FORM B

Covering letter of the Annual Audit Report to be filed with the Stock Exchanges

1.	Name of the Company	**Indo Rama Synthetics (India) Limited**
2.	Annual Financial Statements for the year ended	**31 March 2014**
3.	Type of Audit Qualification *	Qualifications in the Annexure referred to in paragraph 6 of the Independent Auditors' Report dated 20 May 2014 to the members of Indo Rama Synthetics (India) Limited on the accounts for the year ended 31 March 2014 (a) *Sales tax/ value added tax dues have been regularly deposited with the appropriate authorities except in case of an instance of value added tax due in which there was serious delay in depositing the same with the appropriate authorities but which has been deposited before the year end. [refer to paragraph (ix) (a) of the above referred annexure to the Independent Auditors' Report]* (b) *The Company has delayed in repayment of dues aggregating Rs. 281 Crores for a period ranging from 12 days to 89 days to various banks.* However, there are no overdue amounts outstanding to banks and financial institutions as at the year end. *[refer to paragraph (xi) of the above referred annexure to the Independent Auditors' Report]* (c) *The Company has used short term funds to the extent of Rs. 160.43 Crores for long-term investments, primarily towards fixed assets and long term loans. [refer to paragraph (xvii) of the above referred annexure to the Independent Auditors' Report]*
4.	Frequency of Qualification	(a) Second Time in respect of item 3 (a) above (b) Seventh Time in continuation (including on the financial statement for the year ended 31 March 2008 by the previous auditors) in respect of item 3 (b) above (c) Third Time in continuation in respect of item 3 (c) above

	Draw attention to relevant notes in the Annual Financial Statements and management response to the qualification in the Directors Report:	**Page No.: 50 of Directors' Report of Annual Report 2013-14, under the heading "Auditors"** With regard to the observation made by the Auditors at point number ix (a), xi and xvii of the annexure of Auditors' Report, we would like to inform that (a) Delay in payment of Sales Tax / Value Added Tax dues for one quarter, the same has been paid along with interest. (b) Further, an unprecedented exchange fluctuation and rupee devaluation - which was as high as 27% in August 2013 - coupled with raw material supply constraint during the last financial year, there has been timing mismatches in the Company's operating cash flow resulting in delayed payments in some cases. However, Company managed to overcome the same and as at the year end outstanding with all the banks and financial institution were standard and regular. (c) Cash accruals are expected to improve with focus to enhance operational efficiencies thereby reducing costs, consistent effort to extend reach in value added products, and change in sourcing strategies to mitigate supply constraints. This is expected to further correct the temporary mismatch in the short term liabilities and assets. Further, the Company has tied-up Rs.121 Crores of long term funds to meet this gap and is in the process of arranging another Rs.39 Crores.
	Additional comments from the Board / Audit Committee Chair	Nil

* Following emphasis of matter has also been given in the Independent Auditors' Report for the year ended 31 March 2014:

a) Attention is drawn to note 44 to the financial statements, which explains the early application, since the year 2010-11, of Accounting Standard 30 "Financial Instruments- Recognition and Measurement", issued by the Institute of Chartered Accountants of India. An amount of Rs. 10.40 Crores has been recognized as expense in these financial statements for the year ended 31 March 2014 and included in exceptional items as an adjustment on application of Accounting Standard 30. Our opinion is not qualified in respect of this matter.

b) Attention is drawn to note 43 of the financial statements, which explains the management's position regarding utilisation of Minimum Alternate Tax credit aggregating Rs. 57.91 Crores as at 31 March 2014. Based on the management's assumptions and future business plans, no provision has been considered in the books of accounts in respect of Minimum Alternate Tax credit. Our opinion is not qualified in respect of this matter.

5. To be signed by: **CEO / Managing Director**	For **Indo Rama Synthetics (India) Limited** **Om Prakash Lohia** Chairman & Managing Director DIN: 00206807
CFO	For **Indo Rama Synthetics (India) Limited** **Sanjay Syal** Chief Financial Officer ICAI Membership No.: 089091
Auditor of the Company	*For* **B S R and Associates** *Chartered Accountants* Firm Registration Number: 128901W **Kaushal Kishore** Partner (Membership No.: 090075)
Audit Committee Chairman	For **Indo Rama Synthetics (India) Limited** **Ashok Kumar Ladha** Chairman - Audit Committee DIN: 00089360

INDO RAMA
Synthetics (India) Limited

STRENGTHENING POTENTIAL

Advancing with focus and foresight

2013 14 Annual Report

Indo Rama Synthetics (India) Limited

Forward-looking statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise

For additional information please visit: www.indoramaindia.com

THE WAY FORWARD

CORPORATE INFORMATION

Board of Directors

Mohan Lal Lohia
Chairman Emeritus

Om Prakash Lohia
Chairman and Managing Director

Vishal Lohia
Whole-time Director

Anant Kishore
Whole-time Director & CEO

Ashok Kumar Ladha
Non-executive Independent Director

Dr. Arvind Pandalai
Non-executive Independent Director

Suman Jyoti Khaitan
Non-executive Independent Director

Company Secretary

Jayant K Sood

Corporate Executives

Anant Kishore
Chief Executive Officer

Sanjay Syal
President and Chief Financial Officer

Ajay Gupta
Site Head

Arvind Gupta
Marketing Head

Auditors

B S R and Associates, Gurgaon

Bankers

Axis Bank Limited
Bank of India
HDFC Bank Limited
Oriental Bank of Commerce
Punjab National Bank
State Bank of Travancore
IKB Deutsche Industriebank AG

Institutions

DEG - Deutsche Investitions- und Entwicklungsgesellschaft mbH

Life Insurance Corporation of India

Cautious optimism is the prevailing mood of businesses and economies worldwide, because growth is fragile and prone to headwinds.

In such a world, today's lessons may not be relevant tomorrow and present challenges may turn out to be opportunities.

Therefore, at Indo Rama we believe in learning from challenges and advancing with focus and foresight. And throughout the journey, we never lose our sense of optimism.

Where we need to be

We faced multiple challenges during the year: currency volatility, spiralling raw material cost and shortage of raw material resulting in low capacity utilisation. These challenges impacted our operational and financial performance. But now we need to look further and smash a few glass ceilings that hold us back.

Widening product basket

We are widening our value-added product basket to serve downstream industries.

Leveraging scale

As India's largest dedicated polyester manufacturer, we are focusing on leveraging our fully automated capacity to cater to national and international markets. With the textile sector showing good signs of recovery, polyester demand is expected to increase considerably. Such a scenario will enable us to utilise higher production capacity in the coming fiscal.

Reinforcing knowledge capital

We are adopting different strategies to motivate our people and facilitate their career progression through consistent training, succession planning and by rewarding talent.

Accelerating global forays

We are reaching out to over 20 countries globally with our wide range of products. We are also focusing on deeper penetration across India's textile belts.

FORESIGHT CAN TAKE US FAR

Since inception, we have travelled a long way. The journey wasn't always smooth, but we relied on our foresight and the ability to deliver, despite challenges.

Today, after more than two decades, we have emerged as India's largest dedicated polyester manufacturer. Our integrated manufacturing facility enables us to be among India's low-cost polyester producers. We will be adding new and exciting chapters to our voyage as we move ahead.

Our mission

To be the preferred polyester business partner by focusing on customer delight & innovation to attain sustainable growth.

Technology excellence partners

- Zimmer AG, Germany
- Chemtex Intl. Inc., USA
- Oerlikon Barmag, Germany
- Teijin Seiki, Japan
- Toyobo, Japan
- LTG Ameliorair, France
- Wartsila Diesel, Finland
- Bertrams, Switzerland
- LVD, Belgium
- Autefa, Germany

Acclaimed certifications

- ISO 9001:2008 certification, ensuring stringent quality protocol
- ISO 14001:2004 certifications for globally benchmarked environment standards
- OEKO Tex certification for meeting human and ecological requirements
- REACH - Substance of Very High Concern (SVHC) certification for human health and environment safety

Awards and recognition

- Conferred with the prestigious 'National Energy Conservation Award 2013' in Petrochemical sector by the Ministry of Power under the banner of BEE (Bureau of Energy Efficiency)
- Won multiple awards in the 24th Quality Circle Forum of India (QCFI) convention (manufacturing category) Nagpur chapter in 2013
- Won several awards in the 27th National Convention on Quality Concepts in 2013

Business interests

Polyester Staple Fibre (PSF)	2,63,550 TPA
Polyester Filament Yarn (PFY)	2,59,000 TPA
Draw Texturised Yarn (DTY)	91,250 TPA
Polyester Chips	87,500 TPA
Power	84.62 MW

Industries we serve

Apparel

Shirting, Suiting, Jeans, Ladies wear, Dhoti, Saree and T-Shirt

Sportswear

Sports apparel and Sports footwear

Automotive

Auto upholstery (Seat cover and Steering cover)

Home furnishing/Textile

Bed linen, Bath linen, Kitchen linen, Curtains and Upholstery

Non woven

Face Wipes, Hand Wipes, Back Covers and Sanitary Napkins

Technical textile

Agrotech (Agro textiles), Mobiltech (Automotive and aerospace textiles), Buildtech (Construction Textiles), Clothtech (Clothing textiles), Geotech (Geotextiles), Hometech (Domestic textiles), Indutech (Industrial textiles), Mobiltech (Textiles used in transport), Oekotech or Ecotech (Environmentally-friendly textiles), Packtech (Packaging textiles) and Protech (Protective textiles)

20+
Years of rich industry experience

5
Continent presence (Asia, Europe, Africa, North America and South America)

13
Office - Pan-India presence

10
Technology collaborations

6,10,050
Tonnes per annum (TPA) cumulative production capacity

1,563+
Employee strength

GLOBAL REACH

Global reach

1. Nepal
2. Bangladesh
3. Sri Lanka
4. Indonesia
5. Thailand
6. Germany
7. Kenya
8. Spain
9. Italy
10. Peru
11. Brazil
12. Mexico
13. Turkey
14. USA
15. Poland
16. Egypt
17. Morocco
18. Iran
19. France
20. Ecuador
21. Bahrain
22. Portugal
23. Japan
24. South Korea

Offices

Registered Office and works

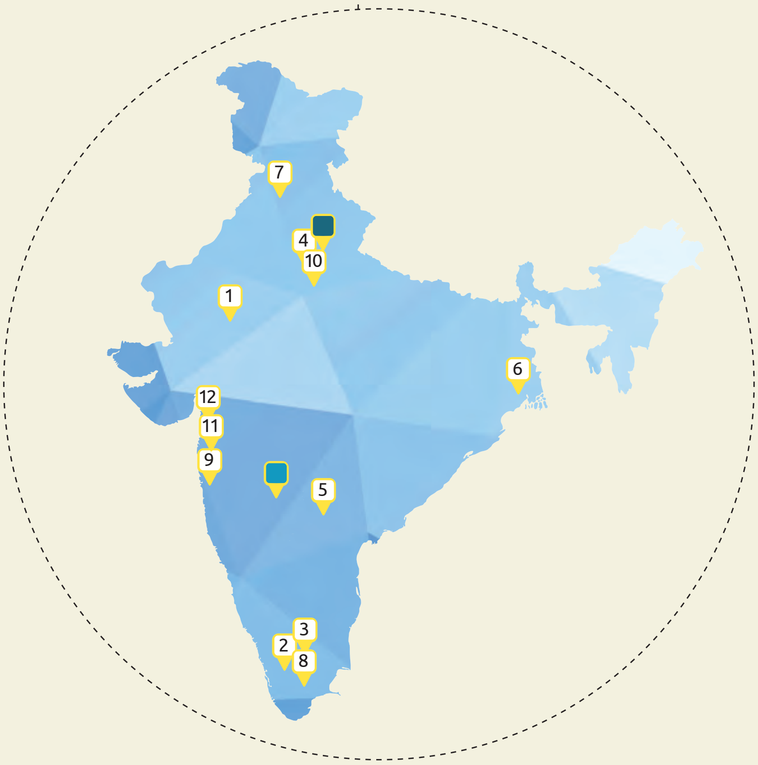
Butibori

Corporate Office

Gurgaon

Marketing Offices

1. Bhilwara
2. Coimbatore
3. Erode
4. Gurgaon
5. Hyderabad
6. Kolkata
7. Ludhiana
8. Madurai
9. Mumbai
10. Panipat
11. Silvassa
12. Surat



FIRM FOCUS FORWARD: MILESTONE ACHIEVEMENTS

1989
Commencement of Indo Rama's Indian operations

1994
Setting up of a state-of-the-art integrated manufacturing complex at Butibori near Nagpur in technical collaboration with DuPont, USA and Toyobo, Japan; production capacity (3 lakh TPA)

2002
Installed four POY /FDY and eight DTY machines, adding 25,000 TPA capacity of Polyester Filament Yarn

2006
Expansion in alliance with Zimmer AG, Germany at a project cost of ₹ 1,000 crore (USD 166 million); production capacity enhanced to 6 lakh TPA

2007
Enhanced production capacity to 6 lakh TPA with ₹ 1,000-crore (USD 166 million) investment

Installed 30 MW Captive Thermal Power Plant involving a ₹ 128-crore investment

2010
Installed eight new Draw Texturized Yarn (DTY) machines, enhancing capacity from 43,800 TPA to 64,800 TPA

2011
Replaced the existing heat treatment medium from furnace oil to coal, enhancing cost-efficiency operations

2012
DTY capacity increased to 91,250 TPA by installing 14 machines, totalling 56 machines

Commissioned 11 MW coal-based captive power plant

Adjudged among one of India's most admired companies by 'Fortune India' in its March 2012 issue

Signed an MoU with Indorama Ventures to build PTA-PET-PSF plant in India with an investment of USD 700 million – Single largest Thai investment in India

2013
Received the prestigious National Energy Conservation Award from the President of India in the petrochemical category

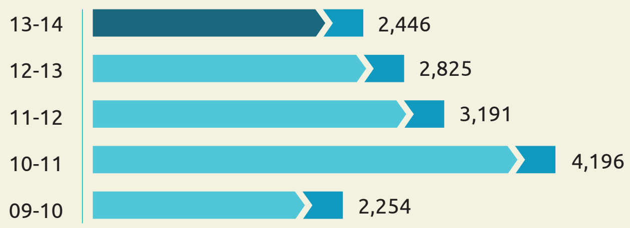
Successfully commissioned 30 MW wind power project in Maharashtra

FINANCIAL PERFORMANCE

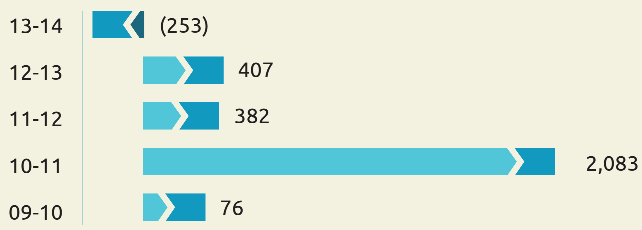
Total Income
₹ in Millions

EBITDA*
₹ in Millions

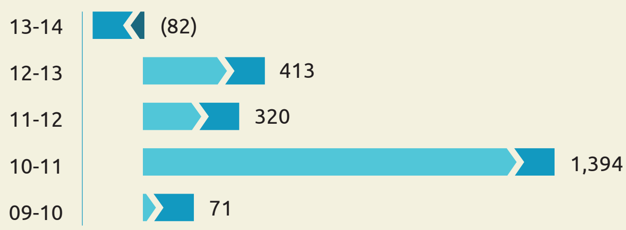
* Before exceptional items.



Pre-Tax Profit
₹ in Millions



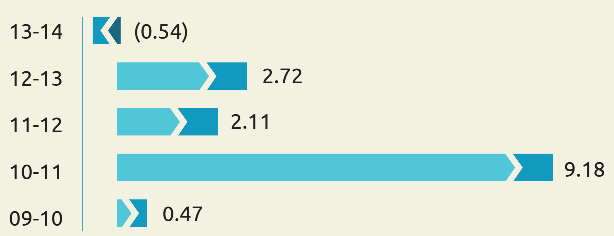
Post-Tax Profit
₹ in Millions



Gross Fixed Assets
₹ in Millions

Book Value per Share
(₹)

Earnings per Share
(₹)



Key Financial Ratios

Particulars	2013-14	2012-13	2011-12
Debt-equity ratio	0.47	0.38	0.58
Current ratio	0.81	0.75	0.81
Interest coverage ratio	6.16	7.27	5.02
Debt service coverage ratio	1.27	1.42	1.02
Fixed asset coverage ratio	3.90	5.11	3.79

CHAIRMAN'S MESSAGE

... WITH DEMAND SURGE IN POLYESTER AND GOVERNMENT SUPPORT IN PLACE, WE ARE CONFIDENT OF LEVERAGING THE GROWING MARKET OPPORTUNITY BY STRENGTHENING OUR COMPETITIVENESS BY VIRTUE OF ENHANCED INTEGRATION AND COST RATIONALISATION.

Dear Shareholders,

2013 was a tough year for the global economy in general and India in particular. The year saw diminishing consumer demand and low investor sentiments. This has resulted in lower economic growth. Emerging markets, including India, had to face multiple challenges of rising current account deficit (CAD) and depreciation of domestic currency to almost 10% against the US greenback among others. The situation was further worsened by fluctuation in crude oil prices which has a direct bearing on our main raw materials Purified Terephthalic Acid (PTA) and Monoethylene Glycol (MEG) prices.

Owing to fluctuating raw material prices and erratic supply of raw material, the polyester industry in India faced a tough time. Indo Rama was no exception to this. Our performance was average due to lack of demand both in domestic and international market. In addition to this we were not able to utilise our capacity to the optimum level due to shortage and erratic supply of raw materials. The volatility in the Indian Rupee has also resulted in forex loss due to the mark-to-market adjustment.

However, the veil of pessimism is slowly lifting as the global economy is showing signs of gradual recovery. In India GDP growth rate, even though lower than expected, stood at 4.7% for 2013-14 as against 4.5% for 2012-13. As per IMF, the GDP growth projected is 5.4% and 6.4% in 2014 and 2015 respectively. This is a healthy sign and clear indication of growth in economy. We all aspire that in the coming years, the overall economic growth reforms are expected to accelerate which will further complement and largely benefit businesses in India.

But we at Indo Rama always remained focused on our objective to navigate through tough times. In the financial year 2013-14, we achieved a turnover of ₹ 2,592.63 Crores (₹ 2,865.02 Crores in 2012-13). Our EBITDA stood at ₹ 244.59 Crores against ₹ 282.45 Crores in 2012-13 and a net loss of ₹ 8.18 Crores against net profit of ₹ 41.26 Crores in 2012-13. Our earnings per share stood at (₹ 0.54) for the year ended on 31 March 2014.

Let me highlight some of the growth initiatives which we have undertaken and I'm sure this will strengthen our bottom line in the coming years.

- Ensuring raw material security: Key raw materials for polyester making are PTA and MEG. In 2013-14, we had faced a severe shortage of PTA supply. To mitigate the risk of interrupted Raw Material supplies, we have broadened our raw material sourcing by negotiating with several new vendors for long-term contracts.
- Expanding value added product basket: We have increased our focus on value added and differentiated products like super micros and coarse deniers, besides we are also focussing on starting production of bright, dope dyed and high tenacity products.
- Growing market presence: During the year under review, to strengthen our presence in both domestic and international markets, we evaluated demand

pockets globally and formulated region-specific strategies to tap key markets as Central/South America, East Europe and Far East Asia. We also strengthened our focus on the non-woven application of PSF in European Union and North America. We, for the first time entered new quality sensitive markets like Japan and South Korea. We expanded our horizon to have a visibility across the globe by participating in International fairs by participating in INDEX (Switzerland) and EVTEKS (Turkey).

- Strengthening our CIP process: We have further strengthened our routine internal Business Process Re-engineering (BPR) exercises under Continuous Improvement program (CIP). This helps us in reducing production cost and increase in operational efficiency.
- Elevating customer centricity: More than anything else, we put customers at the centre of every decision, because we know that the only way to grow business, together, is to earn their loyalty. For this we are working on strengthening our technical services and manufacturing of products in tune with the process conditions existing at customer manufacturing facility. Our customer-centricity has strengthened our organisational focus towards market-driving innovations that are aligned to the needs of our customers. Our extended focus towards customisation will enable us to become the preferred choice for new as well as existing customers.

Going forward, all these initiatives will enable us to significantly scale up our capacity utilisation to the optimum level, sharpen our competitive edge and will help us maintain the tradition of being one of the low cost polyester producers in India.

In 2013 polyester demand grew at 7.5% as against 6% in 2012. In India as we can see clearly there is a paradigm shift which is rising population, surging per capita income, growing disposable income, an expanding middle class, continuing urbanisation, lower per capita consumption of man-made fibre especially, polyester which is 2.6 Kg in India against 6 Kg in the world, surging per capita income. This indicates untapped potential for the polyester manufacturers providing scope to grow positively in the coming times. All these factors will complement demand surge of polyester in India as future belongs to polyester.

Moreover, the Textile Ministry is also working towards implementing policies to boost the overall sector. Greater emphasis is being given to modernise the industry by Textile Upgradation Fund (TUF), which is bringing industrial competitiveness.

With demand surge in polyester and government support in place, we are confident of leveraging the growing market opportunity by strengthening our competitiveness by virtue of enhanced integration and cost rationalisation.

Indo Rama has always demonstrated its resilience even under the most adverse conditions and the most challenging economic environment.

On this positive and optimistic note, we expect our business to bounce back with strong revival of demand growth in the years to come.

As a part of green initiative, we have successfully commissioned 30 MW wind power project in Maharashtra, which has been generating power since July 2013.

Before I conclude, I would like to convey my appreciation and gratitude to our customers, business associates, management team, employees and shareholders for their valuable encouragement and support.

O. P. Lohia
Chairman and Managing Director

LOCAL DOMINANCE TO GLOBAL PROMINENCE

At Indo Rama, we have created a significant pan-India market presence through our 12 strategically located offices. Now we aim to penetrate high-growth markets globally. We have been proactive in understanding product value addition and timely delivery.

Growing India dominance

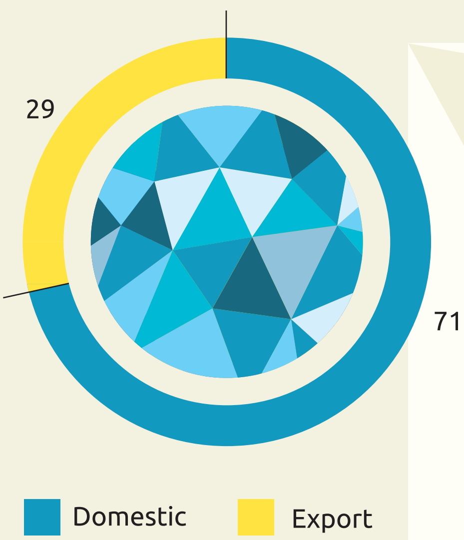
- We focused on ensuring repeat business from existing customers
- We identified customers, who were importing for their requirement and substituted them with our products
- We expanded our team to enhance pan-India focus
- Key account managers have been allocated for key customers to cater to consistent and customised solutions
- We increased direct customer base; added several new customers across all product categories

Enhancing global prominence

- We established direct contact with customers to better understand customer requirements and deliver customised products
- We strengthened our customer base in existing and new export geographies through competitive pricing and quality offerings
- DTY exports witnessed growth, on account of consistent product demand
- We are reaching out to 20+ countries globally with our wide range of products
- We participated in several international trade fairs to enhance brand visibility and reach
- We enhanced focus on customer service to ensure repeat business and long-standing relationship
- We strengthened our presence in potential markets in the US, Europe and Latin America

Revenue pie

(%)



Road ahead

- We will focus on deeper penetration across India’s textile belts
- We plan to consistently add newer products
- We will continue to participate in trade fairs and exhibitions to enhance our brand awareness
- Long-term plan to open branch offices in Turkey following due diligence
- Targeting East Asian countries (especially Japan and South Korea), which have immense potential

STAYING AHEAD OF THE CURVE

How do we stay ahead of the curve in a competitive market scenario?

The simple answer: be more innovative; be more cost-efficient.

At Indo Rama, our constant endeavour is to produce 'more from less' by focusing on efficient process re-engineering, optimising raw material use and reducing wastage.

Logistical efficiencies in 2013-14

- **Rationalised inward logistic cost**
  Introduced alternative freight arrangement for PTA, enabling potential savings of over ₹ 1.44 crore
- **Optimised outward logistical cost**
  Undertaken several initiatives to optimise logistical cost, saving over ₹ 50 lacs annually
- **On-time placement**
  Better inventory control and proactive planning, enabled consistent product dispatch (98% on-time placement)
- **On-time deliveries**
  We consistently maintained a paradigm of over 95% on-time product delivery

Procurement efficiencies in 2013-14

- **Alternative sourcing**
  Explored alternative sources for various utility components, without compromising on quality parameters
- **Localisation**
  Initiated purchase of key components from local vendors as per set quality benchmark to save over ₹ 97 Lacs annually
- **Annual contracts**
  Initiated several annual rate contracts with vendors leading to substantial savings
- **Optimised packaging cost**
  Maintained consistent packaging cost, despite hike in raw material cost

95%
We consistently maintained a paradigm of over 95% on-time product delivery.

Process efficiencies in 2013-14

- Optimised the use of coal-fired heat transfer medium enabling further cost optimisation
- Strengthened routine internal Business Process Re-engineering (BPR) exercises under Continuous Improvement program (CIP)

TOGETHER WE CAN

We are continuously reinforcing a culture of innovation, team spirit and cross-pollination of ideas, based on evolving ground realities.

Continuous training

During the year, regular training programmes were conducted on technical, behavioural, operational and communication aspects by internal and externals experts. We enhanced focus towards training the marketing team for pan-India and international penetration.

Succession planning

During 2013-14, we conducted succession mapping for key positions in the organisation, nurturing the next leadership pipeline. We have undertaken leadership development initiatives to better equip ourselves for future challenges.

Strategic job rotation: Multi-tasking initiatives

During 2013-14, we initiated the process of job rotation for building organisational capability and to provide an opportunity to existing employees to seek new job roles available in the Company for self development and career progression. Job rotation may occur across business functional areas/departments for employees identified in the talent review. It may also be specifically used to enhance motivation levels of selected individuals.

640+

Training programmes conducted for over 15 functional needs during 2013-14

1,431+

Man days training imparted during 2013-14

Employee welfare and motivation

We conduct periodic surveys to assess employee motivation and take necessary steps to strengthen employee engagement, resulting in a cordial work environment.

We encourage the formation of cross-functional teams to suggest and implement improvements (process and product). Accordingly, implemented ideas are recognised and rewarded by the Company.

Getting closer to people

- Instilling a culture of openness, trust, transparency and a sense of belonging
- Enhancing employee engagement programmes for holistic employee development
- Conducting periodic employee feedback surveys, along with performance appraisal and competence assessment

LISTENING TO THE COMMUNITY

We listen to our extended family of social stakeholders, whose opinion on critical issues matter to us. Our community endeavours comprise several initiatives in the plant vicinity and other locations. We are extending social engagements and outreach programmes to strengthen business sustainability.

