.52	6,380.94
Financial Assets	20.35	(47.79)
	<b>6,942.87</b>	<b>6,333.15</b>
Net Deferred Tax Liability (Net)	<b>6,963.91</b>	<b>6,290.65</b>
The movement on the deferred Tax account is as under:		
At the beginning of the year	6,290.65	5,561.65
Charge to statement of Profit & Loss (Net)	673.26	729.00
At the end of the year	<b>6,963.91</b>	<b>6,290.65</b>

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021**17** CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in lakhs)

Particulars	As at	As at
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Secured</b>		
Bank Borrowings	3,611.57	3,948.09
	<b>3,611.57</b>	<b>3,948.09</b>

- i Bank borrowings are secured by first pari passu charge on the entire current assets of the Company and second pari passu charge on the entire movable fixed assets of the Company amongst Working Capital lenders under consortium banking arrangement. The loan is also secured by mortgage of immovable properties of the Company by way of second charge and Personal Guarantee of two Directors of the Company.
- ii Bank borrowings of ₹ 3,610.00 Lakhs (Previous Year ₹ 3,328.40 Lakhs) of Subsidiary is secured by mortgage of the property of the Subsidiary.

**18** (a) CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

Dues of Micro, Medium and Small Enterprises	113.32	49.15
Dues of creditors other than Micro, Medium and Small Enterprises	23,856.43	19,909.02
	<b>23,969.75</b>	<b>19,958.17</b>

Dues to parties covered under the Micro, Small and Medium Enterprises as per MSMED Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditor.

**18** (b) OTHER FINANCIAL LIABILITIES - OTHER

Unpaid Dividend (shall be credited to Investor Education and Protection Fund as and when due)	164.35	149.55
Security Deposits	3.50	3.50
Current maturities of long term Secured debts		
- External Commercial Borrowing	2,167.84	2,647.00
- Due to Related Party - Refer Note No. 32	1,630.01	1,662.23
Right to Use Assets	88.39	89.15
Interest Accrued But not Due on Loans	53.84	46.18
Book Overdraft	57.50	18.77
Other Liabilities	21.82	363.39
	<b>4,187.25</b>	<b>4,979.77</b>

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021**19 OTHER CURRENT LIABILITIES**

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Advance from Customers	1.17	33.36
Statutory Dues & Taxes payable	1,027.25	308.49
	<b>1,028.42</b>	<b>341.85</b>

**20 SHORT TERM PROVISIONS**

Provision for Leave Encashment	79.72	84.60
Provision for Gratuity	18.78	131.87
	<b>98.50</b>	<b>216.47</b>

**21 REVENUE FROM OPERATIONS**

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>Sale of products</b>		
Finished Goods	1,12,113.26	1,05,158.39
Other Operating Revenues	248.62	699.63
	<b>1,12,361.88</b>	<b>1,05,858.02</b>

**22 OTHER INCOME**

<b>Interest</b>		
- Bank Deposits	266.40	127.67
- Others	10.02	114.93
Profit on Fair Value of Investment through Profit & Loss	7.51	106.00
Profit on Sale of Investments	24.86	205.76
Dividend Received	0.49	0.59
Insurance Claim Received	-	44.18
Other Non Operating Income	23.56	37.68
	<b>332.84</b>	<b>636.81</b>

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021**23 COST OF RAW MATERIALS CONSUMED**

(₹ in lakhs)

Particulars	Year ended	Year ended
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Opening Stock	3,752.94	5,994.44
Add: Purchases (Net)	65,870.42	79,212.52
	69,623.36	85,206.96
Less: Closing Stock	<b>3,398.56</b>	<b>3,752.94</b>
	<b>66,224.80</b>	<b>81,454.02</b>

**24 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK -IN-PROGRESS**

<b>Opening Inventories</b>		
Work - in- Progress	997.16	1,118.89
Finished Goods	1,380.80	1,521.10
<b>Closing Inventories</b>		
Work - in- Progress	591.79	997.16
Finished Goods	2,867.30	1,380.80
	<b>(1,081.13)</b>	<b>262.03</b>