Imparting education

In a Public Private Partnership (PPP) initiative in the field of education, we have signed a Memorandum of Understanding (MoU) with the Directorate of Vocational Education and Training, Maharashtra Government, to upgrade ITI Nagpur and ITI Butibori.

We have constituted Institute Management Committees for each ITI, comprising industry experts. This committee works on different aspects of ITI upgradation: recommending changes in syllabi as per emerging requirements; suggesting new trades as per industry requirements; arranging training for students and faculty in emerging technological domains; beautifying campus and arranging seminars, workshops and exhibitions to benefit students and teachers. The primary objective is to bridge the gap between demand and supply of quality workforce.

Nurturing young minds

The CBSE-affiliated Ira International School, run by Ira Education Society, has been serving the community in the field of education for the last 16 years. The school provides education to children of employees and other villagers. Nearly 1200 students from Class 1 to 12 are enrolled in the school. It has excellent facilities and ambience to enable overall development of the children.

During 2013-14, we started a tuition centre in the colony for students from Classes 7th to 10th, for a nominal fee of ₹ 20 per student. The amount is reinvested in this initiative. This initiative was spearheaded by one of our staff members and his wife, who volunteered to take the classes. In view of its overwhelming positive response, we have chalked out a plan of action to expand our capacities to benefit more students.

Providing industrial exposure

We also regularly provide opportunities to students of nearby colleges to pursue internship and gain industrial knowledge.

We provide fire safety training to students from different colleges. We have been regularly arranging plant visits for students of several engineering colleges and conducting safety training sessions for students of the National Civil Defence College (NCDC) and National Fire Service College (NFSC) Nagpur.

Rendering flood relief

Floods in the Vena River banks (Butibori, Nagpur) caused severe damage to the Takalghat and Tembhri villages. We immediately provided relief assistance to the affected villagers. Apart from arranging for accommodation at our community hall, we also provided them with food and clothing.

Facilitating better healthcare

Community health is a key area of concern for us. We have collaborated with local government bodies and NGOs in and around the plant at Nagpur. Free health check-up and eye camps are regularly organised with the help of reputed doctors from Nagpur. The initiative has benefited a large number of employees and local populace. We provide regular support to the local administration in the pulse polio immunisation programmes.

Paving the way for green governance

We undertake mass scale tree-planting initiatives to ensure a green belt surrounding the plant. We commissioned our first 30 MW wind power project in Maharashtra. Enabling us to minimise our environmental footprint and promote green awareness to help shape a cleaner and greener tomorrow.

30 MW

We commissioned our first 30 MW wind power project in Maharashtra

OUR EXTENSIVE PRODUCT RANGE

Polyester Staple Fibre (PSF)

Product differentiators

- Constant on-line checks maintain consistent quality
- Superior spin-finish application ensures smoother working of fibre during spinning
- Merged numbers remain consistent over longer periods
- Standard bale weight is maintained

Partially Oriented Yarn (POY)

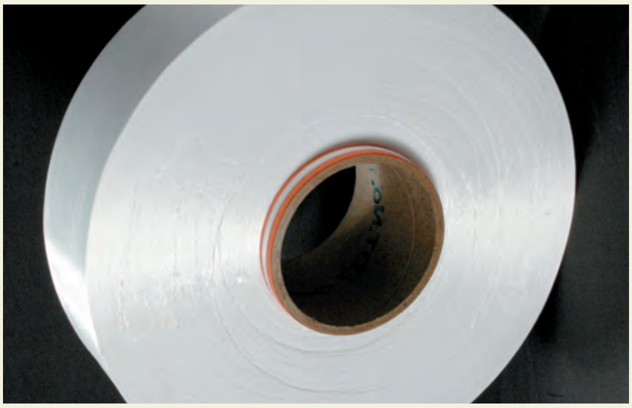
Product differentiators

- Yarns are produced by a continuous polymerisation process
- Strict quality control of denier orientation and spread, along with computer controlled draw force testing, ensures maximum consistency of yarn performance during and after texturising
- All critical yarn proprietary, such as draw force, tenacity, elongation, uster and shrinkage are closely monitored and controlled
- A special proprietary spin finish protects the colour and lubricity of the yarn over long periods of storage
- Controlled interlace in filaments as well as the special finish enable the yarn to be texturised at speeds of 750 mpm and above

Draw Texturised Yarn (DTY)

Product differentiators

- DTY is produced on latest high-speed draw texturising machines with identical capability
- Total quality checks are done with respect to dye ability. Bulk and elongation is closely monitored for consistency on captive weaving installations
- Electronic package-size measuring units ensure uniform texturised yarn package
- A consistent level of high quality anti-static lubricating oils, coupled with an option of incorporating adequate interlacement, is applied for warping purposes without sizing



Fully Drawn Yarn (FDY)

Product differentiators

- Intermingled FDY yarns are suitable for direct twisting, warping and weaving
- Less waste and high efficiency in subsequent processes due to higher package weight (10 kg)
- The fabric made from these yarns have a feel and drape similar to fabrics produced from pure silk resulting in high realisation of product quality
- These yarns eliminate the draw-twisting and sizing processes, reducing the cost of products for light and medium range of fabrics
- There is high efficiency and low breakages in warping due to excellent package quality produced on the craft winder
- Excellent dyeing consistency

Polyester Chips

Product differentiators

- Produced in a continuous polyester polymerisation plant
- Uniform chemical and physical properties

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economy

The global economic environment has broadly strengthened, with modestly better consumer and investment sentiments and less inherent fragilities. It is likely to improve further, with much of the growth impetus emanating from advanced economies. However, one disturbing trend is that global growth pattern still remains uneven with a stronger US economy, subdued growth in the Euro Area and Japan and slowdown in the Emerging Markets and Developing Economies (EMDC). China's leadership has now adopted a more balanced growth paradigm with enhanced focus on the services sector. Such an approach may augur well for the Chinese economy in the foreseeable future. If we take a macro perspective, full global recovery remains a distant prospect. However, the journey has already begun in right earnest.

Global growth trend (%)

			Projections	
	2012	2013	2014	2015
World Output	3.1	3.0	3.7	3.9
Advanced Economies	1.4	1.3	2.2	2.3
United States	2.8	1.9	2.8	3.0
Euro Area	-0.7	-0.4	1.0	1.4
Japan	1.4	1.7	1.7	1.0
United Kingdom	0.3	1.7	2.4	2.2
Other Advanced Economies	1.9	2.2	3.0	3.2
Emerging and Developing Economies	4.9	4.7	5.1	5.4
China	7.7	7.7	7.5	7.3
India	4.5	4.7	5.4	6.4

(Source: International Monetary Fund 2014)

Indian Economy

India's economy faced multiple roadblocks to growth in the form of persistently high inflation, sluggish industrial production, discouraging agricultural output, modest investment in infrastructure and stalled projects owing to bureaucratic hassles and no definite agenda towards reforms. However, the new Central Government is expected to accelerate the pace of reforms and help enhance investor confidence. It is estimated that the country's GDP will grow by 5.4% in 2014-15, compared to 4.7% in 2013-14 (Source: IMF).

Rapid implementation of Goods and Services Tax (GST) and further reduction in fiscal deficit are expected to be some of the key thrust areas for the new government. Such an approach is expected to pave the way for the country to achieve 7-7.5% growth.

The depreciation of the Indian rupee last year gave a fillip to India's export industry. Moreover, the foreign trade policy (FTP) for 2014-19 is likely to be rolled out soon to promote exports and narrow down trade deficit.

Global Trade Scenario

Global trade is estimated to grow by 2.5% in 2013, compared to 2.3% in 2012. According to the World Trade Organisation, global trade is expected to grow by 4.7% in 2014 and by 5.3% in 2015. The combined average of year 2012 and 2013 saw an average growth of 2.2%, whereas in 2013, world merchandise trade grew by 2.1% in volume terms only as per WTO.

World merchandise trade, 2009-14 (%)

	2009	2010	2011	2012	2013*	2014*
Total volume	-12.5	13.8	5.4	2.3	2.1	4.7
Exports						
-Developed economies	-15.2	13.3	5.1	1.1	1.5	2.8
-Developing economies & CIS	-7.8	15.0	5.9	3.8	3.6	6.3
Imports						
-Developed economies	-14.3	10.7	3.2	0.0	-0.1	3.2
-Developing economies & CIS	-10.6	18.2	8.1	4.9	5.8	6.2

(Source: World Trade Organisation) *Estimates

The slow trade growth of 2.1% in 2013 was due to flat import demand in developed economies and low import growth in developing economies.

In 2013, China superseded USA to emerge as a global trade leader. China's merchandise trade stood at USD 4.16 trillion, compared to USD 3.91 trillion of merchandise trade in the US.

Textile Industry Scenario

Global Textile Industry

Year on Year (Y-o-Y)% change in USD values in world textile and clothing trade(%)

Year	2012	2013 (Estd.)
Q1	-1	+1.0
Q2	-8.5	+2.5
Q3	-8	+6.5
Q4	+0.5	+6.0

The global textile and clothing industry is estimated to register 5% growth in 2013-14. China is expected to lead the world with an estimated USD 284 billion in 2013, up 11.4% from 2012. India is estimated to achieve an estimated USD 42 billion of textiles and apparel exports in 2013-14, a 30% jump over the previous year 2012.

Global textile and clothing scenario 2012-2016 (USD billion)

2012	2013E	2014E	2015E	2016E
709	744	781	820	861

Source: 2012: WTO, 2013-2016: Estimated growth, Technopak / Industry Estimates

The Global Textile and Clothing trade is estimated to grow at the rate of 5%.

Global yarn and fabric production in 2013

	Q1	Q2	Q3	Q4 (Estd.)
World yarn production	+21.7%	+7.7%	+2.8%	+2.7%
Asia yarn production	+23.6%	+8.2%	+2.9%	+2.9%
World fabric production	+5.3%	+4.8%	+2.9%	+2.7%
Asia fabric production	-8.6%	+5.4%	+3.7%	+3.0%

Source: ITMF Press Release 2014/2013 (Q1 – Q3)

The global yarn and fabric production for all quarters was positive for the year 2013, reflecting optimistic sentiments across the textile chain. It is estimated that global yarn and fabric production would continue to rise in 2014 due to recovery in demand in USA and Europe.

Indian Textile Industry

The Indian textile industry is estimated to grow at a CAGR of 10% to USD 223 million by 2012. It contributes 14% to total industrial production and 4% to India's GDP growth. Moreover, it accounts for 25% of foreign exchange inflows. Textile exports is estimated to be at USD 41-42 billion in 2013-14 and is expected to touch USD 60 million in next 3 years.

(Source: Equity Master, IBEF April 2014, AEPC)

Fibre Industry Scenario

Global Fibre Industry

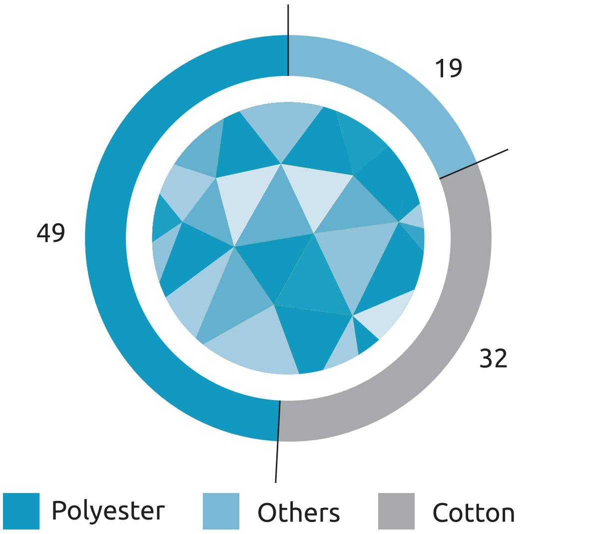
Global fibre production rose by an estimated 1.6% in 2013 from 84 million tonnes to 85.4 million tonnes. The growth is largely due to the higher production volumes of textiles fibres in China. The marginal growth in volumes is attributed to weak global economy and weak demand. The MMF production reached a new level of 58.5 million tonnes, up from 56.0 million tonnes, a 4.3% escalation. The polyester fibre accounted for an estimated 44 million tonnes registering an increase of 5.5% in volumes. The polyester fibre accounts for 51.5% of total fibre volumes and 75% of MMF fibres. The cellulosic fibre production went up by 9.6% for the year under consideration at an estimated 5.8 million tonnes. The Polyamide or Nylon increased by an estimated 3.9% and Polypropylene marginally increased by 1%. China accounted for the highest growth at 10.8% in MMF production to 38.5 million tonnes in 2013 from 35.5 million tonnes in 2012.

Cotton fibre global production is estimated to decline by 5.2% to a level of 25.4 million tonnes in 2013-14 compared to 26.8 million tonnes in 2012-13. Cotton inventory rose by 8.2% at estimated 21.1 million tonnes. The end use stock ratio stands at 88.5%. (USDA, April 2014)

Synthetic fibres accounted for 62%, cotton 30%, man-made cellulosic fibres 6.8% and wool 1.3% of 85.4 million tonnes of fibres produced in 2013, as per the estimates of CIRFS and The Fibre Year.

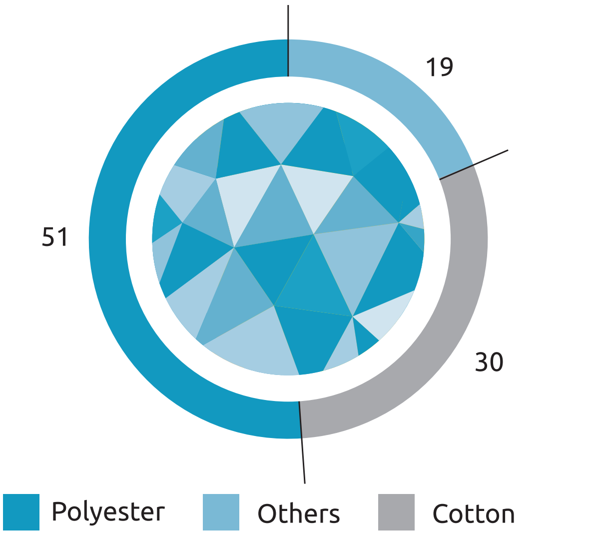
Global fibre production break-up 2012

(%)



Global fibre production break-up 2013

(%)

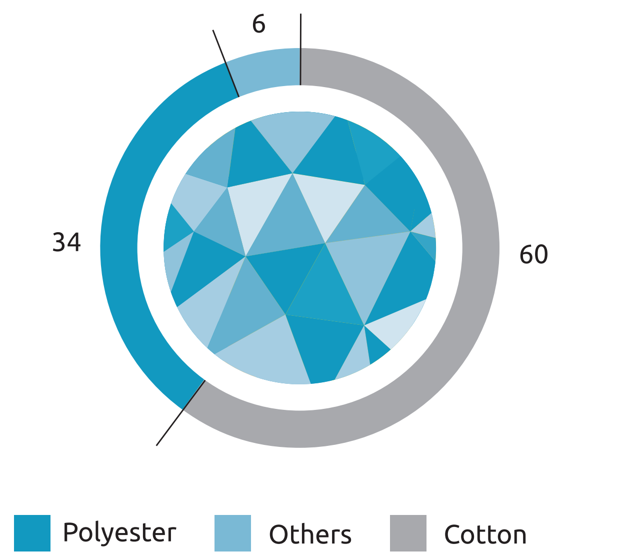


Indian Fibre Industry

India's fibre demand is estimated at 8.4 million tonnes in 2013, compared with 8.0 million tonnes in 2012, a 5% escalation. Cotton demand went up by 3.2% from 4.64 million tonnes in 2012 to 4.79 million tonnes in 2013, polyester fibre estimated demand went up by 7.5% at 3.2 million tonnes. Viscose fibre rose by estimated9% from 0.30 million tonnes to 0.33 million tonnes. Acrylic fibre continued to make recovery, up by 17% from 0.096 million tonnes in 2012 to 0.11 million tonnes in 2013. The polyester fibre accounted for 37% and cotton accounted for 57% of India's total fibre demand. Together cotton and polyester fibre accounts for 94% of the demand.

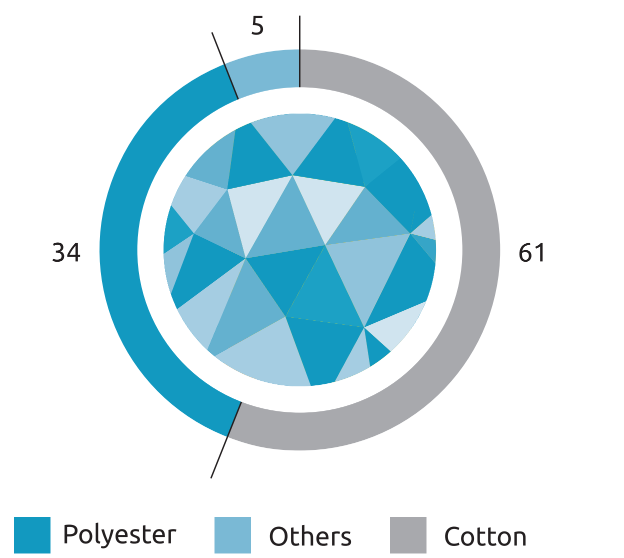
India's fibre production break-up 2012-13

(%)



India's fibre production break-up 2013-14

(%)



Global and Indian fibre per capita consumption in 2013 (Kg)

	All fibre (E)	Polyester(E)
World	11.8	6.0
India	6.80	2.6

India's Fabric Scenario

The country's fabric production for 2013-14 increased by 2.2%. Segment-wise, cotton production showed an increase of 4.6%, while blended fabric production was up by 7.8%. The 100% non-cotton fabric, however, declined by 5%.

Fabric production (million sq. metres)

Types	2011-12	2012-13	2013-14 (E)
Cotton	30,570	33,870	35,439
Blended	8,468	9,282	10,006
100% non-cotton	20,567	18,797	17,874
Total	**59,605**	**61,949**	**63,319**

Source: Ministry of Textiles

The yarn production also showed a similar trend, with an overall increase of 8.8%. The cotton yarn production showed an impressive increase of 9.5%, due to high exports to China. Blended yarn production was up by 7.9% and 100% non-cotton yarn by 5%

Yarn production (million Kg)

Types	2011-12	2012-13	2013-14 (E)
Cotton	3,127	3,583	3,923
Blended	789	828	893
100% non-cotton	457	457	480
Total	**4,373**	**4,868**	**5,296**

Source: Ministry of Textiles

Indian Polyester Fibre Industry

12%

Polyester capacity increase in 2013-14 largely due to addition in POY and FDY

7.5%

Polyester demand increase in 2013-14 largely due to high demand in POY and FDY

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Polyester Filament Yarn (PFY)

- PFY domestic demand grew by 9.0% due to consistent downstream demand. In 2013-14, PFY demand was estimated at 2.42 million tonnes against 2.22 million tonnes in 2012-13.
- PFY estimated production stood at 2.7 million tonnes for 2013-14, up by 11% from previous year.
- PFY estimated capacity stood at 4.2 million tonnes in 2013-14, up 14% from 3.67 million tonnes in 2012-13; capacity addition in PFY segment continues due to an encouraging demand.
- Capacity utilisation on total demand stood at 61%.
- PFY segment is likely to grow at 8-10% (YoY) for the period FY 2014-2017, due to increase in multiple applications (apparel, home textile applications and industrial applications).

Polyester Staple Fibre (PSF)

- PSF demand increased marginally by 2% in 2013-14 over 2012-13.
- Domestic demand was estimated at 0.73 million tonnes in 2013-14 as against 0.72 million tonnes in 2012-13. Sluggish demand is on account of low growth in 100% non-cotton yarns and negative growth in fabric. Moreover, higher exports of cotton yarn to China in 2013-14 also pushed spinners to produce more of 100% cotton yarn, resulting in low demand.
- PSF estimated production stood at 0.90 million tonnes in 2013-14 against 0.84 million tonnes in 2012-13, registering a marginal 7% growth. The year could have seen higher production but due to shortage in the principal raw material (PTA) affected production.
- PSF capacity utilisation stood at 73% on the total domestic and export demand.

Industry Demand Drivers

Low per capita man-made fibre consumption

India has low per capita man-made fibre consumption at 3 kg per annum, as against the global average of 8 kg per annum. This indicates the untapped potential, providing leeway for positive growth. The significant scope exists in polyester fibre, where global per capita consumption is 6 kg against 2.6 kg in India.

Rising per capita Income

India's per capita income is estimated to be ₹ 39,961 in 2013-14, compared to ₹ 38,856 in the previous fiscal, indicating around 3% growth. Affordability increases with high income levels, ultimately propelling the industry's growth trajectory.

High Working Population

India's working population is estimated to grow by 131 million between 2012 and 2022. Purchasing power will boost the demand for apparels.

Rapid Urbanisation

India's urban population is expected to increase by around 50 crores between 2010 and 2050. With rising urbanisation, the textiles demand will also surge.

Favourable Government Policies

The textiles industry is high on the agenda of the Government of India for proactive reforms. Several initiatives have been undertaken to support this industry in the form of Technology Upgradation Fund Scheme, Integrated Textile Parks, Integrated Skill Development Scheme, Favourable FDI policy, among others.

About Indo Rama Synthetics (India) Limited (Indo Rama)

Indo Rama is India's largest dedicated polyester manufacturer. The Company has an integrated manufacturing complex, having an annual production capacity of 6,10,050 tonnes, located at Butibori near Nagpur (Maharashtra).

Product portfolio

- Polyester Staple Fibre (PSF)
- Polyester Filament Yarn (PFY)
- Draw Texturised Yarn (DTY)
- Fully Drawn Yarn
- Textile Grade Chips

Core strengths

- Over two decades of rich industry experience
- Among the India's most cost-efficient polyester manufacturers
- Well-defined quality and process management architecture
- Technological excellence
- Global footprints
- Enduring and stable relationship with our clients

Production and sales performance

Particulars	2013-14	2012-13
Total sales (₹ in million)*	28,610	31,664
Total exports (₹ in million)	7,448	8,421
Electrical power (MWPH)	26.23	25.57
Polyester Staple Fibre (TPA)	142,972	164,246
Polyester Filament Yarn (TPA)	113,050	147,459
Draw Texturised Yarn (TPA)	63,120	60,260
Polyester Chips (TPA)	533	2,373

*Includes gross sales and other operating income.

Financial performance (₹ in million)

Particulars	2013-14	2012-13
Total income*	31,050	34,072
EBIDTA	2,446	2,825
PBT	(253)	407
PAT	(82)	413
Book value per share (₹)	39.11	41.41
Earnings per share (₹)	(0.54)	2.72

* Total income includes gross sales and other income

Marketing Endeavours

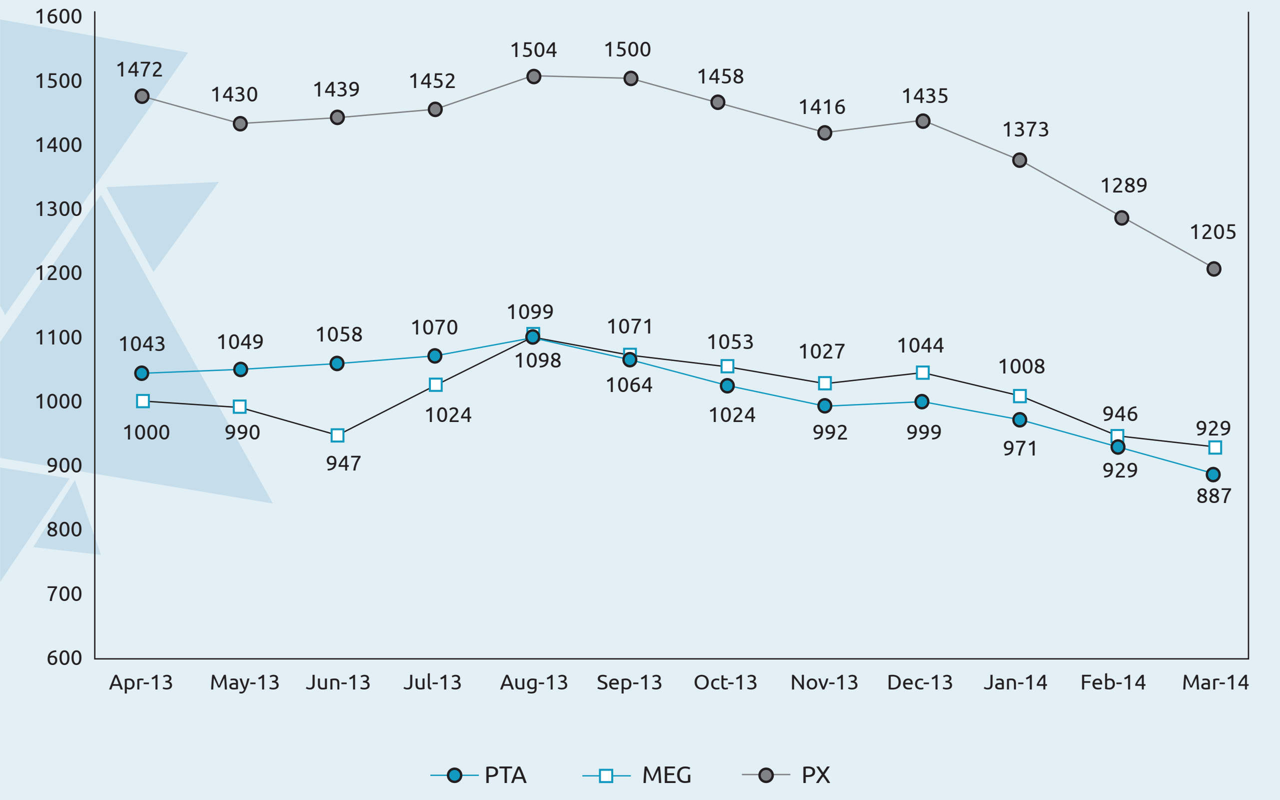
[Please read the section on marketing initiatives for details.]

Raw Material Scenario

In Polyester Industry, the main raw materials are PTA (Purified Terephthalic Acid) & MEG (Mono Ethylene Glycol). These are derivatives of Petrochemical which are directly proportional to fluctuation of Crude Oil prices.

During the year under review Paraxylene (PX) prices were very high resulting in very low delta for PTA producers. PX prices were USD 1,472 in April 2013 crossed to USD 1,500 by August and then started easing out gradually to USD 1,200 by end of the year. Very high Paraxylene prices pushed PTA prices higher but this could not be passed on to Polyester companies resulting in lower margins both by PTA and PET producers.

Prices of PTA, MEG and PX from April 2013 to March 2014 (USD per metric tonnes)



[Source: ICISLOR/ PLATTS CFR CHINA]

During the year there have been very long unscheduled breakdown of the IOC PTA Plant during the first half of the year resulting in shortage of PTA in India. MCPI 2nd unit also remained on and off. This resulted in heavy imports of PTA during the period.

Due to shortage of PTA and lower demand polyester companies operating rates were also affected to 65-75% during the year.

Purified Terephthalic Acid

With new Polyester filament capacities this year, PTA demand also increased. PTA prices were almost steady in the 1st quarter - opening at USD 1,043 and closing at USD 1,055, and in the 2nd quarter it opened at USD 1,070 and peaked in August at USD 1,098. It then started losing and closed at USD 1,071 by the end of 2nd quarter.

PTA prices in third and fourth quarters tapered to USD 900 per ton as paraxylene prices also softened during the period. This resulted in better margins of PTA in the second half of the year.

Looking into the availability of raw material, PTA is expected to ease out due to the scheduled start of one of the PTA plants in India later this year. Even in China, some of the new capacities have already started and PTA availability is likely to improve by 2014-15.

Mono Ethylene Glycol

Unlike the PX & PTA, the MEG prices fell in 1st quarter itself. It opened at USD 1,000 & closed at USD 947 at 1st quarter end, but picked up stream from July to Aug-13 when it reached the highest to the level of USD 1098, but subsequently it got affected due to over capacities and lower demand both in India as well as China. The prices of MEG in 2nd quarter went down from USD 1,064 to USD 992 and in last quarter from USD 971 to 887.

MEG is expected to remain tight as no new capacities are coming up and the expected demand for MEG will increase due to higher capacities and demand. This will push MEG prices again in 2014-15.

Power Business

Conventional Energy

Indo Rama's captive power source enables continuous power supply for uninterrupted production. After the 10 MW STG additions, Captive Power Plant's (CPP) installed capacity has increased to 84.62 MW, comprising 40 MW coal-based thermal plant and furnace oil-based 44.62 MW DG sets. The Company's combined power generation capabilities are integrated into a common power supply pool, from which the required amount of power is fed for captive consumption.

The DG operation was restricted only to emergencies. The Company also imported power from open access as a cheaper option whenever required.

The Company continues to reduce the overall power cost of polyester production and contribute to core business profitability by enhancing power generation capacities and avail cheaper power options from the open market on need basis.

Non-Conventional Energy

Indo Rama Renewables Limited (IRRL), a wholly owned subsidiary of Indo Rama Synthetics (India) Limited, is an independent power producer in the renewable energy space. Incorporated in May 2012, IRRL aspires to be a leading renewable energy power producer. During 2013-14, the Company commissioned its first 30 MW wind energy project in Maharashtra. The Company is having PPA with Government of Maharashtra for supply of Power on long term basis.

Going forward, the Company intends to seamlessly operate and maintain the 30 MW wind energy project at optimum levels. In the long term, the Company will identify emerging opportunities in the renewable energy space.

Human Resource

Sound human resource (HR) practices, modified to suit business environment changes, represent the cornerstone of Indo Rama's management philosophy. The philosophy has positioned the organisation as one of the most professionally managed companies in India's polyester sector and is an equal opportunity employer.

HR Policy

The basic principles of HR policies at Indo Rama include:

- Following merit-based recruitment through well-defined and systematic selection procedures to eliminate discrimination.
- Sustaining motivated and quality workforce through appropriate and fair performance evaluation, reward and recognition systems.
- Identifying internal training needs; designing and implementing those training programmes to enhance knowledge, skills and employee attitude.
- Meeting international ISO standards.
- Planning, designing, training, equipping and motivating the staff to meet the desired standards.

Regular and sustained training programmes represent the core of Indo Rama's functions and operations. The Company undertook several initiatives in this regard in 2013-14. It followed a stringent employee training policy to identify their needs. It organises cultural and sports activities for employees and their family members as well as for the entire industrial area to facilitate cordial and healthy industrial relations. Effective cost-saving measures have become a major part of the employee work profile at Indo Rama. The sincere efforts of employees have resulted in major administrative expense savings.

A Vibrant Work Culture

- Freedom to experiment
- Continuous learning and training
- Transparency
- Quality
- Performance-based rewards

HR Highlights 2013-14

- Participated in the quality circle programme, an important part of employee development, to improve employee satisfaction and contribute to society
- Adopted the 5S methodology, enabling effective records updation and realignment of systems and procedures.
- Conducted employee engagement survey to help the management identify people efficiencies
- Focused on structured training and leadership development programme with a clear training calendar
- Suggestion scheme was encouraged and best suggestions were implemented
- Employee attrition rate remarkably lower than the industry benchmarks

Risk Management

Industry Risk

Demand slowdown in the downstream industries may negatively impact the Company's performance

Mitigating Factors

- Polyester has emerged as a fibre of the nation and is being extensively used in apparel, automotive, home furnishing, industrial textile and sportswear sectors.
- The textile industry is expected to grow consistently, providing leeway to the growth in the polyester demand.
- Burgeoning population, rapid urbanisation, rising disposable income and growing middle-class population will drive the polyester demand.

Quality Risk

Poor product quality affecting the Company's image

Mitigating Factors

- Indo Rama has a well-defined quality and process management system
- The Company has a fully-equipped quality-controlled laboratory with contemporary equipment to act as a quality radar
- Stringent quality assurance is reflected via our ISO-9001:2008 certification

Employee Risk

Inability to attract and retain skilled employees can impact the organisation's growth

Mitigating Factors

- At Indo Rama, there is merit-based selection and recruitment of employees.
- Regular training and development sessions are provided for enhancing competencies.
- Performance-based compensation policies have been introduced to motivate employees.
- The Company has witnessed attrition rates well below industry standards.
- The Management and all employees' endeavour to maintain a congenial working environment.

Raw material risk

Inconsistent raw material supply and price volatility can affect the production process.

Mitigating Factors

- The Company enjoys stable and long-term relationships with its domestic as well as international raw material suppliers.
- Maintains buffer stock to ensure smooth production operations.
- Production schedule ensures timely availability of raw materials when needed.
- The Company can pass the cost escalation burden to the customers.

Forex Risk

Adverse fluctuations in foreign currency exchange rates may impact the bottomline.

Mitigating Factors

- Our exports act as a natural hedge against adverse foreign currency fluctuations.
- The Company entered into forward contracts to shield against currency volatility.
- Undertakes strategic hedging initiatives as and when required.

Technological Risk

Technological obsolescence may hurt operational performance.

Mitigating Factors

- The Company has several technical collaborations with technology leaders in Japan, Germany and USA.
- Is equipped with a state-of-art technology based integrated manufacturing complex in Maharashtra.
- Continuous investment in technology up-gradations has enabled the Company to stay at the cutting-edge of technology paradigms.

Safety, Health and Environment

Safety

Indo Rama is consistently creating awareness among employees to adhere to the highest standards of safety norms.

- Imparted safety trainings to over 135 Company employees and 400 contract workers.
- Proactive fire squad and regular training ensures full preparedness towards handling emergencies.
- Well-defined onsite disaster management plan is expected to tackle major emergencies; mock drills were conducted to check emergency preparedness.
- Conducted awareness programmes for family members of employees on LPG cylinder use and other relevant topics.
- No major fire incidents took place and the accident rate has reduced by 12%during the year under review.
- Celebrated safety month –a total of 68 prizes won by Indo Rama family members, who participated in various events.
- Helped nearby industries during fire emergencies or accidents.
- Safety team played a key role in extinguishing the fire, which took place in a nearby village (Takalghat) and averted casualties.

INDO RAMA WON TWO AWARDS IN THE EVENT 'RUN FOR SAFETY' ORGANISED BY THE DIRECTORATE OF INDUSTRIAL SAFETY & HEALTH.

Health

Indo Rama regularly organise health camps, as part of its health programme to help improve and maintain regional healthcare facilities

- Conducted eight health training programmes covering 84 employees and 57 contract workmen.
- Conducted Blood Donation camps - 84 units blood collected.
- Conducted two physician camps at site health centre, over 270 employees examined.
- Conducted eye check-up camp at site health centre, 174 employees examined.
- Conducted two BMD/Orthopaedics camps, over 125 ladies examined.
- Conducted two pulse polio immunisation camps in both colonies, over 215 children vaccinated.
- Conducted Filarial prophylaxis program in both colonies.
- On World AIDS Day - Red ribbon were distributed at plant gate to spread awareness.

Environment

Since inception, Indo Rama has focused on preserving the ecological balance in order to provide a green, healthy and pollution-free environment. The Company has adopted various methods and practises for solid hazardous waste management. Polymer and fibre wastes are sold to authorised parties for reuse. Hazardous wastes are handled through registered recyclers who are authorised by the concerned Pollution Boards and the MOEF.

Waste generated in Dissolved Air Flotation Effluent Treatment Plant (DAFETP) after treating spin finish effluent is being sent to the common hazardous waste storage and treatment facility at Butibori. Continuous monitoring of pollution-control equipment is done to maintain low emission levels. According to the norms specified by the State Pollution Control Board, the following measures were undertaken to ensure a cleaner environment:

- Installed a Reverse Osmosis (RO) plant (1000 M3/day) for the treatment of cooling blow-down water and recycling the same water
- Set up three on-site Continuous Ambient Air and Micro Meteorological Monitoring Stations (CAAQMS) to monitor air pollution
- Implemented the recycle of spin finish scheme at PSF (D/c -6/7)to reduce the load of Effluent Treatment Plant - Dissolved Air Flotation (DAF)
- Installed the ammonia injection system in FBC Boiler Electrostatic Precipitator (ESP) to reduce the Suspended Particulate Matter (SPM) level
- Enhanced waste water recycling to reduce the load of Common Effluent Treatment Plan (CETP) after segregation of high Total Dissolved Solids (TDS) water streams
- Made underground fire pipeline available above ground to avoid the wastage of water through leakage of underground pipe line
- Conducted a surveillance audit through the intervention of SGS (environment management systems are ISO 14001 certified)
- Reduced power and water consumption levels consistently in the last three years
- Installed the fly ash conditioning/depression system to reduce the air pollution at coal-fired heat transfer medium (CFHTM) plant and Sewage Treatment Plant (STP) area

Information Technology (IT)

Indo Rama's robust IT infrastructure facilitates time-critical and proactive decision-making. The Company is in process of implementing a new emailing framework with a feature of internal chat room, enabling quicker and efficient internal communication and reduced spam threats.

Going forward, the Company plans to take technology initiatives to bring down communication cost. We will further optimise our SAP framework to facilitate better data handling, reduce human intervention and enhance decision-making. Besides, Indo Rama plans to create consolidated data storage at one location that can be accessed from multiple locations, enhancing ease of operations. The Company imparted IT training across the board to train users about better data and machine management.

Internal Controls and their Adequacy

Internal audit is used as an effective tool to check and enhance the efficacy of systems, processes and controls of the Company. It is carried out by an independent agency and internal enterprise risk management team. The review plan, drawn in consultation with the senior management, covers all major areas. The standard operating procedure compliance and management-approved policies are reviewed and areas of improvement, if any, are identified. The observations and suggestions for improvement form a part of the report. The report is discussed with Senior Management and the Board's Audit Committee. Wherever necessary, adequate corrective measures are initiated to ensure compliance.

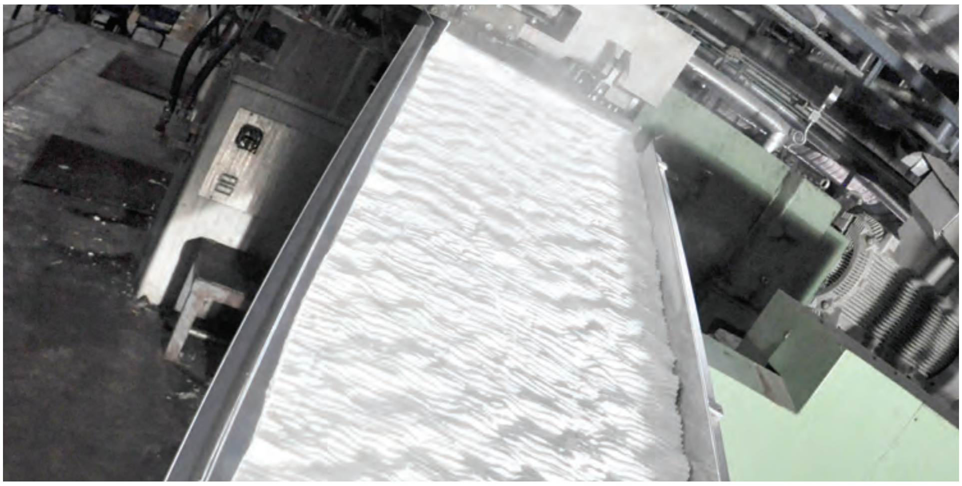
Statutory Compliance

The Chairman and Managing Director makes a declaration at each Board Meeting regarding the compliance with the provisions of various statutes after obtaining confirmation from all the units of the Company. The Company Secretary ensures compliance accordance to SEBI regulations and provisions of the Listing Agreement.

Cautionary Statement

The Management of Indo Rama has prepared and is responsible for the financial statements that appear in this report. These are in conformity with accounting principles generally accepted in India. The Management also accepts responsibility for the preparation of other financial information that is included in this report. Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. The Management has made these statements based on its current expectations and projections about future events. Wherever possible, it has tried to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance. Such statements, however, involve known and unknown risks, significant changes in the political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs, which may cause actual results to differ materially. The management cannot guarantee that these forward-looking statements will be realised, although it believes that it has been prudent in making these assumptions. The Management undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

REPORT ON CORPORATE GOVERNANCE



Company's Philosophy on Code of Governance

Corporate Governance is an integral part of Indo Rama's value system, management ethos and business practices. The Company's corporate governance initiatives are based on:-

- Commitment to excellence and customer satisfaction;
- Commitment to maximising long-term shareholder value;
- Commitment to responsible and ethical corporate conduct; and
- Concern for the environment and sustainable development.

The Company regularly evaluates and defines its management practices which are aimed at enhancing its commitment to ensure that these basic tenets of corporate governance are met. At Indo Rama, the basic Corporate Governance norms have been institutionalised as an enabling and facilitating business process at the Board, Management and Operational levels. Business practices are regularly reviewed and reaffirmed against these tenets and all steps are taken to ensure that Company operates beyond the mandatory regulatory framework of good corporate governance.

This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholders Information, reports Indo Rama's compliance with Clause 49 of the Listing Agreement with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

Appropriate Governance Structure with defined Roles and Responsibilities

The Company, Indo Rama Synthetics (India) Limited (IRSL), has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. The Company's shareholders appoint the Board of Directors, which in turn governs the Company. The Board has established six Committees to discharge its responsibilities in an effective manner. IRSL's Company Secretary acts as the Secretary to all the Committees of the Board. The Chairman and Managing Director (CMD) provide overall direction and guidance to the Board. Concurrently, the CMD is responsible for overall implementation. In the operations and functioning of the Company, the CMD is assisted by two Executive Directors and a core group of senior level Executives.

Best Corporate Governance practices

IRSL maintains the highest standards of corporate governance. It is the Company's constant endeavour to adopt the best corporate governance practices keeping in view of codes of Corporate Governance. Some of the best implemented governance norms include the following:

- The Company has a designated Lead Independent Director with a defined role;
- All securities related filings with Stock Exchanges and SEBI will be reviewed every quarter by the Company's Stakeholders Relationship Committee (previously Shareholders' / Investors' Grievance Committee) of Directors;
- The Company has independent Board Committees for matters related to corporate governance and stakeholders' interface and nomination of Board members;
- The Company's internal audit is conducted by independent auditors.

Board of Directors

Composition of the Board, Board Meetings and Attendance

As on 31 March 2014, Indo Rama's Board comprised of seven Directors. There are three Executive Directors on the Board, including the executive Chairman. One director is non-executive and non-independent; the remaining three Directors are non-executive independent Directors.

During 2013-14, the Board of the Company met five times on 10 May 2013; 8 August 2013; 13 November 2013, 12 February 2014 and 20 March 2014. The maximum gap between any two Board meetings was less than four months. Table 1 gives the attendance of Directors at Board Meetings, last Annual General Meeting (AGM) and number of other Directorship and Chairmanship / Membership of Committees of each Director in various Companies:

Table 1: Composition of the Board of Directors.

Name of the Directors	DIN	Category	Number of Board Meetings		Last AGM Attended	No. of Other Directorships[1]	No. of Chairmanship(s)/ Membership(s) of Board Committees in other Companies[2]	
			Held	Attended			Chairmanships	Memberships
Mr. Mohan Lal Lohia[3] (Chairman-Emeritus)	00918397	Promoter, Non-Executive	5	1	No	-	-	-
Mr. Om Prakash Lohia[3] (Chairman & Managing Director)	00206807	Promoter, Executive Chairman	5	5	Yes	2	-	-
Mr. Vishal Lohia[3] (Whole-time Director)	00206458	Executive	5	5	No	4	-	-
Mr. Ashok Kumar Ladha	00089360	Independent	5	5	Yes	8	-	3
Dr. Arvind Pandalai	00352809	Independent	5	4	Yes	6	-	-
Mr. Suman Jyoti Khaitan	00023370	Independent	5	5	No	6	2	3
Mr. Anant Kishore[4] (Since 08.08.13)	05262142	Executive	4	4	No	-	-	-
Mr. Ashok Jagjivan Gupta[5] (Whole-time Director & CEO)	02337044	Executive	1	1	NA	-	-	-
Mr. Om Prakash Vaish[6]	00001360	Independent	2	2	No	-	-	-

Notes:

1. The Directorships held by the Directors as mentioned above, do not include Alternate Directorships and Directorships in Foreign Companies, Companies registered under Section 8 of the Companies Act, 2013 (corresponding to Section 25 of the Companies Act, 1956) and Private Limited Companies.
2. In accordance with Clause 49, Chairmanships/Memberships of only Audit Committees and Shareholders' / Investors' Grievance Committees in all Public Limited Companies [excluding Indo Rama Synthetics (India) Limited] have been considered.

3. Mr. Mohan Lal Lohia, Mr. Om Prakash Lohia and Mr. Vishal Lohia are related to each other.
4. Appointed as Additional and Whole-time Director and CEO with effect from 8 August 2013.
5. Resigned from the Board of Directors with effect from 30 June 2013.
6. Mr. O. P. Vaish, Independent Director, expired on 18 September 2013.

As detailed in the table above, none of the Directors is a member of more than 10 Board-level Committees of Public Companies in which they are Directors nor Chairman of more than five such Committees.

The number of Independent Directors on the Board does not meet the 'composition criterion' as laid down by Securities and Exchange Board of India (SEBI). The shortfall in the number of independent directors is because of demise of Mr. O.P. Vaish, the vacancy for which is yet to be filled. The Company is taking all steps to ensure earliest compliance with this clause of the listing agreement.

Selection of Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee, inter-alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons. The Board considers the Committee's recommendation, and takes appropriate decision. Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

Lead Independent Director

The Company's Board of Directors has designated Mr. Ashok Kumar Ladha as the Lead Independent Director. The Lead Independent Director's role is as follows:

- To preside over all meetings of Independent Directors;
- To ensure there is an adequate and timely flow of information to Independent Directors;
- To liaise between the Chairman and Managing Director, the Management and the Independent Directors;
- To preside over meetings of the Board and Shareholders when the Chairman and Managing Director is not present, or where he is an interested party;
- To perform such other duties as may be delegated to the Lead Independent Director by the Board/ Independent Directors.

Meetings of Independent Directors

The Company's Independent Directors are required to meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views to the Lead Independent Director.

The Lead Independent Director takes appropriate steps to present Independent Directors' views to the Chairman and Managing Director.

Directors with Material Pecuniary or Business Relationship with the Company

As mandated by Clause 49, the Independent Directors of the Company:

- apart from receiving Director's remuneration (sitting fee), do not have any material pecuniary relationships or transactions with the Company, its Promoters or Directors, its Senior Management which may affect independence of these Directors.
- are not related to Promoters or persons occupying management positions at the Board level or at one level below the Board.
- have not been an executive of the Company in the immediately preceding three financial years.
- are not partners or executives or were not partners or executives during the preceding three years of the:
    - Statutory audit firm or the internal audit firm that is associated with the Company.
    - Legal/consulting firm(s) that have a material association with the Company.
- are not material suppliers, service providers or customers or lessors or lessees to the Company which may affect independence of the Directors.
- are not substantial shareholders of the Company, i.e., do not own two percent or more of the block of voting shares.

Transactions with related parties are disclosed in Note No. 36 of the 'Notes to the Financial Statements'. There has been no material pecuniary transaction or relationship between the Company and its Non-executive and/or Independent Directors during the year 2013-14.

Board's Processes

It has always been the Company's policy and practice that apart from matters requiring Board's approval by statute, all major decisions including quarterly results of the Company, financial restructuring, capital expenditure proposals, annual operating plans and budgets, Quarterly details of foreign exchange exposures, collaborations, material investment proposals in joint venture/promoted Companies, sale and acquisition of material nature of assets, mortgages, guarantees, donations, etc., are regularly placed before the Board. This is in addition to information with regard to actual operations; major litigation feed-back reports, information on senior level appointments just below the Board level and minutes of all Committee Meetings.

The information as required to be placed before Board of Directors as per Code of Corporate Governance is being made available to the Board as and when applicable.

The Board of Directors of the Company is presented with detailed notes along with the agenda papers well in advance of the meetings. The Board periodically reviews compliance reports of all laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliances.

Compliance with the Code of Conduct

The Company's Board has laid down a Code of Conduct for all Board members and Senior Management of the Company. The code of conduct is available on the website of the Company, www.indoramaindia.com. All Board members and Senior Management Personnel have affirmed compliance with the code of conduct during the year 2013-14. A declaration signed by the Chairman & Managing Director to this effect is enclosed at the end of this report.

Board material distributed in advance

The agenda and notes on agenda are circulated to Directors in advance, and in the defined agenda format. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

Recording minutes of proceedings at Board and Committee Meetings

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board/ Board Committee members for their comments. The Minutes are entered in the Minutes Book within 30 days from the conclusion of the Meeting.

Risk Management

Please refer to the details stated in the Management Discussion & Analysis Report.

Committees of the Board

Audit Committee

As on 31 March 2014, the Audit Committee of the Company comprises of four Directors, viz.; Mr. Ashok Kumar Ladha, Mr. Vishal Lohia, Dr. Arvind Pandalai and Mr. Suman Jyoti Khaitan. Mr. Ashok Kumar Ladha Dr. Arvind Pandalai and Mr. Suman Jyoti Khaitan are Independent Directors. Mr. Ashok Kumar Ladha is the Chairman of the Audit Committee. The constitution of the Audit Committee meets the requirement of Section 177 of the Companies Act, 2013 as well as Clause 49 of the Listing Agreement. All the members of the Audit Committee are financially literate and have accounting and financial management expertise. The Chairman of the Audit Committee Mr. Ashok Kumar Ladha attended the 27th Annual General Meeting (AGM) held on 4 July 2013 and answered the shareholders queries.

During 2013-14, the Audit Committee of the Company met four times on 10 May 2013; 8 August 2013; 13 November 2013 and 12 February 2014. Table 2 gives the attendance record of the members of the Audit Committee.

Table 2: Attendance record of the Audit Committee Meetings for 2013-14.

Name of Members	Category	Status	No. of Meetings	
			Held under tenure	Attended
Mr. Ashok Kumar Ladha	Independent	Chairman	4	4
Mr. Om Prakash Vaish *	Independent	Member	2	2
Mr. Vishal Lohia	Executive Director	Member	4	4
Dr. Arvind Pandalai	Independent	Member	4	4
Mr. Suman Jyoti Khaitan	Independent	Member	2	2

* Mr. Om Prakash Vaish ceased to be Director w.e.f. 18 September 2013.

The Chairman & Managing Director and the Chief Financial Officer, representatives of the Statutory Auditors and Internal Auditors are permanent invitees to the Audit Committee Meetings. The Company Secretary acts as the Secretary to the Audit Committee.

Powers of the Audit Committee

- To investigate any activity within its terms of reference;
- To seek any information from any employee;
- To obtain outside legal or other professional advice;
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of the Audit Committee, inter-alia, includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013 (corresponding to sub-section (2AA) of Section 217 of the Companies Act, 1956);
    - Changes, if any, in accounting policies and practices and reasons for the same;
    - Major accounting entries involving estimates based on the exercise of judgment by management;
    - Significant adjustments made in the financial statements arising out of audit findings;
    - Compliance with listing and other legal requirements relating to financial statements;
    - Disclosure of any related party transactions;
    - Qualifications in the draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory auditors, including cost auditors and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- Discussion with Internal Auditors of any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- Review financial statements, in particular the investments made by the Company's unlisted subsidiaries;

- Reviewing the following information;
  - Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management;
  - Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses; and
  - The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
- To call for comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and to discuss any related issue with the internal and statutory auditors and the management of the Company.

Nomination and Remuneration Committee (Previously Remuneration Committee)

The "Nomination and Remuneration Committee" was constituted by the Board on 20 May 2014 consequent to the dissolution of the 'Remuneration Committee' considering the requirements of the Companies Act, 2013.

The Nomination and Remuneration Committee comprises of three members, viz.; Mr. Ashok Kumar Ladha, Dr. Arvind Pandalai and Mr. Suman Jyoti Khaitan. Mr. Ashok Kumar Ladha is the Chairperson of this Committee. The Nomination and Remuneration Committee shall identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid-down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

The role of the Nomination and Remuneration Committee shall, inter-alia, include the following:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy of Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The Chairman of the Nomination and Remuneration Committee is required to be present at the Annual General Meeting, to answer the shareholders' queries.

Two meetings of Nomination and Remuneration Committee (previously Remuneration Committee) took place on 1 April 2013 and 8 August 2013 during the financial year 2013-14.

Remuneration Policy and details of Remuneration paid to Directors:

Subject to the approval of Board of Directors and subsequent approval by the Shareholders at the General Meeting and such authorities as the case may be the remuneration of the Managing Director, Whole-time Directors and Key Managerial Personnel (KMPs) of the Company is fixed by the Nomination and Remuneration Committee. Remuneration is determined considering various factors such as qualification, experience, expertise, prevailing remuneration in the competitive industries, financial position of the Company, etc. The remuneration structure comprises Basic Salary, commission linked to profits, perquisites and allowances, contribution to provident fund and other funds in accordance with various related provisions of the Companies Act, 2013. The non-executive Directors have not drawn any remuneration from the Company except sitting fee for meetings of the Board and Committees attended by them. Remuneration paid or payable to the Directors of the Company during the year ended 31 March 2014 is set forth in Table 3 below.

Table 3: Remuneration paid or payable to Directors for the year ended 31 March 2014.