**25 EMPLOYEE BENEFIT EXPENSE**

Salaries, Wages and Bonus	6,007.95	4,999.35
Contribution to Provident and Other Funds	276.68	272.21
Gratuity Expenses	81.05	59.53
Staff Welfare Expenses	704.11	685.26
	<b>7,069.79</b>	<b>6,016.35</b>

**26 FINANCE COST**

Interest		
- on Term Loans	431.38	215.58
- on Others	634.96	872.27
Bills Discounting and Bank Charges	389.39	509.12
	<b>1,455.73</b>	<b>1,596.97</b>

# Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021

## 27 OTHER EXPENSES

(₹ in lakhs)

Particulars	Year ended	Year ended
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Consumption of Stores, Spares and Consumables	302.62	261.64
Consumption of Packing Materials	695.04	630.25
Power, Fuel and Water charges	2,495.90	2,530.12
Repairs and Maintenance		
Plant and Equipments	1,760.75	2,176.09
Buildings	31.12	31.38
Others	26.67	48.66
Insurance Premium	530.77	419.79
Rent	5.68	5.98
Rates and Taxes	85.30	268.54
Selling Expenses		
Brokerage and Commission	220.90	42.37
Freight outward	2,645.55	2,445.45
Port charges	75.07	99.26
Other selling expenses	99.34	127.36
Directors' Sitting Fees & Commission	286.77	47.05
Payment to Auditors (Refer Note 27.1)	18.16	20.45
Travelling & Conveyance	310.68	666.00
Legal & Professional fees	300.82	367.30
Foreign Exchange Translation Difference	(218.73)	370.55
Communication Cost	18.32	28.65
CSR Expenditure (Refer Note 40)	302.24	32.82
Loss /(Profit) on Sale of Fixed Assets	1.34	13.24
Provision for Doubtful Debtors	4.12	(2.87)
Miscellaneous Expenses	290.52	326.18
	<b>10,288.95</b>	<b>10,956.26</b>

## 27.1 PAYMENTS TO AUDITORS

Audit Fees (Including Fee for Limited review)	18.00	18.00
For other matters	-	0.50
Reimbursement of Expenses	0.16	1.95
	<b>18.16</b>	<b>20.45</b>

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021**28 EARNING PER SHARE OF ₹ 10 EACH (EPS)**

(₹ in lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
Profit after tax as per Statement of Profit & Loss	18,810.84	2,087.80
Weighted average No. of Shares in calculating basic and diluted EPS	3,07,94,850	30,794,850
<b>Earning per Share</b>		
Basic & Diluted - ₹	<b>61.08</b>	<b>6.78</b>

**29 CAPITAL COMMITMENT**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances.	474.66	1,203.85

**30 CONTINGENT LIABILITIES**

Contingent Liabilities not provided for		
a. Disputed Excise & Service tax matters		
i) Cases decided in favour of the Company which are taken further in appeal before the appellate authorities by the department. (Deposit under Protest ₹ NIL, (Previous year ₹ NIL).	750.87	750.87
ii) Other Matters for which the Company is in appeal. (Deposits paid under protest ₹ 735.53 lakhs (Previous year ₹ 794.57 lakhs)	735.53	794.57
iii) Show Cause Notices received (Deposits paid under protest ₹ 15.55 lakhs (Previous year ₹ 15.55 lakhs)	333.71	454.92
b. Claim against the Company not acknowledged as Debt.	189.29	29.63
c. Income Tax matters under dispute for various years due to additions/disallowances.	5,984.23	5,742.07
d. Electricity Duty Disputed, writ petition has been filed before the Mumbai High Court through Captive Power Producers Association and stay has been granted.	1,949.58	1,606.37
The Management is confident that the matters will be in favour of the company as per legal opinions obtained / legal precedents.		
Future cash outflows in respect of above items are determinable only on receipt of judgments / decisions pending at various forums/authorities.		
e. The Board at its meeting held on 24 <sup>th</sup> May, 2021 considered and recommended a dividend @ 75% i.e. ₹ 7.50/- per share of ₹ 10/- each for the financial year 2020-21 amounting to ₹ 2,309.61 lakhs. (Previous Year @ 20% i.e. ₹ 2/- per share taken as deduction under Reserves & Surplus) subject to approval of the members of the Company.		
f. Workmen's Union Demand of the Company at Plant with effect from 1 <sup>st</sup> June, 2020 is under negotiation, amount presently not ascertainable.		

# Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021

## 31 SEGMENT INFORMATION

### Primary Business Segment

The Company is exclusively engaged in a single business segment of manufacture and sale of organic chemicals and accordingly this is the only primary reportable segment.

### Geographical Segments

Secondary segmental reporting is based on the geographical location of customer. The geographical segments have been disclosed based on revenues within India (sales to Customers within India) and revenues outside India (sales to customers located outside India). Secondary segment assets and liabilities are based on the location of such asset/liability.

Information about Secondary Geographical Segments

(₹ in lakhs)

Segment Information	Year ended 31 <sup>st</sup> March, 2021			Year ended 31 <sup>st</sup> March, 2020		
	India	Outside India	Total	India	Outside India	Total
Revenue (Including Excise duty)	1,03,092.45	9,269.43	1,12,361.88	90,360.05	15,497.97	1,05,858.02
Carrying amount of segment assets	1,17,331.43	15,048.74	1,32,380.17	1,02,764.26	13,378.90	1,16,143.16
Carrying amount of segment liabilities	30,499.54	19,680.88	50,180.42	31,368.18	21,503.37	52,871.55
Additions to Property, Plant & Equipment	26,455.74	-	26,455.74	11,430.52	-	11,430.52

## 32 RELATED PARTY DISCLOSURE

i Names of other related parties with whom transactions have taken place during the year

a. Key Management Personnel	Shri Nikunj Dhanuka - Managing Director & CEO Shri J K Saboo- Executive Director Shri M M Dhanuka- Chairman Shri Rajesh Muni- Director Dr. A K A Rathi- Director Dr. Vijayanti Pandit- Director Shri Pramod Bhandari- Chief Financial Officer Shri Sudhir R Singh - Company Secretary
b. Relatives of key management personnel	Shri Mayank Dhanuka – Son of Chairman Shri Umang Dhanuka – Brother of Managing Director & CEO Shri Arpan Dhanuka – Son of Managing Director & CEO Smt Bina Devi Dhanuka – Spouse of Chairman Smt Raj Kumari Dhanuka – Mother of Managing Director & CEO Smt Neha Dhanuka - Daughter in law of Chairman
c. Enterprises Over which Key Management Personnel and their relatives can exercise control	Mysore Petro Chemicals Limited Savita Investment Company Limited



## Notes

### to the financial statements for the year ended 31<sup>st</sup> March, 2021

Notes :

- a) The related party relationships have been determined on the basis of the requirements of the Indian Accounting Standard (Ind AS-24) "Related party disclosures" and the same have been relied upon by auditors.
- b) The relationships as mentioned above pertain to those related parties with whom transactions have taken place during the year, except where control exist, in which case the relationships have been mentioned irrespective of the transactions with the relatives.

Transactions carried out and year end balances with related parties referred in above, in ordinary course of business are as under:

(₹ in lakhs)

Sr.	Nature of Transaction	Related parties referred to in		
		i(a) above	i(b) above	i(c) above
<b>1</b>	<b>Income</b>			
	Sale of Goods (Including Taxes)	-	-	<b>2,544.66</b>
		(-)	(-)	(1,433.24)
	Rent Received (Including Taxes)	-	-	15.46
<b>2</b>	<b>Expenses</b>			
	Remuneration	<b>751.95</b>	<b>237.69</b>	-
		(388.84)	(233.72)	(-)
	Directors Sitting Fees & Commission	286.77	-	-
		(47.05)	(-)	(-)
	Interest	-	-	<b>302.72</b>
		(-)	(-)	(346.93)
	Rent (Including Taxes)	-	<b>10.16</b>	<b>113.39</b>
		(-)	(8.40)	(88.85)
<b>3</b>	<b>Amount Payable at year end</b>			
	Against Purchase of MA Unit	-	-	<b>2,549.01</b>
		(-)	(-)	(3,584.23)
<b>4</b>	<b>Amount Receivable at year end</b>			
	Security Deposit	-	<b>2.40</b>	<b>69.03</b>
		(-)	(1.20)	(69.03)

Note: Amount in bracket represents figures for previous year.