(₹ '000)

Name of the Director	Relationship with other Directors	Salary	Perquisites	Deferred Benefits (PF and Gratuity) #	Commission	Sitting Fees for Board and Committee Meetings	Total
Mr. Mohan Lal Lohia (Chairman-Emeritus)	Father of Mr. Om Prakash Lohia and Grandfather of Mr. Vishal Lohia	-	-	-	-	-	-
Mr. Om Prakash Lohia (Chairman & Managing Director)	Son of Mr. Mohan Lal Lohia and Father of Mr. Vishal Lohia	21,926	742	2,877	-	-	25,545
Mr. Vishal Lohia (Whole-time Director)	Grandson of Mr. Mohan Lal Lohia and Son of Mr. Om Prakash Lohia	16,800	583	1,513	-	-	18,896
Mr. Anant Kishore (Whole-time Director & CEO)	None	5,520	-	280	-	-	5,800
Mr. Ashok Kumar Ladha	None	-	-	-	-	320	320
Dr. Arvind Pandalai	None	-	-	-	-	180	180
Mr. Suman Jyoti Khaitan	None	-	-	-	-	140	140
Mr. Ashok Jagjivan Gupta (Whole-time Director & CEO upto 30 June 2013)	None	2,300	1,759	108	-	-	4,167
Mr. Om Prakash Vaish	None	-	-	-	-	120	120
Total		**46,546**	**3,084**	**4,778**	**-**	**760**	**55,168**

With regard to Leave Encashment and Gratuity Fund, the amount applicable to an individual is not ascertainable and hence not indicated.

Role of the Company Secretary in overall Governance Process

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

Shares held by Non-Executive Directors

Table 4: Details of the shares* held by the Non Executive Directors as on 31 March 2014.

Name of the Director	Category	Number of shares held
Mr. Mohan Lal Lohia	Promoter	300,028
Mr. Ashok Kumar Ladha	Independent	17,713
Dr. Arvind Pandalai	Independent	Nil
Mr. Suman Jyoti Khaitan	Independent	Nil

* The Company has not issued any convertible securities to any Non-Executive Director.

Stakeholders Relationship Committee (previously Shareholders / Investors' Grievances Committee)

The 'Stakeholders Relationship Committee' (SR Committee) was constituted by the Board on 20 May 2014 consequent to the dissolution of the 'Shareholders/ Investors' Grievance Committee'. The SR Committee is primarily responsible to review / monitors and redressal of Investors' / Shareholders' grievances.

The SR Committee's composition and the terms of reference meet with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

The Stakeholders Relationship Committee comprises of three members, viz.; Mr. Ashok Kumar Ladha, Mr. Om Prakash Lohia and Mr. Vishal Lohia. Mr. Ashok Kumar Ladha is the Chairperson of this Committee. The Stakeholders Relationship Committee (previously Shareholders / Investors' Grievances Committee) met four times during the year 2013-14 on 28 June 2013, 30 September 2013, 26 December 2013 and 31 March 2014. Table 5 gives the details of attendance.

Table 5: Attendance record of the Stakeholders Relationship Committee / Investors Grievance Committee for 2013-14.

Name of Members	Category	Status	No. of Meetings	
			Held under tenure	Attended
Mr. Ashok Kumar Ladha	Independent	Chairman	4	4
Mr. Om Prakash Lohia	Executive	Member	4	3
Mr. Vishal Lohia	Executive	Member	4	3

As on 31 March 2014, no investor complaint was pending with the Company as well as Registrar and Share Transfer Agent of the Company. Table 6 gives data on the Shareholders / Investors complaints received and redressed during the year 2013-14.

Table 6: Shareholders and Investors complaint received and redressed during 2013-14.

Total Complaints Received	Total Complaints Redressed	Pending as on 31.03.2014
58	58	Nil

Mr. Jayant K Sood, Head-Corporate & Company Secretary is the Compliance Officer of the Company.

Banking and Finance Committee

The Banking and Finance Committee presently comprises of three Directors, viz.; Mr. Om Prakash Lohia, Mr. Ashok Kumar Ladha and Mr. Vishal Lohia. The Chairman of the Committee is appointed by a voice vote at each meeting and any two members present form a quorum. The Committee is authorised to decide and oversee matters relating to banking operations and to decide the investment strategy with regard to the available short term surplus funds with the Company as well as the borrowings from banks and financial institutions. The Committee enjoys the delegation of the Board in matters relating to the borrowings / placement of funds in normal and routine course of business. The other terms of reference, inter-alia, include review of capital structure, financial policies, treasury and foreign exchange risk management. During 2013-14, the Banking and Finance Committee met three times on 18 October 2013, 12 December 2013 and 2 January 2014.

Allotment and Share Transfer Committee

The Company has a Committee of Directors known as the 'Share Allotment and Transfer Committee' to look into and decide matters pertaining to share allotment, transfers, duplicate share certificates and related matters. As on 31 March 2014, the Committee comprises of Mr. Om Prakash Lohia, Mr. Ashok Kumar Ladha and Mr. Vishal Lohia. The Chairman is appointed by a voice vote and quorum is any two members present. During 2013-14, the Share Allotment and Transfer Committee met seven times on 30 April 2013, 28 June 2013, 30 August 2013, 27 September 2013, 19 November 2013, 26 December 2013 and 3 February 2014.

The details of attendance of the Committee members are given below in Table 7.

Table 7 : Attendance record of the share Allotment and Transfer Committee for 2013-14.

Name of Members	Category	Status	No. of Meetings	
			Held under tenure	Attended
Mr. Om Prakash Lohia	Executive	Member	7	7
Mr. Ashok Kumar Ladha	Independent	Member	7	1
Mr. Vishal Lohia	Executive	Member	7	6

Corporate Social Responsibility Committee

The "Corporate Social Responsibility Committee" (CSR Committee) was constituted by the Board on 20 May 2014, considering the requirements of the Companies Act, 2013 relating to constitution of a Corporate Social Responsibility Committee. The CSR Committee shall institute a transparent monitoring mechanism for implementation of CSR projects or programmes, activities undertaken by the Company. The functions of CSR Committee are as follows:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on the CSR activities;
- Monitor the Corporate Social Responsibility Policy of the Company from time to time;
- Prepare a transparent monitoring mechanism for ensuring implementation of the project/programmes/ activities proposed to be undertaken by the Company.

The Committee comprises of Mr. Om Prakash Lohia, Mr. Vishal Lohia and Dr. Arvind Pandalai. Mr. Om Prakash Lohia is the Chairperson of this Committee. The Company Secretary acts as the Secretary to the CSR Committee.

Subsidiary Companies Monitoring Framework

All subsidiary companies of the Company are Board managed with their Boards having the rights and obligations to manage such Companies in the best interest of their stakeholders. The Company monitors performance of subsidiary Companies, inter-alia, by the following means:

- Financial statements, in particular the investments made by the unlisted subsidiary Companies, are reviewed quarterly by the Audit Committee of the Company.
- All minutes of Board meetings of the unlisted subsidiary Companies are placed before the Company's Board regularly.
- A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary Companies is placed before the Company's Board.

Dr. Arvind Pandalai, Independent Director of the Company has been appointed as an Independent Director on the Board of Indo Rama Renewables Limited, a subsidiary of the Company.

Management

Management Discussion and Analysis

This Annual Report has a detailed chapter on Management Discussion and Analysis.

General Body Meetings

Annual General Meeting

The date, time and venue for Annual General Meetings for the last three years are given in Table 8 below:

Table 8: Details of General Meetings held during the last three years.

Financial year	Meeting	Date	Time	Venue	Special Resolutions Passed
2010-11	AGM	14 July 2011	12:00 Noon	A-31, MIDC Industrial Area Butibori Nagpur-441122 Maharashtra	1. Revision in remuneration of Mr. Om Prakash Lohia. 2. Revision in remuneration of Mr. Vishal Lohia. 3. Raising of additional long-term funds through further issuance of securities in the Company.
2011-12	AGM	21 June 2012	12:00 Noon	A-31, MIDC Industrial Area Butibori Nagpur-441122 Maharashtra	None
2012-13	AGM	04 July 2013	12:00 Noon	A-31, MIDC Industrial Area Butibori Nagpur-441122 Maharashtra	1. Re-appointment and remuneration of Mr. Om Prakash Lohia as Chairman & Managing Director of the Company. 2. Re-appointment and remuneration of Mr. Vishal Lohia as Whole-time Director of the Company. 3. Appointment and remuneration of Mr. Ashok Jagjivan Gupta as Whole-time Director & CEO of the Company, from 30 January 2013 to 30 June 2013, instead of 3 years, i.e., 30 January 2013 to 29 January 2016.

Postal Ballot

No resolution has been passed through Postal Ballot Mechanism during the year 2013-14.

Disclosures

1. There are no materially significant related party transactions that might have potential conflict with the interest of the Company at large.

2. No penalty or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority on any matter relating to capital markets during the last three years.

3. The Company has complied with all the mandatory requirement of clause 49 of the Listing Agreement, except, composition of Board of Directors, which is short by one Independent Director, due to death of Mr. O. P. Vaish. As regards non-mandatory requirements, the extent of compliance has been stated in this report.

4. Indo Rama has followed the Accounting Standards prescribed under the Companies (Accounting Standards) Rules, 2006 in preparation of its financial statements.

5. In compliance with the SEBI regulation on prevention of insider trading, the Company has laid down a comprehensive code of conduct for its management and staff. The code lays down guidelines which advise them on procedures to be followed and disclosures to be made, while dealing with shares of Company, and cautioning them of the consequences of violations.

Vigil Mechanism / Whistle Blower Policy

The Company has established a Vigil Mechanism (Whistle Blower) Policy for Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

The Vigil Mechanism shall provide adequate safeguards against victimisation of Director(s) / Employee(s), who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The details of establishment of the vigil mechanism disclosed by the Company on its website and in the Board's report.

CEO / CFO Certification

The Chairman and Managing Director (as the CEO of the Company) and Chief Financial Officer (CFO) of the Company have certified to the Board of Directors the accuracy of financial statements and adequacy of internal controls for financial reporting purposes, as required under Clause 49 (V) of the Listing Agreement, for the year ended 31 March 2014.

Shareholders

Appointment / Re-appointment of Directors

Mr. Mohan Lal Lohia is retiring by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Ashok Kumar Ladha, Mr. Suman Jyoti Khaitan and Dr. Arvind Pandalai, Independent Directors of the Company, are being eligible and offering themselves for appointment, is proposed to be appointed as Independent Directors for five consecutive years for a term upto the conclusion of the 33rd Annual General Meeting of the Company in the calender year 2019.

Mr. Anant Kishore is appointed as Whole-time Director & CEO, with effect from 8 August 2013.

Brief resume of these Directors, nature of their expertise in special functional areas and Company names in which they hold Directorships, Memberships/ Chairmanships of Board Committees and shareholding in the Company are given in the notice of the 28th Annual General Meeting.

Compliance

Mandatory Requirements

The Company is fully compliant with the applicable mandatory requirements of Clause 49 except constitution of the Board in respect to Independent Directors, which has fallen short due to demise of Mr. O. P. Vaish.

Adoption of Non-Mandatory Requirements

Nomination and Remuneration Committee: A Remuneration Committee reconstituted as Nomination and Remuneration Committee in accordance with the requirements of the Listing Agreement.

Auditor's Certificate on Corporate Governance

The Company has obtained a Certificate from the Statutory Auditors regarding compliance of conditions of corporate governance, as mandated in Clause 49. The certificate is annexed to this Report.

Means of Communication

Quarterly results: The Company's quarterly results are published in "Mint" (English) and "Punya Nagari" (Marathi) are displayed on its website (www.indoramaindia.com). Hence, these are not separately sent to individual shareholders. The Company, however, furnishes the quarterly and half-yearly results on receipt of a request from any shareholder.

News releases, presentations, among others: Official news releases and official media releases are sent to Stock Exchanges.

Website: The Company's website (www.indoramaindia.com) contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

Annual Report: The Annual Report containing, inter-alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management's Discussion and Analysis (MDA) Report forms part of the Annual Report and is displayed on the Company's website (www.indoramaindia.com).

NSE Electronic Application Processing System (NEAPS): The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, Audited/Un-audited Financial Results are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre (the 'Listing Centre'): BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, Audited/Un-audited Financial Results are also filed electronically on the Listing Centre.

SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Designated Exclusive email-id: The Company has designated the following email-id exclusively for investor servicing - investor-relations@indorama-ind.com.

General Shareholder Information

Company Registration Details

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L17124MH1986PLC166615.

Annual General Meeting

(Day, Date, Time and Venue)

Friday, 1 August 2014 at 2:00 pm

A-31, MIDC Industrial Area, Butibori, Nagpur-441122, Maharashtra.

Financial Year

1 April to 31 March

Financial Calendar, 2014-15 (tentative)

1st Quarter Results	1st /2nd Week of August, 2014
2nd Quarter Results	1st /2nd Week of November, 2014
3rd Quarter Results	1st /2nd Week of February, 2015
Audited Annual Accounts for the year ended 31 March 2015	3rd /4th Week of April, 2015
Annual General Meeting	August, 2015

Date of Book Closure

Friday, 25 July 2014 to Friday, 1 August 2014 (both days inclusive) for payment of Dividend.

Dividend Payment Date

Subject to requisite approvals, Credit/dispatch of dividend warrants will be done between 20 August 2014 to 25 August 2014.

Listing on Stock Exchange and Stock Codes

Equity Shares of Indo Rama Synthetics (India) Limited are listed on the BSE Limited (BSE), Mumbai and National Stock Exchange of India Limited (NSE), Mumbai. The stock codes of the Company are as follows:

- BSE: 500207
- NSE: INDORAMA

The ISIN number for Equity Shares of the Company on both the NSDL and CDSL is INE 156A 01020.

All listing and custodial fees to the Stock Exchanges and Depositories have been paid to the respective institutions.

Listing of GDRs

The Company's GDRs, each comprising eight underlying shares of the Company, are listed with Luxembourg Stock Exchange at Societe de la Bourse de Luxembourg, 11, Avenue de la Porte -Neuve, L-2227 Luxembourg.

1,286,420 GDRs were outstanding as on 31 March 2014, representing 10,291,360 Equity Shares of ₹10/- each, constituting 6.78% of the share capital of the Company. The Company has already issued the underlying shares for GDRs which are held by the Depository, namely, The Bank of New York Mellon.

There are no convertible instruments which could result in increasing the equity capital of the Company.

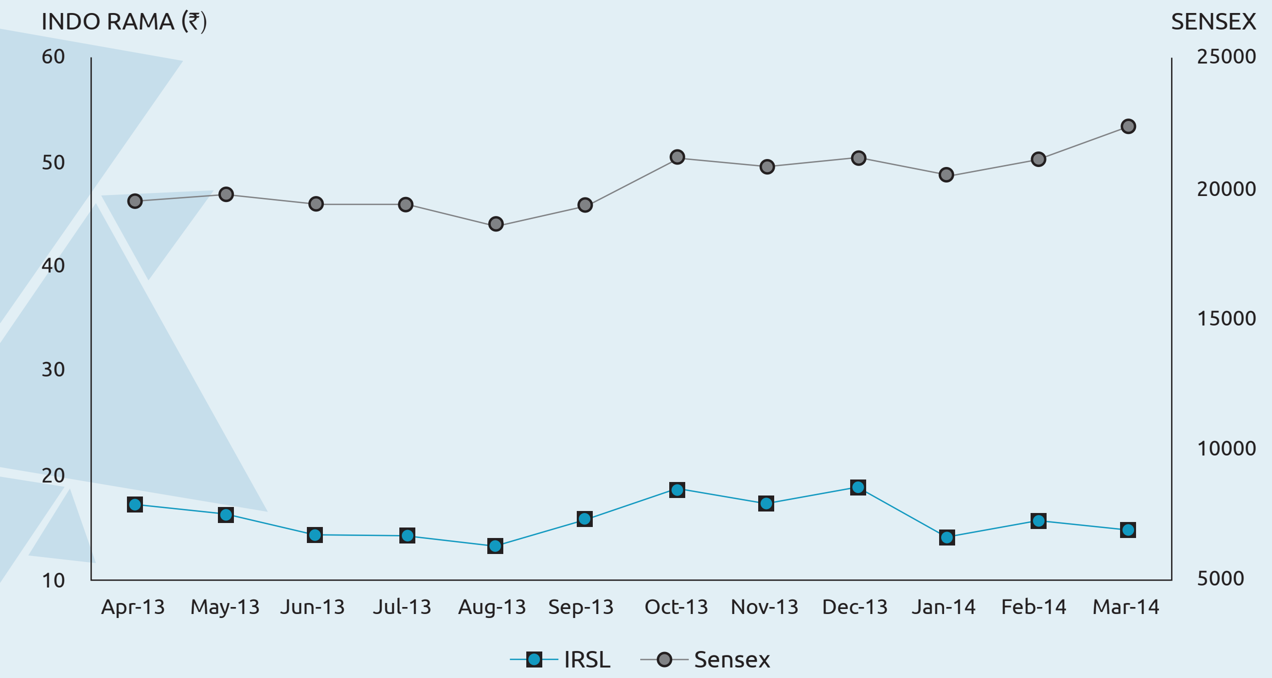
Stock Market Price Data

Table 9 below gives the monthly high and low prices of Indo Rama Synthetics (India) Limited equity shares at BSE Limited (BSE), the National Stock Exchange of India Limited (NSE) for the year 2013-14.

Table 9 : Monthly High and Low quotations of shares traded at the BSE and NSE.

Month	BSE Limited (BSE)		National Stock Exchange of India Ltd. (NSE)	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2013	18.25	15.60	18.10	15.25
May 2013	20.25	16.25	20.20	16.05
June 2013	16.90	13.25	17.40	13.10
July 2013	15.30	13.10	15.35	13.70
August 2013	15.40	12.00	16.90	12.65
September 2013	17.40	13.00	17.45	13.10
October 2013	20.55	14.70	20.50	15.70
November 2013	20.25	15.95	19.20	15.85
December 2013	19.10	15.25	19.15	15.40
January 2014	20.25	13.40	20.30	13.40
February 2014	18.75	14.00	18.90	14.05
March 2014	16.35	14.05	15.55	14.10

Chart A: Share prices of Indo Rama versus BSE Sensex for the year ended 31 March 2014.



Note: Based on monthly closing share price on BSE (April, 2013 to March, 2014)

Reconciliation of Share Capital Audit

A qualified practicing Company Secretary carried out reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

Registrar and Transfer Agent

MCS Share Transfer Agent Limited
F-65, First Floor, Okhla Industrial Area, Phase-1
New Delhi - 110 020.
Tel. No.: +91-11-4140 6149-52, Fax No.: +91-11-4170 9881
E-mail : mcssta@rediffmail.com/admin@mcsdel.com

Share Transfer System

Share transfers are registered and returned in the normal course within an average period of 15 days from the date of receipt, if the documents are clear in all respects. Requests for dematerialisation of shares are processed and confirmation thereof is given to the respective depositories, i.e., National securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within 15 days.

The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement and files a copy of the said certificate with the Stock Exchanges. There are no legal proceedings against the Company on any share transfer matter.

Table 10 below gives the position of shares held in electronic form as on 31 March 2014.

Table 10 : Status of Dematerialisation as on 31 March 2014.

No. of Shares Dematerialised	150,898,531	99.39% of total share capital
No. of shareholders in Demat Form	16,015	72.66% of the total shareholders

Shareholding Pattern and Distribution of Shareholding as on 31 March 2014.

Tables 11 and 12 give the pattern of shareholding by ownership and share class respectively.

		No. of Equity Shares	Shareholding (%)
A.	**Promoters' Holding**	101,503,833	66.86
B.	**Non-Promoters' Holding**		
a)	Banks, Financial Institutions, Insurance Companies, Central / State Govt. Institutions, Non-government Institutions	6,258,956	4.12
b)	Foreign Institutional Investors (FIIs)	14,138,419	9.31
c)	Foreign Direct Investment (FDI)	-	-
d)	Mutual Funds (including UTI)	873,768	0.58
e)	Private Corporate Bodies	3,123,439	2.06
f)	Indian Public	13,753,738	9.05
g)	NRIs / OCBs	1,878,729	1.24
h)	Shares held by custodians against which Depository Receipts have been issued	10,291,360	6.78
Grand Total		**151,822,242**	**100.00**

Table 12: Pattern of shareholding by share class as on 31 March 2014.

Shareholding class	Number of shareholders	Number of shares held	Shareholding %
Up to 500	18,155	2,831,882	1.87
501 to 1,000	1,950	1,553,062	1.02
1,001 to 5,000	1,460	3,308,330	2.18
5,001 to 10,000	223	1,685,180	1.11
10,001 to 50,000	183	4,010,630	2.64
50,001 to 100,000	28	2,056,327	1.35
100,001 and above	41	136,376,831	89.83
Total	**22,040**	**151,822,242**	**100.00**

Transfer of unclaimed dividend to Investor Education and Protection Fund (IEPF)

During the year under review, the Company has credited ₹12.09 Lacs to the Investor Education and Protection Fund (IEPF) pursuant to Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 4 July 2013 (date of last Annual General Meeting) on the Company's website (www.indoramaindia.com) and on the website of the IEPF, viz.; www.iepf.gov.in

Pursuant to Section 205C of the Companies Act, 1956, Table 13 below details the dates of declaration of Dividend and corresponding dates when unclaimed dividends are due for transfer to Investor Education and Protection Fund (IEPF).

Table 13: Dates of dividend declaration and corresponding dates when unclaimed dividends are due for transfer to IEPF.

Financial Year	Whether Interim / Final	Date of declaration of Dividend	Last date for transfer to IEPF
2006-07	Final	31 August 2007	30 September 2014
2007-08	Final	12 September 2008	11 October 2015
2008-09	NIL	-	-
2009-10	NIL	-	-
2010-11	Interim	14 February 2011	13 March 2018
2010-11	Final	14 July 2011	13 August 2018
2011-12	Final	21 June 2012	20 July 2019
2012-13	Final	04 July 2013	03 August 2020

Shareholders who have not so far en-cashed their dividend warrant(s) or have not received the same are requested to seek issue of duplicate warrant(s) by writing to the Company confirming non-encashment/non-receipt of dividend warrant(s).

Plant Location

The Company has its manufacturing and operating complex at:
A-31, MIDC Industrial Area
Butibori, Nagpur-441 122
Maharashtra, India
Tel. : +91-7104-663000-01
Fax. : +91-7104-663200

Compliance Officer for Investor Redressal

Mr. Jayant K Sood
Head-Corporate & Company Secretary
Indo Rama Synthetics (India) Limited
20th Floor, DLF Square, DLF Phase-II, NH-8,
Gurgaon-122002
Tel No. +91-124-4997000; Fax: +91-124-4997070
E-mail ID: investor-relations@indorama-ind.com

Address for Correspondence

Registered Office	Corporate Office	Registrar & Share Transfer Agent
Indo Rama Synthetics (India) Limited	Indo Rama Synthetics (India) Limited	MCS Share Transfer Agent Limited
A-31, MIDC, Industrial Area	20th Floor, DLF Square	F-65, First Floor
Butibori, Nagpur-441122	DLF Phase - II, NH-8	Okhla Industrial Area, Phase-1
Maharashtra, India	Gurgaon-122 002, Haryana, India	New Delhi-110 020, India
Tel. No.:+91-7104-663000-01	Tel. No.:+91-124-4997000	Tel. No.:+91-11-4140 6149-52
Fax No.: +91-7104-663200	Fax No.: +91-124-4997070	Fax No.:+91-11-4170 9881
Website: www.indoramaindia.com	E-Mail: investor-relations@indorama-ind.com	E-mail: mcssta@rediffmail.com

For guidance on depository services, shareholders may write to the Company or to the respective Depositories:

National Securities Depository Limited	Central Depository Services (India) Limited
4th Floor, 'A' Wing, Trade World	Phiroze Jeejeebhoy Towers
Kamala Mills Compound, Senapati Bapat Marg	17th Floor, Dalal Street, Fort
Lower Parel, Mumbai-400013	Mumbai-400001
Telephone : +91-22-24994200	Telephone : +91-22-22723333
Fax : +91-22-24976351	Fax : +91-22-22723199
E-mail : info@nsdl.co.in	E-mail : investors@cdslindia.com
Website : www.nsdl.co.in	Website : www.cdslindia.com

Declaration regarding Code of Conduct

As provided under clause 49 of the Listing Agreement, all Board Members and Senior Management have affirmed compliance with the Code of Conduct for the financial year 2013-14.

Place: Gurgaon.
Date: 20 May 2014

Om Prakash Lohia
Chairman & Managing Director

AUDITORS' CERTIFICATE (Under Clause 49 of the Listing Agreement)

To the Members of
Indo Rama Synthetics (India) Limited

1. We have examined the compliance of conditions of Corporate Governance by Indo Rama Synthetics India Limited ('the Company'), for the year ended on 31 March 2014, as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges.

2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

3. In our opinion and to the best of our information and according to the explanations given to us, *and subject to our comments in paragraph 4 below*, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement

4. *Attention is drawn to the underlying 'Report on Corporate Governance' which explains that the number of non-executive directors did not constitute fifty percent of the total number of directors from 18 September 2013 and, hence, the composition criteria of the Board laid down in sub-clause (ii) of the para (A) of Clause 49 of the Listing Agreement is not fulfilled.*

5. 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.

For **B S R and Associates**
Chartered Accountants
Firm Registration No. 128901W

Place: Gurgaon
Date: 20 May 2014

Kaushal Kishore
Partner
Membership No.090075

CEO & CFO CERTIFICATE

To
The Board of Directors
Indo Rama Synthetics (India) Limited

We, Om Prakash Lohia, Chairman & Managing Director and Sanjay Syal, President & Chief Financial Officer of Indo Rama Synthetics (India) Limited, certify that -

a) We have reviewed the Financial Statements and the cash flow statement of Indo Rama Synthetics (India) Limited ('The Company") for the year ended March 31, 2014, and that to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the Company's internal control systems pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify these deficiencies.

d) We also certify that we have indicated to the auditors and the Audit Committee:

   (i) Significant changes in internal control over financial reporting during the year;

   (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to accounts to the financial statements; and

   (iii) Instances of significant fraud of which we have become aware and that involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

e) We further declare that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct in respect of the Financial Year 2013-14.

Om Prakash Lohia
Chairman & Managing Director

Place: Gurgaon
Date: 20 May 2014

Sanjay Syal
President & Chief Financial Officer

DIRECTORS' REPORT for the year ended 31 March 2014

Dear Shareholders,

Your Directors take pleasure in presenting the 28th Annual Report together with the audited accounts for the financial year ended 31 March 2014.

Financial Highlights

The financial performance of your Company for the year ended 31 March 2014 is summarised below:

(₹ Million)

Particulars	Year Ended 31 March 2014	Year Ended 31 March 2013
Net Sales and Other Income	28,731.30	31,509.10
Profit before Financial Costs, Depreciation, Exceptional item and Tax (EBIDTA)	2,445.90	2,824.50
Finance Costs	352.30	445.10
Profit before Depreciation, Exceptional item and Tax (EBIDTA)	2,093.60	2,379.40
Depreciation	1,351.20	1,579.90
Profit / (Loss) before Exceptional item and Tax	742.40	799.50
Exceptional item - Foreign exchange fluctuations (expenses)/ Income	(995.10)	(392.60)
(Loss) / Profit before Tax	(252.70)	406.90
Tax (Credit) / Charge	(170.90)	(5.70)
(Loss) / Profit after Tax	(81.80)	412.60
Profit brought forward from previous year	2,081.90	1,846.90
Profits available for Appropriation	2,000.10	2,259.50
Appropriations :		
Proposed Dividend on equity shares	151.80	151.80
Corporate Tax on Proposed Dividend	25.80	25.80
Transfer to general reserve	-	-
Surplus carried to Balance Sheet	1,822.50	2,081.90
Total Appropriation	**177.60**	**177.60**

Operational and Financial Review

During the year under report, your Company recorded gross revenue of ₹ 28,610 Million as against ₹ 31,664 Million in previous year. EBIDTA is ₹ 2,446 Million as against ₹ 2,825 Million last year. Loss after Tax stood at ₹ 81.80 Million as against Profit of ₹ 412.60 Million for the previous year.

The year 2013-14, was one of the most challenging years in the recent past. The Indian economy passed through a difficult phase with business activities on a lower side for most of the sectors due to depreciation in the value of rupee, rising crude oil prices and increasing raw material costs. Adding to the weak demand, production was also hampered due to the lack of adequate raw material.

Directors are pleased to inform that despite difficult times, your Company focused on widening product basket, optimising raw material usage, rationalising costs, accelerating global forays and enhancing people capabilities. These initiatives will help sustain the difficult times and grow our core strengths.

The demand for man-made fibres is showing signs of improvement and we are hopeful that the demand for polyester will see revival. Polyester demand will be driven by its growing relevance in daily life across home textiles, apparel, automotive, furnishing fabrics, technical textile and non-woven segments.

Going ahead, with demand going up both in the Domestic and International Market, we are hopeful that we will be able to utilise higher production capacity and grow business volumes.

Dividend

The Board of Directors has recommended dividend of ₹ 1/- per equity share of the face value of ₹ 10/- each for the financial year ended 31 March 2014, amounting to ₹ 15,18,22,242/- (excluding the Corporate Dividend Tax), and is as per the financial needs of the business. The dividend payout is subject to approval of the shareholders at the ensuing Annual General Meeting.

The dividend will be paid to the shareholders, whose names appear in the Register of Members as on 25 July 2014; in respect of shares held in dematerialised form, it will be paid to members, whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners as on that date.

Consolidated Financial Statement

The Consolidated Financial Statements have been prepared by your Company in accordance with the applicable Accounting Standards (AS-21) issued by the Institute of Chartered Accountants of India and the provisions of the Listing Agreement with the Stock Exchanges. Together with the Auditors' Report, these forms part of the Annual Report.

Subsidiaries

In accordance with the General Circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company.

However, the statement pursuant to Section 212 of the Companies Act, 1956 (corresponding to Section 129 of the Companies Act, 2013), containing the financial information of the Subsidiary Companies is disclosed in the Annual Report in compliance with the said circular.

The Company will provide a copy of separate annual accounts in respect of each of its subsidiary to any shareholder of the Company, who asks for it and the said annual accounts will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies.

Directors

Pursuant to the provisions of Companies Act, 2013 and Articles of Association of the Company, the following changes took place in the office of Directors of the Company.

Mr. Mohan Lal Lohia, Director of the Company, would retire by rotation at the ensuing Annual General Meeting and, being eligible, offer himself for re-appointment.

The Board of Directors at their meeting held on 8 August 2013, appointed Mr. Anant Kishore as Additional Director and Whole-time Director & CEO of the Company, with effect from 8th August 2013. Mr. Kishore holds office up to the ensuing Annual General Meeting of the Company and being eligible for re-appointment.

In terms of Section 149 and other application provisions of the Companies Act, 2013, your Directors are seeking appointments of Mr. Ashok Kumar Ladha, Mr. Suman Jyoti Khaitan and Dr. Arvind Pandalai as Independent Directors, for 5 (five) consecutive years for a term up to the conclusion of the 33rd Annual General Meeting of the Company in the calendar year 2019.

Your Company has received declarations from all the Independent Directors of the Company confirming that they met with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

The details of proposal of appointment/re-appointment of Mr. M.L. Lohia, Mr. Ladha, Mr. Khaitan, Dr. Pandalai and Mr. Kishore are mentioned in the Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 (corresponding to Section 102 of the Companies Act, 2013) of the Notice of the 28th Annual General Meeting.

Mr. Ashok Jagjivan Gupta, Whole-time Director & CEO, has resigned from the directorship of the Company with effect from 30 June 2013. Late Sh. Om Prakash Vaish, ceased to be Director, on 18 September 2013, due to demise.

Your Directors place on record their appreciation for the valuable contributions made by Mr. Gupta and Mr. Vaish.

Directors' Identification Number (DIN)

The following are the Directors Identification Number (DIN) of your Directors:

Mr. Mohan Lal Lohia	-	00918397
Mr. Om Prakash Lohia	-	00206807
Mr. Vishal Lohia	-	00206458
Mr. Ashok Kumar Ladha	-	00089360
Dr. Arvind Pandalai	-	00352809
Mr. Suman Jyoti Khaitan	-	00023370
Mr. Anant Kishore	-	05262142

Directors' Responsibility Statement

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 (corresponding to Section 134 (5) of the Companies Act, 2013) with respect to Directors' Responsibility Statement, referred to in clause (c) of sub-section (3), it is hereby confirmed that:

(a) in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

(b) the Director had selected such accounting policies and applied them consistently and 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 of the profit and loss of the Company for that period;

(c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Director had prepared the Annual Accounts on a going concern basis;

(e) the Director, in the case of a listing Company, had laid down, internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Statutory Auditors

M/s B S R and Associates, Chartered Accountants (ICAI Firm Registration No. 128901W), the Statutory Auditors of the Company shall retire at the conclusion of the ensuing Annual General Meeting, and have confirmed their eligibility for re-appointment for a tenure of five years restricted to four years, in accordance with provisions of the Companies Act, 2013.

With regard to the observation made by the Auditors at point number ix (a), xi and xvii of the annexure of Auditors' Report, we would like to inform that:

(a) Delay in payment of Sales Tax / Value Added Tax dues for one quarter, the same has been paid along with interest.

(b) Further, an unprecedented exchange fluctuation and rupee devaluation - which was as high as 27% in August 2013 - coupled with raw material supply constraint during the last financial year, there has been timing mismatches in the Company's operating cash flow resulting in delayed payments in some cases. However, Company managed to overcome the same and as at the year end outstanding with all the banks and financial institution were standard and regular.

(c) Cash accruals are expected to improve with focus to enhance operational efficiencies thereby reducing costs, consistent effort to extend reach in value added products, and change in sourcing strategies to mitigate supply constraints. This is expected to further correct the temporary mismatch in the short term liabilities and assets. Further, the Company has tied-up ₹ 121 Crores of long term funds to meet this gap and is in the process of arranging another ₹ 39 Crores.

Cost Auditors

Pursuant to a directive of the Central Government, your Company is required to conduct a cost audit in respect of its Polyester Operations every year until further notice. Accordingly, qualified Cost Auditors were appointed to carry out audit of the cost records maintained by the Company for the year ended 31 March 2014.

Forfeiture of Fully Convertible Preferential Warrants (FCPs)

The Board of Directors in their meeting held on 12 February 2014, have approved, forfeiture of two (2) Crores Fully Convertible Preferential warrants (FCPs) issued in favour of Promoters Group, on 9 November 2010, as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and an amount of ₹ 20.30 Crores paid by the Promoters Group has been forfeited.

Vigil Mechanism/ Whistle Blower Policy

Your Company established a Vigil Mechanism (Whistle Blower) Policy, pursuant to the provisions of the Companies Act, 2013, for the Directors and Employees to report their genuine concerns or grievances. The Chairman of the Audit Committee, Mr. Ashok Kumar Ladha, will oversee the Vigil Mechanism and to ensure that adequate safeguards are provided to persons against victimisation.

Corporate Social Responsibility Committee

During the year, your Directors have constituted the Corporate Social Responsibility Committee (CSR Committee) comprising Mr. Om Prakash Lohia as the Chairman and Mr. Vishal Lohia and Dr. Arvind Pandalai are as members.

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

Corporate Governance

Your Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. Your Company has also implemented several best corporate governance practices. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms integral part of this Annual Report.

The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance as stipulated under the aforesaid Clause 49 is attached to the Report on corporate governance.

Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is presented in a separate chapter forming part of the Annual Report.

Transfer of unclaimed dividend to Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, relevant amounts, which remained unpaid or unclaimed for a period of seven years have been transferred by the Company, from time to time on due dates, to the Investor Education and Protection Fund (IEPF).

Pursuant to the provisions of Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on 4 July 2013 (date of last Annual General Meeting) on the Company's website (www.indoramaindia.com), as also on the Ministry of Corporate Affairs' website.

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

Information required pursuant to Section 217(1)(e) of the Companies Act, 1956 (corresponding to Section 134 of the Companies Act, 2013), read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are set out in the Annexure forming part of this report.

Particulars of Employees

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time, forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the said Act, the Report and Accounts are being sent to all the members excluding the statement containing the particulars of employees to be provided under Section 217(2A) of the said Act. Any member interested in obtaining such particulars may write to the Company Secretary of the Company.

Fixed Deposits

Your Company has not invited /accepted any deposits during the year ended on 31 March 2014 within the meaning of Section 58A of the Companies Act, 1956 (corresponding to Section 73 of the Companies Act, 2013) and the Rules made thereunder.

Listing

The shares of your Company are listed at BSE Limited and National Stock Exchange of India Limited, Mumbai. The listing fees to the Stock Exchanges for the financial year 2014-15 have been paid.

Industrial Relations / Human Resources

Your Company maintained healthy, cordial and harmonious industrial relations at all levels during the year under report. Your Company firmly believes that a dedicated workforce constitute the primary source of sustainable competitive advantage. Accordingly, human resource development continues to receive focused attention. Your Directors wish to place on record their appreciation for the dedicated and commendable services rendered by the staff and workforce of your Company. There are 881 numbers of employees of the Company as on 31 March 2014.

Acknowledgements

Your Directors would like to express their appreciation for the assistance and co-operation received from the Financial Institutions, Banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board of Directors of
Indo Rama Synthetics (India) Limited

Place: Gurgaon
Date: 20 May 2014

Om Prakash Lohia
Chairman & Managing Director

ANNEXURE TO DIRECTORS' REPORT

Particulars required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the financial year ended 31 March 2014.

A. Conservation of Energy:

Energy Saving measures taken and proposals under implementation.

- Stoppage of hot banking of HP Boiler-1.
- Operation of energy efficient VCC in place of VAC.
- Installation of 8 nos. of Energy efficient spray pumps in DTY PH-2 AHU.
- Installation of larger sized pump to avoid multi-pump operation in tertiary treatment plant.
- Stoppage of chilled water pumps in utilities by line modification.
- Intermingling air pressure reduction in FDY MC no. 27 & 28 at CP3 from 7.5 bar to 4.5 bar system.
- Stoppage of raw water pumping from raw water pump house-2 and hook up from raw water pump house-1 to save energy.
- Water transfers from main storage to user end by gravity.
- Reduction of compressed air pressure from 12 bar to 8.0 bar in PSF.
- Installation of inverter in11 Nos. of AHUs.
- Energy saving by modifying condensate recovery system of Draw Line steam flash tanks.
- Energy Saving by installation of LED Tube lights in place of conventional tube lights.
- Energy Saving by replacement of 80 watt HPMV with CFL of 23 watt at CP4.
- Replacement of Hot Condensate Transfer pump A's motor of 37 KW with lower rating motor 30 KW.
- Energy Saving by conversion of DC motors with DC drive to AC motors and AC drives for DTY machine.
- Power saving in VP-1 Circulation pump by increasing impeller diameter to stop one pump in CFHTM.
- Coal Saving by reuse of slag ash in CFHTM.
- Installation of 75 KW spare VFD for PA fan of Unit-1 boiler.
- Energy saving by reduction of auxiliary power consumption by installation of VFD for BFP.
- To reduce energy consumption by use of smaller capacity Dow circulation pump for circulation in OFHTM.

FORM - A

Form for disclosure of particulars with respect to Conservation of Energy.

Particulars	Current Year 31 March 2014	Previous Year 31 March 2013
(A) POWER & FUEL CONSUMPTION		
1) ELECTRICAL		
a) Purchases from MSEDCL & Other		
Units (kwh in '000)	9,459	19,154
Total Amount (₹ in '000)	52,977	114,017
Rate / kwh (in ₹)	5.60	5.95
b) Generation for own consumption		
(Net of power sale including auxiliary consumption)		
i) Through DG (FO Based)		
Units (kwh in '000)	5,328	7,033
Units / Ltr of FO	4.21	4.48
Cost / Unit (₹ / Unit)	9.34	8.90

Particulars	Current Year 31 March 2014	Previous Year 31 March 2013
ii) Through STG (Coal based)		
Units (kwh in '000)	223,101	215,249
Units / kg of Coal	0.99	1.04
Cost / Unit (₹ / Unit)	3.24	3.05
2) COAL		
Quantity in MT	381,374	353,662
Total Cost (₹ in ' 000)	1,224,876	1,124,478
Average Rate (₹ / MT)	3,212	3,180
3) FURNACE OIL		
Quantity (KL)	2,674	6,197
Total Cost (₹ in ' 000)	105,240	247,368
Average Rate (₹ / Lt)	39.35	39.92
(B) CONSUMPTION PER UNIT OF PRODUCTION		
Production of Polymer products (Fresh) - MT	319,677	374,340
Electricity / Kg (in kwh)	0.74	0.64

B. Technology Absorption:

Form for disclosure of particulars with respect to technology absorption (Form-B).

Research & Development

1. **Specific Areas in which R&D carried out by the Company: (Product Development & Process Improvement Areas)**

- Introduction and commercialisation of new
  - POY products 118D/72F,122D/34F.
  - FDY product 50D/14F.
  - DTY Product 350D/96F stretch yarn.
  - PSF low shrinkage products for spunlace application.
- POY Paper Tube dimensions Optimisation.
- POY Jumbo Box packing optimisation by Use of Single flange modified adopters.
- FDY Machine Intermingling air pressure Optimisation.
- PSF Draw Line condensate recovery system modification.
- Optimisations of Spin Finish system overflow, in PSF Draw Line.
- Optimisation of pump size to stop use of multi pumps for TTP water feed.

2. **Benefit derived as a result of above Product development and process improvement:**

- Development of new POY and FDY products has widen IRSL product range basket and enhanced customer satisfaction.
- Development of new DTY stretch yarn 350D/96 IM is most suited for Weft application in air jet loom in Denim end use.
- Development of PSF low shrinkage Fibre is most suited for Polymer sheets lamination and back coatings.
- Paper Tube dimensions Optimisation has yielded saving of ₹ 1.28 million.
- POY Jumbo Box packing optimisation by Use of Single flange modified adopters has given saving of ₹ 0.52 million.
- FDY Machine Intermingling air pressure Optimisation has given saving of ₹ 0.64 million.
- PSF Draw Line condensate recovery has yielded saving of ₹ 1.05 million.
- Optimisation of Spin Finish system has given saving of ₹ 1.74 million also important part of resource conservation.
- Resizing TTP water pump has yielded saving of ₹ 0.37 million.

3. Import Substitution:

Indigenous Development:

- Development of
  - Casing set for Nose piece assembly of Macneill Fork lifts.
  - SRU shaft for POY automation.
  - CPF filter O rings.
  - Pump for the Draw Bath of PSF draw line.
  - CP-4 /5 DRR and Pre-Polymer Mechanical seal.
  - Visco seal gaskets for the Booster Pump.
  - Toothed belt for POY winders.
  - 545 kW Motor for PSF Draw line.
  - 160 kW Motor for POY Quench.
  - Cooling fan for Dancing roller motor.
  - Ejector super heaters.
  - Spacer coupling for T-66 and VP-1 pumps.
  - CF HTM Drag Chain Gear Box.
  - CP-4 PSF and CP-5 POY booster pump torque limiter coupling.

4. Future Plan of Action (2014-15):

- DTY Production capacity enhancement by 40%.
- Installation of on line Effluent water Quality monitoring system.
- Revamping of weigh bridges.
- Provision of hot air discharge to instrument air dryers.
- Providing booster pumps for Soft water/ DM Water and RO water to reduce existing pump pressure.
- For POY - Screw compressor with VFD.
- Provision to supply reduced compressed air in PSF-2/3 spinning.
- Installation of inverter for CP AHU.
- Conversion of Weigh Bridge from analog to digital technology.
- Proposal for specialty products like - Dope Dyed, Optical Bright, etc.

5. Expenditure on Research & Development:

- Capital (₹ in '000) - Nil
- Recurring - Nil
- Total - Nil
- Total R&D expenditure as % of Turnover - Nil

6. Technology Absorption, Adoption and Innovation:

- Optimisation of Quench air Cooling Coil in PSF Spinning.
- Cost & Quality improvement in PSF Cutter blade grinding procedure.
- Raw Water Saving by using TTP water in softener.
- Process optimisation and pipe line modification to avoid chilled water flow to chillers while not in operations.
- Optimisation of soft water make up in cooling tower.
- Installation of Ambient Quality monitoring system at three locations.
- Ammonia Injection for improving ESP performance.

7. Benefits derived as a result of above efforts:

- Optimisation of Quench air Cooling Coil in PSF Spinning has given saving of ₹ 2.28 million.
- Improvement in PSF Cutter blade grinding procedure has given saving of ₹ 0.65 million.
- Saving by installing VFD for SA fan motor for DTY Phase-3 AHUs has given savings of ₹ 0.67 million.
- Raw Water Saving by using TTP water has yield saving of ₹ 0.41 million.
- Chilled Water stoppage to chillers while not in operations has given saving of ₹ 0.63 million.
- Optimisation of soft water make up in cooling tower has given saving of ₹ 0.12 million.
- AQMS has facilitated better information and MIS.
- ESP performance has further improved.

C. Foreign Exchange Earnings and Outgo of the Company:

Earnings in Foreign Currency (accrual basis)

(₹ In Crores)

Particulars	2013-14	2012-13
F.O.B. value of exports	685.62	749.86
Dividend	2.88	10.45
Sale of current investments (Gross consideration)	241.86	208.06
Total	**930.36**	**968.37**

CIF value of imports

(₹ In Crores)

Particulars	2013-14	2012-13
Raw materials	1,625.84	1,499.16
Packing material	-	0.15
Stores and spares	9.06	6.15
Capital goods	0.52	3.66
Total	**1,635.42**	**1,509.12**

Expenditure in Foreign Currency (accrual basis)

(₹ In Crores)

Particulars	2013-14	2012-13
Travelling	1.29	1.78
Commission	2.29	2.88
Interest	6.06	10.11
Others	0.66	0.12
Total	**10.30**	**14.89**

Net dividend remitted in Foreign Exchange*

Particulars	2013-14	2012-13
Period to which dividend relates to	1 April 2013 to 31 March 2014	1 April 2012 to 31 March 2013
- Number of non-resident shareholders (Nos.)	3	3
- Number of Equity Shares held on which dividend was due (Nos.)	48,894,465	48,894,465
- Amount remitted USD 729,927 and JPY 8,768,080 (Previous year USD 778,138 & JPY 74,89,350) (₹ in Crores)	4.89	4.89

* Excluding dividend credited to FCNR/ NRE accounts in India of Non-Resident Indians and also payments of dividend to Foreign Institutional Investors on repatriation basis.

For and on behalf of the Board of Directors of
Indo Rama Synthetics (India) Limited

Place: Gurgaon
Date: 20 May 2014

Om Prakash Lohia
Chairman & Managing Director

FINANCIAL STATEMENTS

Standalone

Consolidated

INDEPENDENT AUDITORS' REPORT

To the Members of

Indo Rama Synthetics (India) Limited

1. Report on the Financial Statements

We have audited the accompanying financial statements of Indo Rama Synthetics (India) Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2014 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956, read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 (together referred to as the "Act"). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;

(b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5. Emphasis of Matter

a) Attention is drawn to note 44 to the financial statements, which explains the early application, since the year 2010-11, of Accounting Standard 30 "Financial Instruments- Recognition and Measurement", issued by the Institute of Chartered Accountants of India. An amount of ₹ 10.40 Crores has been recognized as expense (previous year an income of ₹ 21.11 Crores) in the financial statements for the year ended 31 March 2014 and included in exceptional items as an adjustment on the said application of Accounting Standard 30. Our opinion is not qualified in respect of this matter.

b) Attention is drawn to note 43 of the financial statements, which explains the management's position regarding utilisation of Minimum Alternate Tax credit aggregating ₹ 57.91 Crores as at 31 March 2014. Based on the management's assumptions and future business plans, no provision has been considered in the books of accounts in respect of Minimum Alternate Tax credit. Our opinion is not qualified in respect of this matter.

6. Report on Other Legal and Regulatory Requirements

(i) As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

(ii) As required by section 227(3) of the Act, we report that:

a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and

e. on the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For B S R and Associates
Chartered Accountants
Firm registration number: 128901W

Kaushal Kishore
Partner
Membership No.: 090075

Place : Gurgaon
Date : 20 May 2014

ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in paragraph 6 of the Independent Auditors' Report to the Members of Indo Rama Synthetics (India) Limited on the accounts for the year ended 31 March 2014.

(i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, the fixed assets are physically verified by the management in accordance with a phased programme designed to cover all items of fixed assets over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and nature of its fixed assets. In accordance with this programme, certain categories of fixed assets at certain locations have been physically verified by the management during the year. As informed to us, no material discrepancies were noticed on such verification.

(c) Fixed assets disposed off during the year were not substantial and, therefore, do not affect the going concern assumption.

(ii) (a) According to the information and explanations given to us, the inventories, except for goods in transit and stocks lying with third parties, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year end, written confirmations have been obtained.

(b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) According to the information and explanations given to us, and on the basis of our examination of the records of inventories, we are of the opinion that the Company is maintaining proper records of inventories. As informed to us, the discrepancies noticed on physical verification of inventories as compared to the book records were not material and have been properly dealt with in the books of account.

(iii) (a) According to the information and explanations given to us, the Company in the previous year and current year has granted interest free loans to a wholly owned subsidiary company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was ₹ 47.30 Crores and the year end balance of such loans was ₹ 45.45 Crores.

(b) According to the information and explanations given to us and considering that the interest free loans have been given to a wholly owned subsidiary company, we are of the opinion that the terms and conditions on which the above loans have been granted to a subsidiary company listed in the register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.

(c) According to the information and explanations given to us, in case of loans granted to a subsidiary company listed in the register maintained under Section 301 of the Companies Act, 1956, the loans were not due for repayment in the current year in accordance with the stipulations agreed.

(d) According to the information and explanations given to us, there is no overdue amount of more than Rupees one lakh in respect of loans granted to a subsidiary company listed in the register maintained under section 301 of the Companies Act, 1956.

(e) According to the information and explanations given to us, the Company has not taken any loans from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

(iv) According to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods. The activities of the Company do not involve sale of services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any instances of major weaknesses in the aforesaid internal control system.

(v) (a) According to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.

(b) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, and exceeding ₹ 5 lacs in respect of any party during the year, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

(vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year.

(vii) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government, the maintenance of cost records has been prescribed under section 209(1)(d) of the Companies Act, 1956 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 such records with a view to determine whether they are accurate or complete.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty and other material statutory dues, to the extent applicable, have generally been regularly deposited *except in respect of an instance of value added tax due in which there was serious delay in depositing the same with the appropriate authorities but which has been deposited before the year end.*

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty and other material statutory dues were in arrears as at 31 March 2014 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, and on the basis of the records of the Company examined by us, there are no dues of Income-tax, Wealth-tax, Service tax, Sales-tax, Customs duty, Cess and Excise duty which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

Name of the Statute	Nature of dues	Amount of dispute (₹ Crores)	Amount paid under protest (₹ Crores)	Period to which it relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise duty	1.06	-	2002-03	Bombay High Court, Nagpur Bench
		63.39	4.82	1996- 97 to 2008-09	Customs, Excise and Service Tax Appellate Tribunal
		7.87	1.20	1996-97 to 2008-09	Commissioner of Central Excise and Customs (Appeals)
		3.81	-	1997-98 to 2010-11	Commissioner/ Assistant Commissioner/ Deputy Commissioner
		0.52	-	2008-10	Additional Commissioner Nagpur

Name of the Statute	Nature of dues	Amount of dispute (₹ Crores)	Amount paid under protest (₹ Crores)	Period to which it relates	Forum where dispute is pending
Bombay Sales Tax Act,1959/ Central Sales Tax Act, 1956	Sales tax	0.43	0.13	1998-99 to 1999-00	Joint Commissioner Sales Tax (Appeals), Nagpur
Maharashtra VAT Act, 2002	VAT	8.56	1.70	2006-07 to 2008-09	Joint Commissioner Sales Tax (Appeals), Nagpur
Customs Act, 1962	Customs duty	214.25	-	2006-07	Hon'ble Supreme Court
		0.08	-	2002-03	Customs, Excise and Service Tax Appellate Tribunal
		6.01	-	2006-07	Commissioner of Customs
		0.04	-	1997- 98 to 1998-99	Assistant Commissioner/ Deputy Commissioner
Finance Act, 1994	Service tax	0.22	-	2002-03 to 2009-10	Customs, Excise and Service Tax Appellate Tribunal
		0.22	-	2002-03 to 2005-06	Commissioner, Nagpur
Income tax Act, 1961*	Income tax	0.26	-	AY 2006-07	Commissioner of Income Tax (Appeals)
		24.55	14.50	AY 2002-03 to AY 2004-05 and AY 2007-08	Income Tax Appellate Tribunal

* Excluding cases where losses / unabsorbed depreciation have been adjusted by the tax authorities without raising any demands, though disputed by the Company.

(x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xi) According to the information and explanations given to us, *the Company has delayed in repayment of dues (letters of credit) aggregating ₹ 281 Crores for a period ranging from 12 days to 89 days to various banks.* However, there are no overdue amounts outstanding to banks and financial institutions as at the year end.

(xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) According to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.

(xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

(xv) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.

(xvi) According to the information and explanations given to us, term loans have been applied for the purpose for which such loans were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company at the end of the year, *we report that, the Company has used short term funds to the extent of ₹ 160.43 Crores for long-term investments, primarily towards acquisition of fixed assets and long term loans.*

(xviii) The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money by public issues during the year.

(xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For B S R and Associates
Chartered Accountants
Firm registration number: 128901W

Kaushal Kishore
Partner
Membership No.: 090075

Place : Gurgaon
Date : 20 May 2014

BALANCE SHEET as at 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

	Note No.	As at 31 March 2014	As at 31 March 2013
I. Equity and Liabilities			
(1) Shareholders' funds			
(a) Share capital	3	151.82	151.82
(b) Reserves and surplus	4	441.89	456.63
(c) Money received against share warrants	5	-	20.30
		593.71	**628.75**
(2) Non-current liabilities			
(a) Long-term borrowings	6	172.84	147.57
(b) Deferred tax liabilities (Net)	7	186.03	207.09
(c) Other long-term liabilities	8	0.83	0.84
(d) Long-term provisions	9	18.14	14.93
		377.84	**370.43**
(3) Current liabilities			
(a) Short-term borrowings	10	245.85	342.72
(b) Trade payables	11	530.65	536.03
(c) Other current liabilities	12	148.14	134.12
(d) Short-term provisions	9	20.43	27.85
		945.07	**1,040.72**
Total		**1,916.62**	**2,039.90**
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	13.1	1,059.29	1,172.08
(ii) Intangible assets	13.2	0.43	0.94
(iii) Capital work-in-progress		0.17	2.65
		1,059.89	1,175.67
(b) Non-current investments	14.1	36.99	36.99
(c) Long-term loans and advances	15.1	119.82	80.51
(d) Other non-current assets	16.1	7.61	19.61
		164.42	**137.11**
(2) Current assets			
(a) Current investments	14.2	4.19	10.30
(b) Inventories	17	293.61	303.60
(c) Trade receivables	18	111.79	87.53
(d) Cash and bank balances	19	42.94	36.94
(e) Short-term loans and advances	15.2	80.78	139.96
(f) Other current assets	16.2	159.00	148.79
		692.31	**727.12**
Total		**1,916.62**	**2,039.90**
Significant accounting policies	2		

The accompanying notes (from 1 to 47) form an integral part of the financial statements.

As per our report attached.
For B S R and Associates
Chartered Accountants
Firm registration number: 128901W

For and on behalf of the Board of Directors of **Indo Rama Synthetics (India) Limited**

Kaushal Kishore
Partner
Membership No.: 090075

Om Prakash Lohia
Chairman and Managing Director
DIN: 00206807

Ashok Kumar Ladha
Director
DIN: 00089360

Jayant K Sood
Company Secretary
ICSI Membership No.: FCS 4482

Sanjay Syal
President and Chief Financial Officer
ICAI Membership No.: 089091

Place : Gurgaon
Date: : 20 May 2014

Place : Gurgaon
Date : 20 May 2014

STATEMENT OF PROFIT AND LOSS for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

		Note No.	For the year ended 31 March 2014		For the year ended 31 March 2013	
Income						
I.	**Revenue from operations (gross)**	20		**2,861.03**		**3,166.41**
	Less: Excise duty			231.91		256.28
	Revenue from operations (net)			**2,629.12**		**2,910.13**
II.	Other income	21		244.01		240.78
III.	**Total revenue (I+II)**			**2,873.13**		**3,150.91**
IV.	**Expenses :**					
	Cost of materials consumed	22		2,125.07		2,426.62
	Purchases of stock-in-trade	23		-		0.46
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	24		90.57		8.46
	Employee benefits expense	25		84.41		81.24
	Other expenses	26		328.49		351.68
	Expenditure before finance costs, depreciation/ amortisation cost and exceptional items			**2,628.54**		**2,868.46**
V.	**Profit before finance costs, depreciation/ amortisation, exceptional items and tax (III-IV)**			**244.59**		**282.45**
VI.	Finance costs	27		35.23		44.51
VII.	**Profit before depreciation/amortisation, exceptional items and tax (V-VI)**			**209.36**		**237.94**
VIII.	Depreciation and amortisation expense		144.22		172.37	
	Less : Transferred from revaluation reserve		9.10	135.12	14.38	157.99
IX.	**Profit before exceptional items and tax (VII-VIII)**			**74.24**		**79.95**
X.	Exceptional items					
	Foreign exchange fluctuations (expense) / income (refer note 45)			(99.51)		(39.26)
XI.	**(Loss) / Profit before tax (IX+X)**			**(25.27)**		**40.69**
XII.	**Tax expense :**					
	Current tax		-		8.50	
	Less: MAT credit entitlement		-		8.19	
	Add: MAT credit taken in previous years charged off		3.97	3.97	5.40	5.71
	Deferred tax (credit)			(21.06)		(6.28)
XIII.	**(Loss) / Profit for the year**			**(8.18)**		**41.26**
	Basic and diluted earnings per equity share (in ₹) [Face value ₹10 each]	28		**(0.54)**		**2.72**
	Significant accounting policies	2				

The accompanying notes (from 1 to 47) form an integral part of the financial statements.

As per our report attached to the balance sheet.

For B S R and Associates
Chartered Accountants
Firm registration number: 128901W

For and on behalf of the Board of Directors of **Indo Rama Synthetics (India) Limited**

Kaushal Kishore
Partner
Membership No.: 090075

Om Prakash Lohia
Chairman and Managing Director
DIN: 00206807

Ashok Kumar Ladha
Director
DIN: 00089360

Jayant K Sood
Company Secretary
ICSI Membership No.: FCS 4482

Sanjay Syal
President and Chief Financial Officer
ICAI Membership No.: 089091

Place : Gurgaon
Date : 20 May 2014

Place : Gurgaon
Date : 20 May 2014

CASH FLOW STATEMENT for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

		For the year ended 31 March 2014	For the year ended 31 March 2013
A.	**Cash flow from operating activities**		
	(Loss) / Profit before taxation	**(25.27)**	**40.69**
	Adjusted for:		
	Depreciation (net of transfer from revaluation reserve)	135.12	157.99
	Loss or (gain) on scrap / disposal of fixed asset	0.18	(1.52)
	Provision made for diminution in the value of investments	0.29	0.12
	Provision for doubtful debts & advances	4.15	-
	Profit on sale of current investments	(225.82)	(202.91)
	Interest income	(11.12)	(23.14)
	Dividend income	(2.88)	(10.46)
	Interest expense	21.27	31.71
	Operating loss before working capital changes	**(104.08)**	**(7.52)**
	Changes in:		
	Decrease in inventories	9.99	60.00
	(Increase) / Decrease in trade receivables	(26.92)	8.52
	(Increase) / Decrease in short term loans and advances and other current assets	22.25	(42.74)
	Increase in long term loans and advances	(2.40)	(0.63)
	Decrease / (Increase) in other non current assets	12.00	(9.57)
	Decrease in trade payables	(5.38)	(20.07)
	(Increase) / Decrease in other non current liabilites	(0.01)	0.06
	Decrease / (Increase) in other current liabilities	3.12	(10.51)
	Increase in long term provisions	3.21	0.18
	(Decrease) / Increase in short term provisions	(1.54)	1.39
	Cash generated from operations	(89.76)	(20.89)
	Income tax paid	(2.80)	(6.33)
	Net cash flow used in operating activities (A)	**(92.56)**	**(27.22)**
B.	**Cash flows from investing activities**		
	Purchase of fixed assets	(34.95)	(70.27)
	Sale of fixed assets	1.39	3.50
	Sale of current investments (net)	231.64	207.32
	Purchase of non current non trade investments	-	(36.99)
	Movement in bank deposits (net) (having originial maturity of more than 3 months)	(4.18)	(2.93)
	Advance to subsidiary company	(17.44)	(28.01)
	Dividend received	2.88	10.46
	Interest received	11.40	22.73
	Net cash flow from investing activities (B)	**190.74**	**105.81**

CASH FLOW STATEMENT for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

	For the year ended 31 March 2014	For the year ended 31 March 2013
C. Cash flows used in financing activities		
Long-term borrowings repaid during the year	(83.74)	(130.94)
Long-term borrowings taken during the year	125.59	24.25
Short term borrowings taken/ (repaid) during the year (net)	(96.87)	85.52
Payment of dividend	(15.24)	(15.18)
Taxes on dividend	(2.58)	(2.46)
Interest paid	(23.53)	(36.69)
Net cash flow used in financing activities (C)	**(96.37)**	**(75.50)**
Net changes in cash and cash equivalents (A+B+C)	**1.81**	**3.09**
Cash and cash equivalents - opening balance	**10.79**	**7.70**
Cash and cash equivalents - closing balance	**12.60**	**10.79**
Components of cash and cash equivalents (refer note 19)		
Cash in hand	0.20	0.09
Cheques in hand	1.05	-
With scheduled banks:		
In current accounts	10.05	9.70
In margin money accounts (not available for use by the Company)	1.31	1.00
Total	**12.61**	**10.79**

Notes:

1. The accompanying notes (from 1 to 47) form an integral part of the financial statements.
2. The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard - 3 Cash Flow Statements specified in the Companies (Accounting Standards) Rules 2006.

As per our report attached to the balance sheet.
For B S R and Associates
Chartered Accountants
Firm registration number: 128901W

For and on behalf of the Board of Directors of **Indo Rama Synthetics (India) Limited**

Kaushal Kishore
Partner
Membership No.: 090075

Om Prakash Lohia
Chairman and Managing Director
DIN: 00206807

Ashok Kumar Ladha
Director
DIN: 00089360

Jayant K Sood
Company Secretary
ICSI Membership No.: FCS 4482

Sanjay Syal
President and Chief Financial Officer
ICAI Membership No.: 089091

Place : Gurgaon
Date : 20 May 2014

Place : Gurgaon
Date : 20 May 2014

NOTES to the Financial Statements for the year ended 31 March 2014

Note 1 General information

Indo Rama Synthetics (India) Limited (hereinafter referred to as 'the Company' or 'IRSL') is a manufacturer of Polyester Filament Yarn (PFY), Polyester Staple Fibre (PSF), Draw Texturised Yarn (DTY) and Chips. The Company is also engaged in power generation, which is used primarily for captive consumption. The Company's manufacturing facilities are located at Butibori, Nagpur.

Note 2 Significant accounting policies

2.1 Basis of preparation

The financial statements are prepared on accrual basis under the historical cost convention, modified to include revaluation of certain assets, in accordance with applicable Accounting Standards (AS) notified under the Companies Act, 1956, read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and presentational requirements of the Companies Act, 1956 and/ or the Companies Act, 2013, as appropriate.

2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the results of operations during the year. Differences between actual results and estimates are recognised in the year in which the results are known or materialised. Examples of such estimates are estimated useful life of assets, classification of assets/liabilities as current or non-current in certain circumstances, recoverability of minimum alternate tax credit entitlement, provision for doubtful receivables and retirement benefits, etc. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.3 Current/ non-current classification

All assets and liabilities are classified as current and non-current.

Assets

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

(a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is expected to be realised within 12 months after the reporting date; or

(d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

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

(a) it is expected to be settled in the Company's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is due to be settled within 12 months after the reporting date; or

(d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company considers its operating cycle to be within a year.

2.4 Fixed assets

Fixed assets are stated at cost or at revalued amounts less accumulated depreciation. Cost of fixed assets includes all incidental expenses and interest costs on borrowings, attributable to the acquisition of qualifying assets, upto the date of commissioning of assets.

Foreign currency exchange differences are capitalised as per the policy stated in note 2.12 below.

2.5 Depreciation/ amortisation

- Leasehold land and cost of leasehold improvements are amortised over the period of lease or their useful lives, whichever is shorter.

NOTES to the Financial Statements for the year ended 31 March 2014

- Depreciation on other fixed assets (excluding software) is provided using the straight line method at the rates based on useful lives of assets estimated by the management, which are equal to or higher than the rates prescribed under Schedule XIV to the Companies Act, 1956.
- Fixed assets individually costing up to rupees five thousand are depreciated at the rate of 100%.
- Additional depreciation on account of revaluation of assets is charged to the Revaluation Reserve account.
- Software are amortised on straight line method over a period of three years.

2.6 Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated as higher of its net selling price and value in use. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, had no impairment loss been recognised.

2.7 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets to the extent that they relate to the period till such assets are ready to be put to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

2.8 Investments

Long-term investments (including its current portion) are carried at cost less diminution, other than temporary in value. Current investments are carried at the lower of cost and fair value, which is computed category wise.

2.9 Inventories

- Stores and spare parts are valued at cost or under, computed on weighted average basis.
- Raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value. Finished goods and work-in-progress include material cost and appropriate portion of manufacturing and other overheads. Cost is ascertained on a weighted average basis.

2.10 Revenue recognition

i) Sale of goods

Revenue from sale of products is recognised when the products are dispatched against orders from customers in accordance with the contract terms, which coincides with the transfer of risks and rewards.

Sales are stated inclusive of excise duty and net of rebates, trade discounts, sales tax and sales returns.

ii) Sale of power

Sale of power is recognised on the basis of actual quantity of power sold with reference to the contracted rate.

iii) Insurance claims

Insurance claims are accounted for on an accrual basis, to the extent these are measurable and ultimate collection is reasonably certain (Also refer to note 41).

iv) Dividend

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

2.11 Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating lease. Operating lease charges are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

2.12 Foreign exchange transactions and forward contracts

Foreign exchange transactions

i) Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transaction. All monetary foreign currency assets and liabilities are converted at the exchange rates prevailing at the date of the balance sheet. All exchange differences other than in relation to acquisition of fixed assets

NOTES to the Financial Statements for the year ended 31 March 2014

and other long term foreign currency monetary liabilities are dealt with in the Statement of Profit and Loss.

ii) In accordance with Accounting Standard 11, "Accounting for the effects of changes in foreign exchange rates", exchange differences arising in respect of long term foreign currency monetary items:

- used for acquisition of depreciable capital asset, are added to or deducted from the cost of asset and are depreciated over the balance life of asset.
- used for the purpose other than the acquisition of depreciable capital asset, are accumulated in Foreign Currency Monetary Item Translation Difference Account (FCMITDA) to be amortised over the balance period.

iii) In case of foreign exchange forward contracts taken for underlying transactions, and covered by Accounting Standard 11, "Accounting for the Effects of Changes in Foreign Exchange Rates", the premium or discount is amortised as income or expense over the life of the contract. The exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting date. Such exchange difference is recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change.

Any profit or loss arising on the cancellation or renewal of such contracts is recognised as income or expense for the year.

iv) Forward exchange contracts taken for highly probable/forecast transactions, which are not covered by Accounting Standard 11, are marked to market in accordance with the principles under AS 30 "Financial Instruments: Recognition and Measurement" issued by the Institute of Chartered Accountants of India. The Company records the gain or loss on effective hedges in the Hedging Reserve until the transactions are complete. On completion, the gain or loss is transferred to the Statement of Profit and Loss of the period in which such transaction is concluded.

To designate a forward contract or option as an effective hedge, management objectively evaluates and evidences with appropriate supporting documents at the inception of each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk. In the absence of a designation as effective hedge, a gain or loss is recognised in the Statement of Profit and Loss.

2.13 Employee benefits

a) **Short-term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, and bonus, etc., are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

b) **Post employment benefits**

Defined contribution plan

The Company deposits the contributions for provident fund to the appropriate government authorities and these contributions are recognised in the Statement of Profit and Loss in the financial year to which they relate.

Defined benefit plan

The Company's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary, using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

c) **Other long term employee benefits**

Entitlements to annual leave are recognised when they accrue to employees. Leave entitlements can be availed while in service or encashed at the time of retirement/ termination of employment, subject to a restriction on the maximum number of accumulation. The Company determines the

NOTES to the Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the year end.

2.14 Taxation

Income tax expense comprises current tax and deferred tax charge or credit. Current tax provision is made based on the tax liability computed after considering tax allowances and exemptions under the Income tax Act, 1961. The deferred tax charge or credit and the corresponding deferred tax liability and assets are recognised using the tax rates that have been enacted or substantively enacted on the balance sheet date.

Deferred tax assets arising from unabsorbed depreciation or carry forward losses are recognised only if there is virtual certainty of realisation of such amounts. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets are reviewed at each balance sheet date to reassess their realisability.

The credits arising from Minimum Alternate Tax paid are recognised as receivable only if there is reasonable certainty together with convincing/ reliable evidence that the Company will have sufficient taxable income in future years to utilise such credits.

2.15 Government grants

Government grants specifically receivable as a reduction of interest charge under the grants scheme is netted off from the interest charge for the year.

2.16 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

2.17 Provisions and contingent liabilities

The Company recognises a provision when there is a present obligation as a result of a past event and it is more likely than not that there will be a outflow of resources embodying economic benefits to settle such obligations and the amount of such obligation can be reliably estimated. Provisions are not discounted to their present value and are determined based on the management's estimation of the outflow required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of future events, not wholly within the control of the Company.

When there is an obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Note 3 Share capital

	As at 31 March 2014	As at 31 March 2013
Authorised		
185,000,000 (previous year 185,000,000) equity shares of ₹ 10 each	185.00	185.00
Issued, subscribed and fully paid-up		
151,822,242 (previous year 151,822,242) equity shares of ₹ 10 each fully paid-up	151.82	151.82
	151.82	**151.82**

Foot notes :

1. During the current year and in the previous year, there have been no movements in the number of outstanding equity shares.
2. The Company has only one class of equity shares, having a par value of ₹ 10 per share. Each shareholder is eligible to one vote per share held, except for shares held against Global Depository Receipts (GDR). The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

NOTES to the Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

3. Shares in the Company held by each shareholder holding more than 5% shares (also refer to footnote 4) are as under:-

	As at 31 March 2014		As at 31 March 2013	
Names	**Number of shares**	**% of shares held**	**Number of Shares**	**% of shares held**
Brookgrange Investments Limited	43,288,057	28.51	43,288,057	28.51
Mr. O. P. Lohia (Chairman and Managing Director)	35,014,630	23.06	35,091,408	23.11
Mrs. Urmila Lohia	15,855,314	10.44	15,855,314	10.44
Mavi Investments Limited	12,652,175	8.33	12,652,175	8.33

4. Above equity shares of ₹ 10 each include 10,291,360 equity shares (representing 6.78% of total number of shares), outstanding against 1,286,420 Global Depository Receipts (GDR), each GDR comprising 8 underlying fully paid up equity shares of ₹ 10 each [previous year 10,291,360 equity shares (representing 6.78% of total number of shares), outstanding against 1,286,420 GDRs].

Note 4 Reserves and surplus

	As at 31 March 2014	As at 31 March 2013
Capital reserve		
Opening balance	0.08	0.08
Add: Forfeiture of money received against share warrants (refer note 5)	20.30	-
Closing balance	**20.38**	**0.08**
Revaluation reserve		
Opening balance	34.53	48.91
Less: adjustment on account of depreciation on revalued assets	9.10	14.38
Closing balance	**25.43**	**34.53**
Securities premium account	**166.22**	**166.22**
General reserve	**47.61**	**47.61**
Surplus in the Statement of Profit and Loss		
Opening balance	208.19	184.69
(Loss)/Profit for the year	(8.18)	41.26
Less: Appropriations:		
Proposed dividend (also refer note 9)	(15.18)	(15.18)
Tax on dividend (also refer note 9)	(2.58)	(2.58)
Net surplus in the Statement of Profit and Loss	**182.25**	**208.19**
Total reserves and surplus	**441.89**	**456.63**

NOTES to the Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Note 5 Money received against share warrants

	As at 31 March 2014	As at 31 March 2013
Money received against share warrants	-	20.30

On 9 November 2010, the Company had allotted 20,000,000 Fully Convertible Preferential warrants (FCPs) at ₹ 40.60 per warrant (aggregating ₹ 81.20 Crores) as per Securities and Exchange Board of India (SEBI) and other guidelines, as applicable. As per the terms of the warrants, ₹ 10.15 per warrant (aggregating ₹ 20.30 Crores) had been received and balance amount of ₹ 30.45 per warrant (aggregating ₹ 60.90 Crores) was payable within 18 months of allotment of the warrants. The warrants were convertible into equity shares within a period of 18 months from the date of allotment of warrants at the option of the warrant holders. Upon conversion, one warrant would have been converted into one fully paid equity share of ₹ 10 each and amount of ₹ 30.60 would have been adjusted towards share premium account. Subsequently, the Company had received request from warrant holders for extending period upto May 2014 for payment of balance amount of ₹ 60.90 Crores. The Company made an application to SEBI for the extension of the period which has not been approved by SEBI vide its letter dated 4 December 2013. Accordingly, the money received against share warrants has been forfeited and transferred to capital reserve in the current year.

Note 6 Long-term borrowings

	Total		Non-current portion		Current maturities	
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
Secured :						
Loans and advances from banks						
Term loans						
- Rupee loans	112.10	23.29	91.82	15.74	20.28	7.55
- Foreign currency loans	129.69	154.14	81.02	112.08	48.67	42.06
Other loans and advances						
- Rupee loans	-	6.25	-	-	-	6.25
- Foreign currency loans	23.38	39.64	-	19.75	23.38	19.89
	265.17	**223.32**	**172.84**	**147.57**	**92.33**	**75.75**
Less:						
Amounts disclosed under the head “other current liabilities” (refer note 12)	-	-	-	-	(92.33)	(75.75)
	265.17	**223.32**	**172.84**	**147.57**	**-**	**-**

NOTES to the Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Nature of security	Terms of repayment
a) Rupee term loans from banks:	
i) amounting to ₹ Nil (previous year ₹ 1.93 Crores) is secured by first specific charge over the specific assets purchased under the loan agreement for thermal power project of the Company.	The loan has been repaid in the current year.
ii) Working capital term loan amounting to ₹ Nil (previous year ₹ 2.27 Crores) is secured by way of first charge on the Company's entire fixed assets, ranking pari-passu with other banks.	The loan has been repaid in the current year.
iii) amounting to ₹ 14.67 Crores (previous year ₹ 18.67 Crores) is secured by first specific charge over the specific assets purchased under the loan agreement.	Repayable in 18 equal quarterly installments commencing from June 2012, along with interest at BR plus 1% plus 0.50%.
iv) amounting to ₹ 25.00 Crores (previous year ₹ Nil) is secured collaterally by exclusive charge on the captive power plant at Butibori, Maharashtra.	Repayable in 18 equal quarterly installments of ₹ 1.38 Crores each commencing from the end of third quarter from the date of first disbursement along with interest at 3.25% over base rate.
v) amounting to ₹ 72.31 Crores (previous year ₹ Nil) is secured primarily by first pari-passu charge on the current assets and collaterally by first pari-passu charge on the fixed assets of the company. Further, the same is secured by the personal guarantee of promoters i.e. Mr. Om Prakash Lohia and Mr. Vishal Lohia.	Repayable in 8 equal quarterly installments of ₹ 3.125 Crores each commencing 6 months from the date of first disbursement and 10 equal quarterly installments of ₹ 5 Crores thereafter, along with interest at 3% over base rate.
vi) aggregating to ₹ 0.12 Crores (previous year ₹ 0.42 Crores) are secured by hypothecation of specific vehicles.	(a) ₹ 0.02 Crores (previous year ₹ 0.08 Crores) repayable in 36 equated monthly installments commencing from August 2011. (b) ₹ 0.10 Crores (previous year ₹ 0.15 Crores) repayable in 36 equated monthly installments commencing from January 2013.
b) Foreign currency term loans from banks:	
i) amounting to ₹ 89.12 Crores (previous year ₹ 103.58 Crores), are secured by first pari-passu specific charge on the equipment purchased under the loan agreement for the Company's Polyester Expansion Project and a first charge on the land situated at Mehsana, Gujarat.	Repayable in 20 equal half yearly installments commencing from April 2007 along with interest at six month EURIBOR plus 0.95%. Further, two installments due on 15 April 2009 and 15 October 2009 have been rescheduled to be paid in 10 equal half yearly installments from 30 September 2010 along with interest at six month EURIBOR plus 1.65%.
ii) amounting to ₹ 40.57 Crores (previous year ₹ 50.56 Crores) is secured by first pari-passu specific charge on the equipment purchased under the loan agreement for the Company's Polyester Expansion Project and a first charge on the land situated at Mehsana, Gujarat.	Repayable in 20 equal half yearly installments commencing from April 2007 along with interest at six month LIBOR plus 0.95%. Further, two installments due on 15 April 2009 and 15 October 2009 have been rescheduled to be paid in 10 equal half yearly installments from 30 September 2010 along with interest at six month LIBOR plus 1.65%.

NOTES to the Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Nature of security	Terms of repayment
c) Rupee term loan from others:	
amounting to ₹ Nil (previous year ₹ 6.25 Crores) is secured by equitable mortgage on all the immovable properties (excluding land in the state of Gujarat), by way of deposit of title deeds and hypothecation of movable assets of the Company (save and except book debts and assets exclusively hypothecated to banks and bodies corporate), including movable machinery, machinery spares, tools and accessories, both present and future, ranking pari-passu with the charges created/to be created in favour of banks and financial institutions for securing rupee and foreign currency term loans.	The loan has been repaid during the year.
d) Foreign currency term loans from others:	
amounting to ₹ 23.38 Crores (previous year ₹ 39.64 Crores) is secured by equitable mortgage on all the immovable properties (excluding land in the state of Gujarat), by way of deposit of title deeds and hypothecation of movable assets of the Company (save and except book debts and assets exclusively hypothecated to banks and bodies corporate) including movable machinery, machinery spares, tools and accessories, both present and future, ranking pari-passu with the charges created/to be created in favour of banks and financial institution for securing rupee and foreign currency term loans.	As per rescheduled agreement, the balance as on 9 February 2010 is repayable in 9 equal half yearly installments commencing from 15 November 2010 along with interest at EURIBOR plus 2.35% p.a.

Note 7 Deferred tax liabilities (net)

	As at 31 March 2014	As at 31 March 2013
Deferred tax liability on account of :		
- Fixed assets	192.14	212.84
Deferred tax assets on account of:		
- Unabsorbed depreciation and tax losses*	-	-
- Effect of expenditure debited to statement of profit and loss in the current/earlier years but allowable for tax purposes in following years	4.61	5.67
- Provision for doubtful debts and advances	1.50	0.08
	6.11	5.75
Net deferred tax liability	**186.03**	**207.09**

* Excluding deferred tax assets aggregating ₹ 306.31 Crores (previous year ₹ 296.37 Crores) in relation to unabsorbed depreciation amounting to ₹ 901.20 Crores (previous year ₹ 871.92 Crores), which have not been recorded. The same have been a subject matter of litigation by the Income Tax Authorities and appeals in this regard are pending with the higher authorities.

NOTES to the Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Note 8 Other long-term liabilities

	As at 31 March 2014	As at 31 March 2013
Lease equalisation charges	0.83	0.84
	0.83	**0.84**

Note 9 Long-term and short-term provisions

	Long-term		Short-term	
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
Provision for employee benefits				
- Gratuity (refer note 34)	11.72	9.90	0.88	2.10
- Leave benefits	6.42	5.03	1.79	2.11
	18.14	**14.93**	**2.67**	**4.21**
Others				
Proposed dividend *	-	-	15.18	15.18
Tax on proposed dividend	-	-	2.58	2.58
Provision for tax [previous year net of advance tax (₹ 29.68 Crores)]	-	-	-	5.88
	-	**-**	**17.76**	**23.64**
	18.14	**14.93**	**20.43**	**27.85**

* During the current year, the Company has declared a dividend of ₹ 1 per equity share of ₹ 10 each (previous year ₹ 1 per equity share).