Key managerial personnel related to retirement benefits (i.e. gratuity) are recognised under employee benefit expenses in Statement of Profit and Loss with other employees gratuity cost of the company based on the actuarial valuation carried out by independent actuary.

# Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021

## 33 EMPLOYEE BENEFITS

### i. General Description of defined benefit plan

The Gratuity scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss account and the funded status and amounts recognized in the balance sheet.

(₹ in lakhs)		
Particulars	Gratuity (funded) 31 <sup>st</sup> March, 2021	Gratuity (funded) 31 <sup>st</sup> March, 2020
<b>a. Statement of Profit and Loss</b>		
Net employee benefit expense (recognized in Personnel Expenses in Note 25)		
Current service cost	77.43	57.44
Net Interest cost on benefit obligation	3.62	2.09
Past service cost	-	-
Net Benefit / Cost	81.05	59.53
<b>b Net employee benefit expense (recognized in Profit &amp; Loss and other Comprehensive Income)</b>		
Amount recognised in Profit & Loss account	81.05	59.53
Amount recognised in Other Comprehensive Income	(87.14)	71.59
Total Expenses / (Income) Recognized for the year	(6.09)	131.12
<b>c Balance sheet</b>		
Details of Provision for gratuity		
Defined benefit obligation	1,306.28	1,343.39
Fair value of plan assets	1,287.50	1,211.52
Less: Unrecognized past service cost		
Amount Recognised in the Balance Sheet	(18.78)	(131.87)
<b>d Changes in the present value of the defined benefit obligation are as follows:</b>		
Opening defined benefit obligation	1,343.39	1,171.48
Interest cost	85.40	86.03
Current service cost	77.43	57.44
Benefits paid	(111.42)	(39.62)
Actuarial (gains) / losses on obligation	(88.51)	68.06
Past service cost	-	-
Closing defined benefit obligation	1,306.29	1,343.39

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021

(₹ in lakhs)

Particulars	Gratuity (funded) 31 <sup>st</sup> March, 2021	Gratuity (funded) 31 <sup>st</sup> March, 2020
<b>e Changes in the fair value of plan assets are as follows:</b>		
Opening fair value of plan assets	1,211.52	1,080.31
Contributions by employer	81.78	83.94
Benefits paid	(4.43)	50.80
Actuarial gains / (losses)	(1.37)	(3.53)
Closing fair value of plan assets	1,287.50	1,211.52
<b>f Maturity Profile of defined benefit plan assets</b>		
Within next 12 months (next annual reporting period)	193.87	241.63
Between 2 and 5 years	521.85	358.34
Between 6 and 10 years	786.03	800.32
<b>g Quantitative sensitivity analysis for significant assumption is as below</b>		
<b>Increase / decrease on present value of defined benefits obligation at the end of the year</b>		
One percentage point increase in discount rate	(74.60)	(76.72)
One percentage point decrease in discount rate	80.25	82.53
One percentage point increase in rate of salary	58.50	60.16
One percentage point decrease in rate of salary	(53.53)	(55.05)
<b>h Sensitivity Analysis Method</b>		
Sensitivity analysis is determined based on the expected movement in liability, if the assumptions were not proved to be true on different count		
<b>i The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:</b>	%	%
Discount rate	7.07	6.75
Expected rate of return on assets	7.07	6.75
Employee turnover	5	5
Salary Escalation	4	4
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Retirement Age	60	60

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021

### 34 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

The Company uses Forward Exchange Contracts to hedge its exposure in foreign currency. The Information on derivative instruments is as follows:

Particulars	31 <sup>st</sup> March, 2021		31 <sup>st</sup> March, 2020	
	Amount in Foreign currency	(₹ in lakhs)	Amount in Foreign currency	(₹ in lakhs)
i. Forward Contracts of sale outstanding as at the balance sheet date				
Forward currency contract US\$	3,963,464	2,913.33	6,249,105	4,710.95
ii. Particulars of Unhedged foreign currency exposure as at the balance sheet date:				
<b>Amount Receivable</b>				
US \$	-	-	131,436	99.08
<b>Amount Payable</b>				
Advance against Supply - US \$	-	-	34,860	26.28
Import of Goods - Euro	5,057,058	4,354.08	5,057,058	4,199.87
Loans Payable - Euro	13,608,518	11,716.80	16,795,770	13,948.82
Loans Payable - GBP	3,576,000	3,610.00	3,576,000	3,328.40

### 35 FINANCIAL INSTRUMENTS

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criterial for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note-M of significant accountin policies to the financial statements.

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021

### (a) Financial assets and liabilities

The following table presents carrying amount and Fair Value of each category of financial assets and liabilities.

(₹ in lakhs)					
Particulars	Amortised Cost	Fair Value through Profit and Loss A/c	Total Carrying Value	Total Fair Value (Level 2)	Total Fair Value (Level 3)
<b>As at 31<sup>st</sup> March, 2021</b>					
<b>Financial Assets</b>					
Trade Receivable	19,874.96	-	19,874.96	19,874.96	-
Investment	-	1,582.74	1,582.74	1,582.74	-
Cash and bank	7,355.19	-	7,355.19	7,355.19	-
Other financial assets	2,436.80	-	2,436.80		2,436.80
<b>Total</b>	<b>29,666.95</b>	<b>1,582.74</b>	<b>31,249.69</b>	<b>28,812.89</b>	<b>2,436.80</b>
<b>Financial Liabilities</b>					
Borrowings	12,593.17	-	12,593.17	12,593.17	-
Trade Payable	23,969.75	-	23,969.75	23,969.75	-
Other financial Liabilities	5,139.76	-	5,139.76	-	5,139.76
<b>Total</b>	<b>41,702.68</b>	<b>-</b>	<b>41,702.68</b>	<b>36,562.92</b>	<b>5,139.76</b>
<b>As at 31<sup>st</sup> March, 2020</b>					
<b>Financial Assets</b>					
Trade Receivable	14,334.47	-	14,334.47	14,334.47	-
Investment	-	1,180.37	1,180.37	1,180.37	-
Cash and bank	4,926.55	-	4,926.55	4,926.55	-
Other financial assets	1,868.47	-	1,868.47		1,868.47
<b>Total</b>	<b>21,129.49</b>	<b>1,180.37</b>	<b>22,309.86</b>	<b>20,441.39</b>	<b>1,868.47</b>
<b>Financial Liabilities</b>					
Borrowings	18,688.20	-	18,688.20	18,688.20	-
Trade Payable	19,958.17	-	19,958.17	19,958.17	-
Other financial Liabilities	7,023.67	-	7,023.67	-	7,023.67
<b>Total</b>	<b>45,670.04</b>	<b>-</b>	<b>45,670.04</b>	<b>38,646.37</b>	<b>7,023.67</b>

### (b) The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into level 1 to level 3, as described below :

Level-1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level-2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level-3 : Techniques which use inputs that have a significant effect on the recorded Fair Value that are not based on observable market data.

# Notes

## to the financial statements for the year ended 31<sup>st</sup> March, 2021

### (c) Financial Risk Management Policies and objectives:

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures and borrowings.

#### Interest rate risk

The Company's does not have any significant interest bearing asset however there are certain insignificant interest bearing liability. As such, the Company is not exposed to significant interest rate risk as at the reporting date.

#### Foreign currency risk

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

#### Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company maintains sufficient cash and cash equivalents to manage its liquidity risk.

#### Credit Risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Company. To manage this, the Company periodically assess the financial reliability of customers, taking into account the financial condition., current economic trends, analysis of historical bad debts and agreeing of accounts receivable. Individual risk limit are set accordingly.