Note10 Short-term borrowings

	As at 31 March 2014	As at 31 March 2013
Loans repayable on demand (Secured)		
From banks :		
Cash credit and working capital facilities	245.85	342.72
	245.85	**342.72**

Nature of security

Cash credit and other working capital facilities from banks are secured by way of hypothecation of stocks of raw materials, work-in-progress, finished goods, stores and spares, packing material, goods at port/in transit/under shipment, outstanding money, book debts, receivables and other current assets of the Company, both present and future. These are further secured by a second charge on all the immovable properties of the Company, both present and future.

NOTES to the Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Note 11 Trade payables

	As at 31 March 2014	As at 31 March 2013
Acceptances	138.74	182.84
Sundry creditors		
- micro and small enterprises (refer note 42)	0.01	0.01
- others	391.90	353.18
	530.65	**536.03**

Note 12 Other current liabilities

	As at 31 March 2014	As at 31 March 2013
Current maturities of long-term borrowings (also refer to note 6)	92.33	75.75
Interest accrued but not due on borrowings	1.97	2.66
Unpaid dividends (refer foot note)	0.36	0.42
Advances from customers	9.01	5.87
Other payables:		
Payable to employees	15.27	11.89
Creditors towards fixed assets	1.99	6.92
Statutory dues payable		
- Excise duty on finished goods	5.14	13.97
- Customs duty	20.11	14.75
- Tax deducted at source	0.90	0.90
- Other statutory dues	1.06	0.99
	148.14	**134.12**

Foot note :

There are no outstanding dues to be paid to Investor Education and Protection Fund.

NOTES to the Financial Statements for the year ended 31 March 2014

Note 13.1 Fixed assets - Tangible assets

As at 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Asset description	Gross block				Depreciation				Net block	
	As at 31 March 2013	Additions	Disposals/ adjustments	As at 31 March 2014	Upto 31 March 2013	Depreciation for the year	In respect of disposals/ adjustments	Upto 31 March 2014	As at 31 March 2014	As at 31 March 2013
Land:										
- leasehold	9.14	-	-	9.14	1.56	0.10	-	1.66	7.48	7.58
- freehold	0.16	-	-	0.16	-	-	-	-	0.16	0.16
Buildings	156.71	-	-	156.71	43.97	3.78	-	47.75	108.96	112.74
Leasehold improvements	3.22	-	-	3.22	1.23	0.36	-	1.59	1.63	1.99
Plant and equipment	3,017.67	31.93	4.52	3,045.08	1,978.82	138.14	3.54	2,113.42	931.66	1,038.85
Furniture and fixtures	8.97	0.08	0.12	8.93	6.40	0.22	0.04	6.58	2.35	2.57
Vehicles	5.40	-	0.42	4.98	2.98	0.38	0.15	3.21	1.77	2.42
Office equipments	19.02	0.48	0.47	19.03	13.25	0.73	0.23	13.75	5.28	5.77
Total	**3,220.29**	**32.49**	**5.53**	**3,247.25**	**2,048.21**	**143.71**	**3.96**	**2,187.96**	**1,059.29**	**1,172.08**

As at 31 March 2013

Asset description	Gross block				Depreciation				Net block	
	As at 31 March 2012	Additions	Disposals/ adjustments	As at 31 March 2013	Upto 31 March 2012	Depreciation for the year	In respect of disposals/ adjustments	Upto 31 March 2013	As at 31 March 2013	As at 31 March 2012
Land:										
- leasehold	9.14	-	-	9.14	1.46	0.10	-	1.56	7.58	7.68
- freehold	0.16	-	-	0.16	-	-	-	-	0.16	0.16
Buildings	156.18	1.00	0.47	156.71	40.32	3.77	0.12	43.97	112.74	115.86
Leasehold improvements	3.22	-	-	3.22	0.87	0.36	-	1.23	1.99	2.35
Plant and equipment	2,965.03	70.12	17.48	3,017.67	1,829.33	165.98	16.49	1,978.82	1,038.85	1,135.70
Furniture and fixtures	8.58	0.60	0.21	8.97	6.23	0.23	0.06	6.40	2.57	2.35
Vehicles	5.35	0.28	0.23	5.40	2.64	0.48	0.14	2.98	2.42	2.71
Office equipments	18.93	0.70	0.61	19.02	12.49	0.97	0.21	13.25	5.77	6.44
Total	**3,166.59**	**72.70**	**19.00**	**3,220.29**	**1,893.34**	**171.89**	**17.02**	**2,048.21**	**1,172.08**	**1,273.25**

Notes:-

1. Fixed assets comprising of plant and machinery, buildings and land were revalued by an external valuer as on 31 March 2000. The valuation was based on fair market price/other relevant indices and resulted in increase in the gross block by ₹ 203.20 Crores at that time. The balance of revaluation reserve as at the end of the year amounts to ₹ 25.43 Crores (previous year ₹ 34.53 Crores).
2. Additions to plant and machinery include loss on foreign exchange fluctuation ₹ 29.17 Crores (Previous year ₹ 12.29 Crores).

NOTES to the Financial Statements for the year ended 31 March 2014

Note 13.2 Fixed assets - Intangible assets

As at 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Asset description	Gross block				Amortisation				Net block	
	As at 31 March 2013	Additions	Disposals/ adjustments	As at 31 March 2014	Upto 31 March 2013	Amortisation for the year	In respect of disposals/ adjustments	Upto 31 March 2014	As at 31 March 2014	As at 31 March 2013
Computer Software	3.24	-	-	3.24	2.30	0.51	-	2.81	0.43	0.94
Total	**3.24**	**-**	**-**	**3.24**	**2.30**	**0.51**	**-**	**2.81**	**0.43**	**0.94**

As at 31 March 2013

Asset description	Gross block				Amortisation				Net block	
	As at 31 March 2012	Additions	Disposals/ adjustments	As at 31 March 2013	Upto 31 March 2012	Amortisation for the year	In respect of disposals/ adjustments	Upto 31 March 2013	As at 31 March 2013	As at 31 March 2012
Computer Software	3.05	0.19	-	3.24	1.82	0.48	-	2.30	0.94	1.23
Total	**3.05**	**0.19**	**-**	**3.24**	**1.82**	**0.48**	**-**	**2.30**	**0.94**	**1.23**

NOTES to the Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Note 14.1 Non-current investments (valued at cost unless otherwise stated)

	No.	As at 31 March 2014	No.	As at 31 March 2013
Other than trade investments (Unquoted)				
Equity shares				
Fully paid up equity shares of ₹ 10 each				
Indo Rama Renewables Limited (wholly owned subsidiary)	36,984,825	36.99	36,984,825	36.99
Fully paid up equity shares of ₹ 10 each				
Ritspin Synthetics Limited	1,500,000	1.50	1,500,000	1.50
Less: Provision for diminution in the value of long term investments		(1.50)		(1.50)
		-		-
Aggregate book value of unquoted investments		**36.99**		**36.99**

Note 14.2 Current investments

	No.	As at 31 March 2014	No.	As at 31 March 2013
Current investments (at the lower of cost and fair value)				
A) Equity shares, quoted				
Fully paid up equity shares of ₹ 10 each				
Optel Telecommunications Limited	52,501	0.37	52,501	0.37
Sanghi Polyesters Limited	708,400	2.34	708,400	2.34
Reliance Industries Limited	10	-*	10	-*
Fully paid up equity shares of ₹ 5 each				
Balasore Alloys Limited	72,601	0.17	72,601	0.17
Fully paid up equity shares of 1 Baht each				
Indorama Ventures Public Company Limited, Thailand	7,509,200	0.83	60,409,200	6.65
		3.71		**9.53**
B) Preference shares, quoted				
Fully paid up preference shares of ₹ 10 each				
0.01% Cumulative redeemable preference shares				
JSW Ispat Steel Limited	892,000	0.89	892,000	0.89
Less: Provision for diminution in the value of current investments		0.41		0.12
		0.48		**0.77**
C) Government securities, unquoted				
National Savings Certificates VIth issue				
(pledged with sales tax authorities)		- **		- **
		4.19		**10.30**

NOTES to the Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

	As at 31 March 2014		As at 31 March 2013	
	Aggregate Book Value	Market Value/ Net Asset Value #	Aggregate Book Value	Market Value/ Net Asset Value #
Additional disclosures for current investments:				
Quoted investments				
-Equity shares	3.71	31.79	9.53	262.13
-Preference shares	0.48	0.48	0.77	0.77
	4.19	**32.27**	**10.30**	**262.90**
Book value of unquoted investments	- **		- **	
Aggregate diminution in the value of current investments	0.41		0.12	

* ₹ 7,780 (previous year ₹ 7,780)

** ₹ 4,000 (previous year ₹ 4,000)

Excluding for equity shares of Sanghi Polyesters Limited and Optel Telecommunications Limited in respect of which market value are not available

Note 15.1 Long-term loans and advances

	As at 31 March 2014	As at 31 March 2013
To parties other than related (unsecured)		
Considered good :		
Capital advances	0.10	0.09
Security deposits	1.91	1.93
Other loans and advances :		
Surrender value of keyman insurance	4.05	3.40
MAT credit entitlement (refer note 43)	57.91	61.86
Advance tax [net of provision ₹ 106.42 Crores (previous year ₹ 70.86 Crores)]	9.92	13.03
Others	0.48	0.20
	74.37	**80.51**
Considered doubtful :		
Advances to vendors	1.75	0.26
Less : Provision for doubtful advances	1.75	0.26
	-	**-**
	74.37	**80.51**
To related parties (unsecured)		
Indo Rama Renewables Limited (wholly owned subsidiary)	45.45	-
	119.82	**80.51**

NOTES to the Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Note 15.2 Short-term loans and advances

	As at 31 March 2014	As at 31 March 2013
To parties other than related (unsecured)		
Considered good :		
Others :		
Customs and excise duty	57.40	87.79
Prepaid expenses	5.04	5.58
Advances to vendors	17.38	17.58
Advances to employees	0.96	1.00
	80.78	**111.95**
Loan to related parties (unsecured)		
Indo Rama Renewables Limited (wholly owned subsidiary)	-	28.01
	80.78	**139.96**

Note 16.1 Other non-current assets

	As at 31 March 2014	As at 31 March 2013
Claims and other receivables	7.61	19.61
	7.61	**19.61**

Note 16.2 Other current assets

	As at 31 March 2014	As at 31 March 2013
Claims and other receivables	133.29	125.91
Forward cover receivable (net)	23.89	21.11
Unearned income	0.33	-
Interest accrued on deposits and others	1.49	1.77
	159.00	**148.79**

NOTES to the Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Note 17 Inventories

	As at 31 March 2014	As at 31 March 2013
Raw materials [include in transit ₹ 101.67 Crores (previous year ₹ 62.78 Crores)]*	201.28	122.85
Work- in-progress*	10.01	8.78
Finished goods [include in transit ₹ 14.57 Crores (previous year ₹ 13.62 Crores)]*	60.73	152.36
Stores and spares [include in transit ₹ Nil (previous year ₹ 0.03 Crores)]#	19.15	16.01
Packing material#	1.97	2.96
Waste $	0.47	0.64
	293.61	**303.60**

* valued at the lower of cost and net realisable value. The finished goods and raw materials were reduced by ₹ 1.17 Crores (previous year ₹ 10.85 Crores) and Nil (previous year ₹ 9.83 Crores) respectively on account of net realisable value being lower than the cost.

valued at cost or under.

$ at realisable value.

Additional disclosures regarding inventories		
Raw materials		
Purified Terepthalic Acid	88.87	63.31
Mono Ethylene Glycol	101.17	48.79
Others	11.24	10.75
	201.28	**122.85**
Work-in-progress		
Polyester Staple Fibre	3.87	3.67
Polyester Filament Yarn	3.41	3.71
Draw Texturised Yarn	2.72	1.39
Polyester Chips	0.01	0.01
	10.01	**8.78**
Finished goods		
Polyester Staple Fibre	25.63	56.99
Polyester Filament Yarn	9.82	38.66
Draw Texturised Yarn	25.28	56.71
	60.73	**152.36**

NOTES to the Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Note 18 Trade receivables

	As at 31 March 2014	As at 31 March 2013
- Receivables outstanding for a period exceeding six months from the date they became due for payment		
- Unsecured, considered good	3.09	5.28
- Unsecured, considered doubtful	2.66	-
	5.75	**5.28**
Less:- Provision	2.66	-
	3.09	**5.28**
- Other receivables, unsecured and considered good	108.70	82.25
	111.79	**87.53**

Note 19 Cash and bank balances

	Current	
	As at 31 March 2014	As at 31 March 2013
Cash and cash equivalents		
Balances with banks:		
- Current accounts	10.05	9.70
Fixed deposits with original maturity period of upto three months #	1.31	1.00
Cash on hand	0.20	0.09
Cheques in hand	1.05	-
	12.61	**10.79**
Other bank balances :		
Fixed deposits with banks with maturity period more than 3 months but upto 12 months #	29.89	25.65
Balances with bank:		
- Unpaid dividends *	0.36	0.42
Margin money accounts **	0.08	0.08
	30.33	**26.15**
	42.94	**36.94**

Pledged with banks for credit limits

* Earmarked against the corresponding provision

** Pledged with banks for performance guarantees issued to government authorities on behalf of the Company

NOTES to the Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Note 20 Revenue from operations

	For the year ended 31 March 2014	For the year ended 31 March 2013
Sale of products		
Finished goods	2,824.54	3,120.83
Traded goods	-	0.47
	2,824.54	3,121.30
Less: Excise duty	231.91	256.28
	2,592.63	**2,865.02**
Other operating revenue		
Scrap sales	8.67	10.16
VAT refund	24.82	30.63
Others	3.00	4.32
	36.49	**45.11**
Revenue from operations (net)	**2,629.12**	**2,910.13**
Breakup of revenue from sale of products :		
Sale of finished goods		
Polyester Staple Fibre	1,488.18	1,561.18
Polyester Filament Yarn	557.10	873.60
Draw Texturised Yarn	761.82	649.96
Polyester Chips	4.48	23.21
Power	0.27	0.30
Waste	12.69	12.58
	2,824.54	**3,120.83**
Sale of traded goods		
Spandex	-	0.47
	-	**0.47**

Note 21 Other income

	For the year ended 31 March 2014	For the year ended 31 March 2013
Interest from customers and fixed deposits	11.12	11.45
Dividend income from current investments	2.88	10.46
Profit on sale of current investments	225.82	202.91
Foreign exchange fluctuation (previous year - refer note 46)	-	2.75
Gain on sale of fixed assets	-	1.52
Interest on insurance claim [previous year - refer note 41 (a)]	-	11.69
Capital creditor written back	4.19	-
	244.01	**240.78**

NOTES to the Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Note 22 Cost of materials consumed

	For the year ended 31 March 2014	For the year ended 31 March 2013
Raw materials :		
Purified Terephthalic Acid	1,520.29	1,762.30
Mono Ethylene Glycol	561.77	621.49
Others	43.01	42.83
	2,125.07	**2,426.62**

Note 23 Purchase of stock-in-trade

	For the year ended 31 March 2014	For the year ended 31 March 2013
Traded goods		
Spandex	-	0.46
	-	**0.46**

Note 24 Changes in inventories of finished goods, work-in-progress and stock in trade

	As at 31 March 2014	As at 31 March 2013	Decrease / (Increase) during the year ended 31 March 2014
Inventories at the end of the year			
- Finished goods	60.73	152.36	91.63
- Work-in-progress	10.01	8.78	(1.23)
- Waste	0.47	0.64	0.17
	71.21	**161.78**	**90.57**
Inventories at the beginning of the year			**31 March 2013**
- Finished goods	152.36	160.44	8.08
- Work-in-progress	8.78	9.09	0.31
- Waste	0.64	0.71	0.07
	161.78	**170.24**	**8.46**
Decrease / (increase) during the year	**90.57**	**8.46**	

NOTES to the Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Note 25 Employee benefits expense

	For the year ended 31 March 2014	For the year ended 31 March 2013
Salaries, wages and bonus	71.72	68.78
Leave benefits	1.82	1.67
Gratuity	1.38	1.80
Contribution to provident and other funds	4.94	5.04
Workmen and staff welfare expenses	4.55	3.95
	84.41	**81.24**

Note 26 Other expenses

	For the year ended 31 March 2014		For the year ended 31 March 2013	
Consumption of stores and spares		30.52		27.11
Packing materials consumed		41.40		46.38
Power and fuel		148.56		159.50
Freight and forwarding charges	89.54		99.19	
Less : Recovery	54.40	35.14	55.38	43.81
Rent and hire charges		4.75		5.03
Rates and taxes		2.75		2.76
Insurance	1.93		2.42	
Less: Recovery	1.26	0.67	1.45	0.97
Repairs and maintenance:				
- plant and machinery		17.43		17.40
- buildings		1.59		1.64
- others		5.58		5.94
Brokerage and commission on sales (other than to sole selling agents)		8.43		8.80
Cash discounts and claims		2.47		2.36
Directors' sitting fee		0.08		0.07
Auditors' remuneration:				
- as auditors		0.64		0.40
- for tax audit		0.06		0.06
- for other services		0.09		0.26
- for reimbursement of out of pocket expenses		0.03		0.02
Donations		0.07		0.12
Provision for doubtful debts and advances		4.15		-
Provision for diminution in the value of current investments		0.29		0.12
Loss on discard / disposal of fixed assets		0.18		-
Legal and professional charges		5.72		4.32
Decrease in excise duty on stocks of finished goods and waste		(8.83)		(1.31)
Miscellaneous expenses		26.72		25.92
		328.49		**351.68**

NOTES to the Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Note 27 Finance costs

	For the year ended 31 March 2014	For the year ended 31 March 2013
Interest	21.27	31.71
Bank charges	13.96	12.80
	35.23	**44.51**

Note 28 Earnings per equity share (EPS)

	For the year ended 31 March 2014	For the year ended 31 March 2013
Net (loss)/profit as per Statement of Profit and Loss	(8.18)	41.26
Number of equity shares of ₹ 10 each at the beginning of the year	151,822,242	151,822,242
Number of equity shares of ₹ 10 each at the end of the year	151,822,242	151,822,242
Weighted average number of equity shares of ₹ 10 each at the end of the year for calculation of basic and diluted EPS	151,822,242	151,822,242
Basic and diluted earnings per share (in ₹) (Per share of ₹ 10 each)	**(0.54)**	**2.72**

Note 29 CIF value of imports

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Raw materials	1,625.84	1,499.16
Packing material	-	0.15
Stores and spares	9.06	6.15
Capital goods	0.52	3.66

Note 30 Expenditure in foreign currency (accrual basis)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Travelling	1.29	1.78
Commission	2.29	2.88
Interest	6.06	10.11
Others	0.66	0.12

NOTES to the Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Note 31 Value of raw materials, stores and spares and packing materials consumed:

Particulars	Percentage of total consumption (%)		Value	
	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2014	For the year ended 31 March 2013
Raw materials				
Imported	76	68	1,615.95	1,654.61
Indigenous	24	32	509.12	781.01
Total	**100**	**100**	**2,125.07**	**2,426.62**
Stores and spares				
Imported	20	22	6.19	6.00
Indigenous	80	78	24.33	21.11
Total	**100**	**100**	**30.52**	**27.11**
Packing materials				
Imported	1	-	0.21	0.12
Indigenous	99	100	41.19	46.26
Total	**100**	**100**	**41.40**	**46.38**

Note 32 Net dividend remitted in foreign exchange

	For the year ended 31 March 2014	For the year ended 31 March 2013
Period to which dividend relates to	2012-13	2011-12
Number of non-resident shareholders (Nos.)	3	3
Number of equity shares held on which dividend was due (Nos.)	48,894,465	48,894,465
Amount remitted USD 729,927 and JPY 8,768,080 (Previous year USD 778,138 and JPY 7,489,350) (₹ in Crores)	4.89	4.89

Note 33 Earnings in foreign currency (accrual basis)

	For the year ended 31 March 2014	For the year ended 31 March 2013
F.O.B. value of exports	685.62	749.86
Dividend	2.88	10.46
Sale of current investments (Gross consideration)	241.86	208.07

Note 34 Disclosure pursuant to Accounting Standard 15 on "Employee Benefits"

Defined contribution plans

An amount of ₹ 4.36 Crores (Previous year ₹ 4.47 Crores) for the year has been recognised as an expense in respect of the Company's contributions towards Provident Fund which is deposited with the government authorities and has been included under employee benefit expenses in the Statement of Profit and Loss.

Defined benefit plans

Gratuity is payable to all eligible employees of the Company on superannuation, death or permanent disablement in terms of the provisions of the Payment of Gratuity Act or as per the Company's Scheme, whichever is more beneficial.

NOTES to the Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

The following table sets forth the status of the gratuity plan of the Company and the amounts recognised in the Balance Sheet and Statement of Profit and Loss:

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Changes in present value of obligation		
Present value of obligation as at the beginning of the year	**12.00**	**11.26**
Interest cost	1.00	0.93
Current service cost	0.98	1.06
Past service cost	-	-
Benefits paid	(0.78)	(1.06)
Actuarial (gain) / loss on obligation	(0.60)	(0.19)
Present value of obligation as at end of the year	**12.60**	**12.00**
- Long term	11.72	9.90
- Short term	0.88	2.10
	12.60	**12.00**
Expenses recognised in the Statement of Profit and Loss		
Current service cost	0.98	1.06
Past service cost	-	-
Interest cost on benefit obligation	1.00	0.93
Net actuarial (gain) / loss recognised in the year	(0.60)	(0.19)
Expenses recognised in the Statement of Profit and Loss	**1.38**	**1.80**

Experience adjustments

	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
Defined benefit obligation	12.60	12.00	11.26	11.11	9.77
Plan assets	-	-	-	-	-
Surplus / (deficit)	12.60	12.00	11.26	11.11	9.77
Experience adjustment on plan liabilities	0.59	0.22	(0.29)	(0.03)	(0.34)
Past service cost	-	-	-	0.43	-
Experience adjustment on plan assets	-	-	-	-	-

The principal assumptions used in determining gratuity for the Company's plans are shown below:

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Discounting rate	8.30%	8.30%
Salary Escalation Rate (per annum)	5%	5%
Withdrawal rates		
Age- Upto 30 years	3%	3%
31-44 years	2%	2%
Above 44 years	1%	1%
Mortality table	IALM (2006-08)	IALM (1994-96)

NOTES to the Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Discounting Rate: The discount rate is estimated based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligation.

Salary Escalation Rate: The estimates of salary increases, considered in actuarial valuation, take account of inflation, promotion and other relevant factors.

Note 35 Segmental information:

(a) Information about primary business segment

The Company recognises 'polyester' as its only primary segment since its operations consist of manufacturing of this product and related activities. Accordingly, 'Polyester' segment is the only segment comprising the primary basis of segmental information set out in these financial statements.

(b) Information on secondary/ geographical segment

The Company sells its products to various manufacturers within the country and also exports to other companies. Considering the size and proportion of exports to local sales, the Company considers sales made within the country and exports as two geographical segments. Information of geographical segment is based on the geographical location of the customers.

Particulars	2013-14	2012-13
Segment revenue		
Domestic	1,924.62	2,130.82
Overseas	704.50	779.31
Total	**2,629.12**	**2,910.13**
Segment debtors		
Domestic	70.28	56.55
Overseas	41.51	30.98
Total	**111.79**	**87.53**

Note: The Company has common assets for producing goods for domestic and overseas markets. Hence, separate figures for other assets/ additions to other assets cannot be furnished.

Note 36 Related party disclosures

(i) Related parties where control exists:

(a) Wholly owned subsidiaries	Indo Rama Renewables Limited ('IRRL')
	Indo Rama Renewables Porbandar Limited
	Indo Rama Renewables Ramgarh Limited
	Indo Rama Renewables Jath Limited

(ii) Other related parties with whom Company had transactions:

(a) Key management personnel and their relatives	Mr. Mohan Lal Lohia, Chairman Emeritus
	Mr. Om Prakash Lohia, Chairman and Managing Director ('CMD')
	Mr. Vishal Lohia, Whole Time Director ('WTD')
	Mr. Ashok Jagjivan Gupta (Executive Director till 30 June 2013)
	Mr. Anant Kishore (Executive director with effect from 8 August 2013)
	Mrs. Urmila Lohia, Wife of CMD
	Mr. Aloke Lohia, Brother of CMD
	Mrs. Ritika Kumar, Daughter of CMD
	Ms. Aruna Goenka, Sister of CMD
	Mrs. Rimple Lohia, Wife of WTD

NOTES to the Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

(b) Enterprises over which key management personnel or their relatives have significant influence	Indo Rama Petrochem Limited (IRPL), Thailand
	T P T Petrochemicals PCL (TPT Petro), Thailand
	P.T. Indo Rama Synthetics TBK, Jakarta
(c) Enterprises having significant influence	Brookgrange Investments Limited

(iii) Transactions with related parties:

Particulars	Wholly owned subsidiaries	Key Management Personnel	Enterprises over which key management personnel or their relatives have significant influence	Enterprises having significant influence	Total
Investment in the equity shares					
- IRRL	-				-
	(36.99)				(36.99)
Loans and advances given during the year					
- IRRL	25.14				25.14
	(28.01)				(28.01)
Loans and advances received during the year					
- IRRL	7.70				7.70
	(-)				(-)
Purchases of raw material					
- IRPL			562.50		562.50
			(331.93)		(331.93)
- TPT Petro			346.07		346.07
			(505.81)		(505.81)
Sale of Finished goods and purchase of spares					
P T Indo Rama Synthetics,TBK			0.03		0.03
			(2.01)		(2.01)
Managerial remuneration *					
- Mr. Om Prakash Lohia		2.55			2.55
		(2.49)			(2.49)
- Mr. Vishal Lohia		1.89			1.89
		(1.72)			(1.72)
- Mr. Ashok Jagjivan Gupta		0.42			0.42
		(0.29)			(0.29)
- Mr. Anant Kishore		0.58			0.58
		(-)			(-)

NOTES to the Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Wholly owned subsidiaries	Key Management Personnel	Enterprises over which key management personnel or their relatives have significant influence	Enterprises having significant influence	Total
Dividend paid/ Proposed dividend					
- Brookgrange Investments Limited				4.33	4.33
				(4.33)	(4.33)
- Mr. Om Prakash Lohia		3.50			3.50
		(3.51)			(3.51)
- Mrs. Urmila Lohia		1.59			1.59
		(1.59)			(1.59)
- Others		0.73			0.73
		(0.30)			(0.30)
Balances outstanding as at the year end:					
- IRRL (Loans and advances)	45.45				45.45
	(28.01)				(28.01)
- IRPL (Trade payable)			148.16		148.16
			(112.47)		(112.47)
- TPT Petro (Trade payable)			66.54		66.54
			(78.10)		(78.10)
- P T Indo Rama Synthetics (Trade receivable)			0.03		0.03
			(2.01)		(2.01)

* Excludes expenditure towards retirement benefits and compensated absences since the same is based on actuarial valuation for the Company as a whole.