Financial instruments that are subject to Concentrations of credit risk principally consist of trade receivables, investments, derivatives, Cash and cash equivalents, bank deposits and other financial assets.

### (d) Foreign Currency exposure as at 31<sup>st</sup> March, 2021

(₹ in lakhs)

Particulars	USD	EUR	GBP	Total
Trade Receivables	2,913.33	-	-	2,913.33
Trade Payable	-	(4,354.08)	-	(4,354.08)
Loan in Foreign Currency	-	(11,716.80)	-	(11,716.80)
Loan in Foreign Currency	-	-	(3,610.00)	(3,610.00)
<b>Net Exposure</b>	<b>2,913.33</b>	<b>(16,070.88)</b>	<b>(3,610.00)</b>	<b>(16,767.55)</b>

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021Foreign Currency exposure as at 31<sup>st</sup> March, 2020

(₹ in lakhs)

Particulars	USD	EUR	GBP	Total
Trade Receivables	4,810.03	-	-	4,810.03
Trade Payable	(26.28)	(4,199.87)	-	(4,226.15)
Loan in Foreign Currency	-	(13,948.82)	-	(13,948.82)
Loan in Foreign Currency	-	-	(3,328.40)	(3,328.40)
<b>Net Exposure</b>	<b>4,783.75</b>	<b>(18,148.69)</b>	<b>(3,328.40)</b>	<b>(16,693.34)</b>

(e) 1% increase or decrease in foreign currency exchange rates will have the following impact on profit before tax.

(₹ in lakhs)

Particulars	2020-21		2019-20	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	29.13	(29.13)	47.84	(47.84)
EUR	(160.71)	160.71	(181.49)	181.49
GBP	(36.10)	36.10	(33.28)	33.28
AED	-	-	-	-
Increase / (Decrease) in Profit	<b>(167.68)</b>	<b>167.68</b>	<b>(166.93)</b>	<b>166.93</b>



## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021

### 36 INCOME TAXES (IND AS 12) :

Particulars	(₹ in lakhs)	
	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
Income tax recognised in Statement of Profit and Loss		
Current tax	5,780.47	374.24
Deferred tax	673.26	729.00
<b>Total Income tax expenses recognised in the current year</b>	<b>6,453.73</b>	<b>1,103.24</b>
The Income tax expenses for the year can be reconciled to the accounting profit as follows:		
Profit before tax	25,405.40	3,207.64
Add: Exceptional Items	61.64	29.45
Profit before exceptional items & tax	25,467.04	3,237.09
Applicable Tax Rate	25.17%	34.94%
Computed Tax Expense	6,409.54	1,131.17
Tax effect of :		
Income at Concessional rate of Tax	12.85	(36.70)
Expenses disallowed	32.92	31.54
Additional allowances	(674.84)	(751.77)
Current Tax expense	5,780.47	374.24
Incremental Deferred Tax Liability on account Property, Plant & Equipments	652.91	776.79
Incremental Deferred Tax Asset on account of Financial Assets and Other items	20.35	(47.79)
Deferred tax provision (Net)	673.26	729.00
Tax Expenses recognised in Statement of Profit and Loss	6,453.73	1,103.24
Effective Tax Rate	25.34%	34.08%

### 37 BUSINESS COMBINATION

During the year ended 31<sup>st</sup> March, 2018 the Company has acquired the manufacturing unit of M/s Mysore Petro Chemicals Limited with effect from 1<sup>st</sup> April, 2017 for a consideration of ₹ 7,448.00 lakhs on slump sale basis, as per the valuation by Haribhakti & Co. LLP. The transaction was accounted under Ind AS 103 "Business Combination" as a business combination with the purchases price being allocated to identifiable assets and liabilities at fair value as determined by an approved valuer.

Following Table present the allocation of purchase price

Particulars	(₹ in lakhs)
Net Tangible Assets	7,246.86
Goodwill	201.14
<b>Total Purchase price</b>	<b>7,448.00</b>

## Notes

### to the financial statements for the year ended 31<sup>st</sup> March, 2021

Goodwill arose in the acquisition of above business because the cost of combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and assembled workforce of acquired business combination. These benefits are not recognised separately from goodwill as they do not meet the recognised criteria for identifiable intangible assets. The Goodwill is expected to be deductible for Income Tax purposes.

#### 38 RESEARCH & DEVELOPMENT

Research & Development Expenditure of ₹ 69.96 lakhs (Previous Year ₹ 57.44 lakhs) has been accounted for in the respective heads of the Statement of Profit and Loss.

39 The Holding Company had shut down its manufacturing facilities in the last week of March 2020 due to the nationwide lockdown announced by Government of India to contain the spread of Covid-19. It restarted its operations from mid April, 2020 in a phased manner and gradually achieved normal level of production by end of May, 2020. The Company has carried out a detailed study to assess the impact of Covid-19, including the second wave, on its liquidity position and on the recoverability and carrying values of its assets and has concluded that there is no significant impact on account of the same on its financial results as at 31<sup>st</sup> March 2021. The impact assessment of Covid-19 is a continuous process given the uncertainties associated with its nature and duration. The management will continue to monitor material changes to the future economic conditions which may have an impact on the operations of the Company.

#### 40 CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities.

Particulars	(₹ in lakhs)
(a) Gross amount required to be spent by the Company during the year is	299.49
(b) Amount spent during the year :	302.24
i Construction / Acquisition of any assets	-
ii On Purposes other than (i) above.	302.24
<b>Total</b>	<b>302.24</b>

41 IGPL-FZE wholly owned subsidiary of the Company has been liquidated on 12<sup>th</sup> April, 2020.

42 There was no impairment loss on non- financial assets on the basis of review carried out by the management in accordance with the Indian Accounting Standard (Ind AS-36) "Impairment of Assets "

43 The company has elected to exercise the option permitted under section 115 BAA of the Income Tax Act, 1961 accordingly the company has recognised Provision for Income Tax for the Year ended 31<sup>st</sup> March, 2021.

# Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2021

## 44 ADDITIONAL INFORMATION AS PER PART II OF SCHEDULE III, OF COMPANIES ACT, 2013

Name of the Entity	Net Assets		Share of Profit or Loss	
	As % of Consolidated Net Assets	Amount (₹ in lakhs)	As % of Consolidated Profit & Loss	Amount (₹ in lakhs)
I G Petrochemicals Limited - Parent	99.53	81,811.86	100.75	18,951.67
IGPL International Ltd. - Subsidiary	0.47	387.88	(0.75)	(140.83)
<b>Total</b>	<b>100.00</b>	<b>82,199.75</b>	<b>100.00</b>	<b>18,810.84</b>

Name of the Entity	Share in other Comprehensive Income		Share in total Comprehensive Income	
	As % of Consolidated Comprehensive Income	Amount (₹ in lakhs)	As % of Total Comprehensive Income	Amount (₹ in lakhs)
I G Petrochemicals Limited - Parent	100.00	65.21	100.75	19,016.88
IGPL International Ltd. - Subsidiary	0.00	0.00	(0.75)	(140.83)
<b>Total</b>	<b>100.00</b>	<b>65.21</b>	<b>100.00</b>	<b>18,876.05</b>

## 45 PREVIOUS YEAR COMPARATIVES

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date

**For Uday & Co.**

Chartered Accountants

**For SMMP & Company**

Chartered Accountants

For and on behalf of the Board of Directors of

**I G Petrochemicals Limited**

**K. Sathyanarayanan**

Partner

Place: Bengaluru

Membership No: 203644

Firm's Registration No: 004440S

**Chintan Shah**

Partner

Place: Mumbai

Membership No: 166729

Firm's Registration No: 120438W

**Nikunj Dhanuka**

Managing Director & CEO

DIN: 00193499

Place: London

**Rajesh Muni**

Independent Director

DIN: 00193527

Place: Mumbai

**Pramod Bhandari**

Chief Financial Officer

Place : Mumbai

**Sudhir R Singh**

Company Secretary

Place: Mumbai

Date: 24<sup>th</sup> May, 2021





### Corporate Office

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**CIN:** L51496GA1988PLC000915

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