Note: Previous year figures have been given in brackets.

Note 37 Long term obligations in respect of operating lease

The Company has taken office space on operating lease. The lease rentals charged during the year in respect of cancellable and non cancellable operating leases and maximum obligations on long term non-cancellable operating lease payable as per the rentals stated in the agreement are as follows:

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Lease rental expense	4.75	5.03

NOTES to the Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Total future minimum lease rentals payable as on 31 March 2014	Total future minimum lease rentals payable as on 31 March 2013
Within one year	1.68	1.67
Later than one year and not later than five years	5.64	6.67
Later than five years	-	0.64
Total	**7.32**	**8.98**

Note 38 Contingent liabilities and commitments (to the extent not provided for)

Contingent liabilities:

- Claims against the Company not acknowledged as debts.

Particulars	As at 31 March 2014	As at 31 March 2013
Excise / customs / service tax matters in dispute/ under appeal	63.19	303.61
Income tax matters in dispute/ under appeal	15.52	17.53
Sales tax matters in dispute/ under appeal	6.46	6.07
Claims by ex-employees, vendors, customers and civil cases	0.71	0.61

- In respect of the Custom duty claims amounting to ₹ 214.25 Crores against the Company, favourable orders have been received from the Central Excise and Custom Appellate (CESTAT). The matter is presently pending with the Honorable Supreme Court. The Company strongly believes that, on final settlement, it will not result into any significant adverse impact on the Company.

- Commitments:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is nil (previous year ₹ 0.29 Crores).

b) On 25 January 2012, the Company had entered into a memorandum of understanding ('MOU') with Indorama Ventures PCL, Thailand, for manufacturing of Purified Terepthalic Acid (PTA) and downstream products Polyethylene (PET) and Polyester Staple Fiber (PSF). As a part of the above process, the Company has entered into a Memorandum of Understanding (MOU) with Government of Tamil Nadu to set up the above project. The project continues to be at an initial stage of conceptualisation.

c) The Company has commitments to export 264,077 MT (previous year 343,010 MT) of finished goods over a period of three years pursuant to import of duty free material under advance license scheme.

d) The Company is in the process of finalising a compensation arrangement with its workers union for the past few years starting November 2011 and the matter is pending with the Labour Court of Nagpur. During the current year, the Company has received an interim order from the Court to pay an interim increment w.e.f. November 2013. Pending disposal of the matter, the final amounts are not ascertainable and differential, if any, would be adjusted in the year of settlement.

NOTES to the Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Note 39 Supplementary statutory information required to be given pursuant to Clause 32 of the listing agreement, in respect of the loans given

Loans to wholly owned subsidiary are to be converted, on mutual agreement, into equity, quasi equity or debentures or repayable on or before 31 March 2017.

Name of Subsidiary	Balance as at 31 March 2014	Maximum outstanding during the year 2013-14	Balance as at 31 March 2013	Maximum outstanding during the year 2012-13
Indo Rama Renewables Limited	45.45	47.30	28.01	28.01

Note 40 Derivative instruments and unhedged foreign currency exposure

(a) Foreign currency forward contracts outstanding:

Purpose	As at 31 March 2014		As at 31 March 2013	
	USD Millions	INR Crores	USD Millions	INR Crores
Hedging of expected future exports (Sell)	141.35	846.82	139.15	755.32
Hedging of underlying imports (Buy)	25.15	150.68	-	-

(b) Particulars of unhedged foreign currency exposure:

Particulars	Currency	As at 31 March 2014			As at 31 March 2013		
		Amount in foreign currency (Millions)	Exchange rate (in absolute rupees)	Amount (in ₹ Crores)	Amount in foreign currency (Millions)	Exchange rate (in absolute rupees)	Amount (in ₹ Crores)
Trade payables	USD	55.63	59.92	333.31	66.89	54.29	363.15
	Euro	0.02	82.28	0.16	0.02	69.53	0.12
	JPY	49.17	0.59	2.88	53.49	0.58	3.08
Advance from customers	USD	0.25	59.92	1.52	0.33	54.29	1.77
Loans (including interest payable)	USD	35.87	59.92	214.94	68.93	54.29	374.21
	Euro	13.76	82.28	113.23	20.74	69.53	144.22

NOTES to the Financial Statements for the year ended 31 March 2014

Note 41 Insurance claim receivables:

(a) The Company had lodged claims with an insurance company for the loss of certain assets and loss suffered due to business interruption under loss of profit policy relating to a fire incidence at Butibori plant in 2007-08. Since the matter has been under dispute with the insurance company, as per the terms and conditions of the above policy, the Company has, during the previous years, initiated the arbitration process for a claim of ₹ 72.94 Crores for loss of business interruption and for the claim of ₹ 6.43 Crores for loss of assets. While the said matter was pending conclusion by the Arbitral Tribunal, the Company carried forward insurance recoverable (recorded in the financial year ended 31 March 2008) to the extent of ₹ 33.53 Crores (net of receipt/adjustment) as advances recoverable, without prejudice to its right to claims aggregating ₹ 79.37 Crores. On 1 August 2012, the Arbitral Tribunal has decided the matter in the favour of the Company with an award of ₹ 32.45 Crores (net off receipt/adjustment) and interest at 9% per annum from July 2008 till the date of payment. Pursuant to the above award, the Company had during the year 2012-13 recorded the interest receivable amounting to ₹ 11.69 Crores upto July 2012 (the date of order) and aligned the carrying amount of insurance claim. The Insurance Company had filed an appeal in the Delhi High Court which is still sub-judice. Pending disposal by the High Court and as a matter of prudence, the Company has not recognised the interest for the period after July 2012.

(b) Consequent to an incident of fire during the year 2011-12, during the previous year, the Company had spent ₹ 7.58 Crores on refurbishment of the concerned plant and machinery, which has been recognised as a receivable under other current assets. During the current year, the management has submitted the claims to surveyor. The final report from the surveyor is awaited.

The Company strongly believes and is reasonably certain that it will be able to realise the above amounts in the normal course and, therefore, all the claims have been classified as current.

Note 42

Based on the information available, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures as required by section 22 of 'The Micro, Small and Medium Enterprises Development Act', 2006, are given below:

Sl. no.	Particulars	2013-14	2012-13
(i)	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
	- principal amount	*	*
	- interest thereon	-	-
(ii)	the amount of interest paid in terms of section 16, along with the amounts of the payment made to the suppliers beyond the appointed day:		
	-principal amount	**	**
	-interest thereon	-	-
(iii)	the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	#	#
(iv)	the amount of interest accrued and remaining unpaid	##	##
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

* ₹ 99 thousand (previous year ₹ 25 thousand)

** ₹ 396 thousand (previous year ₹ 306 thousand)

₹ 8 thousand (previous year ₹ 10 thousand)

₹ 84 thousand (previous year ₹ 77 thousand)

NOTES to the Financial Statements for the year ended 31 March 2014

Note 43 The Company's business mainly comprises manufacture of polyester.

During the past few years, there has been significant volatility in raw material prices which are linked with crude oil prices and is subject to foreign exchange fluctuations. In comparison, the sales realisation in the industry has been slow in comparison to the raw material price variations. In addition, stiff competition in certain products, low capacity utilisation, high inflation, high interest rates and weakened rupee has resulted in a temporary phase of low operating margins/losses in the recent past and also accumulation of significant unabsorbed depreciation as per tax laws. However, the Company's products command a premium in the market due to cost competitiveness and quality standards and its premium product lines are operating at full capacity. The Company has internally assessed its position and the future outlook and has also initiated various measures including strategic steps to ensure profitable operations. To achieve the projected level of profitability, the Company is in the process of finalising plans to increase the capacity for its premium products by making further investment in the product line and is also confident of the market demand for the increased production. These actions would be coupled with other initiatives which include cost saving measures, exploration of new markets especially exports, streamlined utilisation of export benefits, developing backward integration facilities towards producing certain key input materials. The Company is also arranging for funds to meet the above plans. Accordingly, the Company believes that considering the expected investment and resultant profitability over the next year and in future years, no provision is required for impairment of assets and is confident that the MAT Credits carried at the end of the year is fully recoverable.

Note 44 The Company had made an early application, since the year 2010-11, of Accounting Standard 30 "Financial Instruments- Recognition and Measurement", issued by the Institute of Chartered Accountants of India for accounting for forward exchange contracts taken for highly probable / forecast transactions, which are not covered by Accounting Standard 11. An amount of ₹ 10.40 Crores has been recognised as expense (previous year an income of ₹ 21.11 Crores) in the financial statements for the year ended 31 March 2014 and included in exceptional items as an adjustment on the said application of Accounting Standard 30.

Note 45 During the current and previous year, due to significant volatility in the foreign currency vis-à-vis local currency, the Company has considered the foreign exchange fluctuation as an exceptional item in the Statement of Profit and Loss.

Note 46 Hitherto, the exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost, were treated as borrowing cost in terms of the Accounting Standard (AS)-16, "Borrowing Costs". During the year ended 31 March 2013, pursuant to a clarification dated 9 August 2012 from the MCA, the Company had changed the accounting policy, w.e.f from 1 April 2011 to treat the same as "foreign exchange fluctuation" to be accounted as per AS-11, "The Effects of Changes in Foreign Exchange Rates" instead of the "borrowing costs". This change had resulted into increase in other income by ₹ 2.75 Crores (pertaining to the year ended 31 March 2012) for the year ended 31 March 2013 and the depreciation for the year ended 31 March 2013 being higher by ₹ 0.15 Crores (pertaining to the year ended 31 March 2012).

Note 47 The figures relating to the previous year have been regrouped and reclassified wherever necessary to conform to the current year's classification.

As per our report attached to the balance sheet.
For B S R and Associates
Chartered Accountants
Firm registration number: 128901W

For and on behalf of the Board of Directors of **Indo Rama Synthetics (India) Limited**

Kaushal Kishore
Partner
Membership No.: 090075

Om Prakash Lohia
Chairman and Managing Director
DIN: 00206807

Ashok Kumar Ladha
Director
DIN: 00089360

Jayant K Sood
Company Secretary
ICSI Membership No.: FCS 4482

Sanjay Syal
President and Chief Financial Officer
ICAI Membership No.: 089091

Place : Gurgaon
Date : 20 May 2014

Place : Gurgaon
Date : 20 May 2014

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of

Indo Rama Synthetics (India) Limited

1. Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Indo Rama Synthetics (India) Limited and its subsidiaries (together referred to as the "Group"), which comprise the consolidated Balance Sheet as at 31 March 2014 and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

2. Managements' Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with the Accounting Standards notified under the Companies Act, 1956, read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 (together referred to as the "Act"). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal controls relevant to the Group's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2014;

(b) in the case of the consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and

(c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

5. Emphasis of Matter

a) Attention is drawn to note 43 to the consolidated financial statements, which explains the early application, since the year 2010-11, of Accounting Standard 30 "Financial Instruments- Recognition and Measurement", issued by the Institute of Chartered Accountants of India. An amount of ₹ 10.40 Crores has been recognized as expense (previous year an income of ₹ 21.11 Crores) in the financial statements for the year ended 31 March 2014 and included in exceptional items as an adjustment on the said application of Accounting Standard 30. Our opinion is not qualified in respect of this matter.

b) Attention is drawn to note 42 of the consolidated financial statements, which explains the management's position regarding utilisation of Minimum Alternate Tax credit aggregating ₹ 57.91 Crores as at 31 March 2014. Based on the management's assumptions and future business plans, no provision has been considered in the books of accounts in respect of Minimum Alternate Tax credit. Our opinion is not qualified in respect of this matter.

For B S R and Associates
Chartered Accountants
Firm registration number: 128901W

Kaushal Kishore
Partner
Membership No.: 090075

Place : Gurgaon
Date : 20 May 2014

CONSOLIDATED BALANCE SHEET as at 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

	Note No.	As at 31 March 2014	As at 31 March 2013
I. Equity and Liabilities			
(1) Shareholders' funds			
(a) Share capital	3	151.82	151.82
(b) Reserves and surplus	4	435.52	455.63
(c) Money received against share warrants	5	-	20.30
		587.34	**627.75**
(2) Non-current liabilities			
(a) Long-term borrowings	6	310.91	287.66
(b) Deferred tax liabilities (Net)	7	186.03	207.09
(c) Other long-term liabilities	8	0.83	0.84
(d) Long-term provisions	9	18.18	15.01
		515.95	**510.60**
(3) Current liabilities			
(a) Short-term borrowings	10	245.85	342.72
(b) Trade payables	11	531.02	536.08
(c) Other current liabilities	12	168.58	142.09
(d) Short-term provisions	9	20.43	27.85
		965.88	**1,048.74**
Total		**2,069.17**	**2,187.09**
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	13.1	1,270.00	1,174.56
(ii) Intangible assets	13.2	0.43	0.94
(iii) Capital work-in-progress	13.3	3.25	206.00
		1,273.68	1,381.50
(b) Non-current investments	14.1	-	-
(c) Long-term loans and advances	15.1	80.06	86.40
(d) Other non-current assets	16.1	7.61	19.61
		87.67	**106.01**
(2) Current assets			
(a) Current investments	14.2	4.19	10.30
(b) Inventories	17	293.61	303.60
(c) Trade receivables	18	114.16	87.53
(d) Cash and bank balances	19	44.02	37.04
(e) Short-term loans and advances	15.2	81.04	112.32
(f) Other current assets	16.2	170.80	148.79
		707.82	**699.58**
Total		**2,069.17**	**2,187.09**
Significant accounting policies	2		

The accompanying notes (from 1 to 47) form an integral part of the financial statements.

As per our report attached.
For B S R and Associates
Chartered Accountants
Firm registration number: 128901W

For and on behalf of the Board of Directors of **Indo Rama Synthetics (India) Limited**

Kaushal Kishore
Partner
Membership No.: 090075

Om Prakash Lohia
Chairman and Managing Director
DIN: 00206807

Ashok Kumar Ladha
Director
DIN: 00089360

Jayant K Sood
Company Secretary
ICSI Membership No.: FCS 4482

Sanjay Syal
President and Chief Financial Officer
ICAI Membership No.: 089091

Place : Gurgaon
Date: : 20 May 2014

Place : Gurgaon
Date : 20 May 2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

		Note No.	For the year ended 31 March 2014		For the year ended 31 March 2013	
Income						
I.	**Revenue from operations (gross)**	20		**2,881.95**		**3,166.41**
	Less: Excise duty			231.91		256.28
	Revenue from operations (net)			**2,650.04**		**2,910.13**
II.	Other income	21		244.01		240.78
III.	**Total revenue (I+II)**			**2,894.05**		**3,150.91**
IV.	**Expenses :**					
	Cost of materials consumed	22		2,125.07		2,426.62
	Purchases of stock-in-trade	23		-		0.46
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	24		90.57		8.46
	Employee benefits expense	25		85.36		81.24
	Other expenses	26		330.97		352.66
	Expenditure before finance costs, depreciation/ amortisation cost and exceptional items			**2,631.97**		**2,869.44**
V.	**Profit before finance costs, depreciation/ amortisation, exceptional items and tax (III-IV)**			**262.08**		**281.47**
VI.	Finance costs	27		49.73		44.52
VII.	**Profit before depreciation/amortisation, exceptional items and tax (V-VI)**			**212.35**		**236.95**
VIII.	Depreciation and amortisation expense		152.58		172.38	
	Less : Transferred from revaluation reserve		9.10	143.48	14.38	158.00
IX.	**Profit before exceptional items and tax (VII-VIII)**			**68.87**		**78.95**
X.	Exceptional items					
	Foreign exchange fluctuations (expense) / income (refer note 45)			(99.51)		(39.26)
XI.	**(Loss)/Profit before tax (IX+X)**			**(30.64)**		**39.69**
XII.	**Tax expense :**					
	Current tax		-		8.50	
	Less: MAT credit entitlement		-		8.19	
	Add: MAT credit taken in previous years charged off		3.97	3.97	5.40	5.71
	Deferred tax credit			(21.06)		(6.28)
XIII.	**(Loss)/Profit for the year**			**(13.55)**		**40.26**
	Basic and diluted earnings per equity share (in ₹) [Face value ₹ 10 each]	28		**(0.89)**		**2.65**
	Significant accounting policies	2				

The accompanying notes (from 1 to 47) form an integral part of the financial statements.

As per our report attached to the balance sheet.
For B S R and Associates
Chartered Accountants
Firm registration number: 128901W

For and on behalf of the Board of Directors of **Indo Rama Synthetics (India) Limited**

Kaushal Kishore
Partner
Membership No.: 090075

Om Prakash Lohia
Chairman and Managing Director
DIN: 00206807

Ashok Kumar Ladha
Director
DIN: 00089360

Jayant K Sood
Company Secretary
ICSI Membership No.: FCS 4482

Sanjay Syal
President and Chief Financial Officer
ICAI Membership No.: 089091

Place : Gurgaon
Date : 20 May 2014

Place : Gurgaon
Date : 20 May 2014

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

		For the year ended 31 March 2014	For the year ended 31 March 2013
A.	**Cash flow from operating activities**		
	(Loss)/Profit before taxation	**(30.64)**	**39.69**
	Adjusted for:		
	Depreciation (net of transfer from revaluation reserve)	143.48	158.00
	Loss or (gain) on scrap / disposal of fixed asset	0.19	(1.52)
	Provision made for diminution in the value of investments	0.29	0.12
	Provision for doubtful debts & advances	4.15	-
	Profit on sale of current investments	(225.82)	(202.91)
	Interest income	(11.12)	(23.14)
	Dividend income	(2.88)	(10.46)
	Interest expense	35.58	31.71
	Operating profit before working capital changes	**(86.77)**	**(8.51)**
	Changes in:		
	Decrease in inventories	9.99	60.00
	(Increase) / decrease in trade receivables	(29.29)	8.52
	(Increase) / decrease in short term loans and advances and other current assets	10.43	(42.81)
	Increase in long term loans and advances	(2.40)	(0.63)
	Decrease / (Increase) in other non current assets	12.00	(9.57)
	(Decrease) in trade payables	(5.06)	(20.00)
	(Increase) / decrease in other non current liabilites	(0.01)	0.06
	Decrease / (Increase) in other current liabilities	3.09	(10.34)
	Increase in long term provisions	3.17	0.18
	(Decrease) / Increase in short term provisions	(1.54)	1.39
	Cash generated from operations	(86.39)	(21.71)
	Income tax paid	(2.79)	(6.33)
	Net cash flow (used)/ from operating activities (A)	**(89.18)**	**(28.04)**
B.	**Cash flows from investing activities**		
	Purchase of fixed assets	(36.03)	(274.85)
	Sale of fixed assets	1.44	3.52
	Sale of current investments (net)	231.64	207.32
	Movement in bank deposits (net) (having originial maturity of more than 3 months)	(4.18)	(2.93)
	Dividend received	2.88	10.46
	Interest received	11.40	22.73
	Net cash (used)/from in investing activities (B)	**207.15**	**(33.75)**

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

	For the year ended 31 March 2014	For the year ended 31 March 2013
C. Cash flows used in financing activities		
Long-term borrowings taken during the year	132.63	171.66
Long-term borrowings repaid during the year	(90.87)	(130.94)
Short term borrowings taken/(repaid) during the year (net)	(96.87)	85.52
Payment of dividend	(15.24)	(15.18)
Taxes on dividend	(2.58)	(2.46)
Interest and ancillary costs of borrowing paid	(42.24)	(43.62)
Net cash (used)/generated in financing activities	**(115.17)**	**64.98**
Net changes in cash and cash equivalents (A+B+C)	**2.80**	**3.19**
Cash and cash equivalents - opening balance	**10.89**	**7.70**
Cash and cash equivalents - closing balance	**13.69**	**10.89**
Components of cash and cash equivalents (refer note 19)		
Cash in hand	0.21	0.10
Cheques in hand	1.05	-
With scheduled banks:		
In current accounts	11.12	9.79
Fixed deposits with original maturity period of upto three months	1.31	1.00
Total	**13.69**	**10.89**

Notes:

1. The accompanying notes (from 1 to 47) form an integral part of the financial statements.
2. The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard - 3 Cash Flow Statements specified in the Companies (Accounting Standards) Rules 2006.

As per our report attached to the balance sheet.
For B S R and Associates
Chartered Accountants
Firm registration number: 128901W

For and on behalf of the Board of Directors of **Indo Rama Synthetics (India) Limited**

Kaushal Kishore
Partner
Membership No.: 090075

Om Prakash Lohia
Chairman and Managing Director
DIN: 00206807

Ashok Kumar Ladha
Director
DIN: 00089360

Jayant K Sood
Company Secretary
ICSI Membership No.: FCS 4482

Sanjay Syal
President and Chief Financial Officer
ICAI Membership No.: 089091

Place : Gurgaon
Date : 20 May 2014

Place : Gurgaon
Date : 20 May 2014

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

Note 1 General information

Indo Rama Synthetics (India) Limited (hereinafter referred to as 'the Company' or 'IRSL') is a manufacturer of Polyester Filament Yarn (PFY), Polyester Staple Fibre (PSF), Draw Texturised Yarn (DTY) and Chips. The Company is also engaged in power generation, which is used primarily for captive consumption. The Company's manufacturing facilities are located at Butibori, Nagpur.

The Company has invested in certain subsidiaries which are directly or indirectly engaged in the business of generation and supply of energy from renewable resources. During the current year, one of the subsidiaries, Indo Rama Renewables Jath Limited has commissioned the 30 MW wind turbine plant and commenced revenue operations at Jath, Maharastra. The Company along with its subsidiaries has been referred to as "the Group" or "the Company".

Note 2 Significant accounting policies

2.1 Basis of preparation and consolidation

The financial statements are prepared on accrual basis under the historical cost convention, modified to include revaluation of certain assets, in accordance with applicable Accounting Standards (AS) notified under the Companies Act, 1956, read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013, and presentational requirements of the Companies Act, 1956 and/ or the Companies Act, 2013, as appropriate.

2.2 Principles of consolidation

a) The consolidated financial statements relate to the Group, all being incorporated in India. The consolidated financial statements have been prepared in accordance with the principles and procedures for the preparation and presentation as laid down under Accounting Standard 21 on "Consolidated Financial Statements", as specified in the Companies (Accounting Standards) Rules, 2006.

b) The consolidated financial statements have been prepared on the following basis:

i) The consolidated financial statements of the Group have been combined on a line-by-line basis by adding the book values of all items of assets, liabilities, incomes and expenses after eliminating intra-group balances/ transactions and unrealised profits in full.

ii) The consolidated financial statements are prepared by using uniform accounting policies for similar significant transactions and other events in similar circumstances. The financial statements of the subsidiaries are adjusted for the accounting principles and policies followed by the Group.

(iii) The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Group for its separate financial statements.

(iv) The companies considered in the consolidated financial statements are:

Name of the Company	Date of incorporation	Percentage of shareholding as at 31 March 2014
Indo Rama Synthetics (India) Limited ('IRSL')	28 April 1986	Ultimate holding company
Indo Rama Renewables Limited ('IRRL')	3 May 2012	100
Indo Rama Renewables Jath Limited ('IRRJL')	23 May 2012	100
Indo Rama Renewables Porbandar Limited ('IRRPL')	23 May 2012	100
Indo Rama Renewables Ramgarh Limited ('IRRRL')	25 May 2012	100

2.3 Use of estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles in India (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the result of operations during the year. Differences between actual results and estimates are recognised in the year in which the results are known or materialised. Examples of such estimates are estimated useful life of assets, classification of assets/liabilities as current or non-current in certain circumstances, recoverability of minimum alternate tax credit entitlement, provision for doubtful receivables and retirement benefits, etc. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

2.4 Current/ non-current classification

All assets and liabilities are classified as current and non-current.

Assets

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

(a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is expected to be realised within 12 months after the reporting date; or

(d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

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

(a) it is expected to be settled in the Company's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is due to be settled within 12 months after the reporting date; or

(d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group considers its operating cycle to be within a year.

2.5 Fixed assets

Fixed Assets are stated at cost or at revalued amounts less accumulated depreciation. Cost of fixed assets includes all incidental expenses and interest costs on borrowings, attributable to the acquisition of qualifying assets, upto the date of commissioning of assets.

Foreign currency exchange differences to the extent covered under Accounting Standard-11 are capitalised as per the policy stated in note 2.13.

2.6 Depreciation/amortisation

- Leasehold land and cost of leasehold improvements are amortised over the period of lease or their useful lives, whichever is shorter.
- Depreciation on other fixed assets (excluding software) is provided using the straight line method at the rates based on useful lives of assets estimated by the management, which are equal to or higher than the rates prescribed under Schedule XIV to the Companies Act, 1956.
- In respect of the plant and machinery of the renewable energy segment, the management's estimate of the useful life is 18 years.
- Fixed assets individually costing up to rupees five thousand are depreciated at the rate of 100%.
- Additional depreciation on account of revaluation of assets is charged to the Revaluation reserve account.
- Software are amortised on straight line method over a period of three years.

2.7 Impairment

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated as higher of its net selling price and value in use. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, had no impairment loss been recognised.

2.8 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets to the

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

extent that they relate to the period till such assets are ready to be put to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

2.9 Investments

Long-term investments including its current portion are carried at cost less diminution, other than temporary in value. Current investments are carried at the lower of cost and fair value, which is computed category wise.

2.10 Inventories

- Stores and spare parts are valued at cost or under, computed on weighted average basis.
- Raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value. Finished goods and work-in-progress include material cost and appropriate portion of manufacturing and other overheads. Cost is ascertained on a weighted average basis.

2.11 Revenue recognition

i) **Sale of goods**

Revenue from sale of products is recognised when the products are dispatched against orders from customers in accordance with the contract terms, which coincides with the transfer of risks and rewards.

Sales are stated inclusive of excise duty and net of rebates, trade discounts, sales tax and sales returns.

ii) **Sale of power**

Sale of power is recognised on the basis of actual quantity of power sold with reference to the contracted rate.

iii) **Sale of electricity**

Revenue from the sale of wind power is recognised when earned on the basis of contractual arrangements and reflects the number of units supplied in accordance with joint meter readings undertaken on a monthly basis by representatives of the buyer and the Company at rates stated in the contract.

iv) **Generation-based incentives**

Revenue from generation-based incentives are recognised based on the number of units supplied and when the eligibility criteria under the Indian Renewable Energy Development Agency Limited - Generation Based Incentive scheme are met.

v) **Insurance claims**

Claims lodged with the insurance companies are accounted for on an accrual basis, to the extent these are measurable and ultimate collection is reasonably certain.

vi) **Dividend**

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

2.12 Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating lease. Operating lease charges are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

2.13 Foreign exchange transactions and forward contracts

Foreign exchange transactions

i) Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transaction. All monetary foreign currency assets and liabilities are converted at the exchange rates prevailing at the date of the balance sheet. All exchange differences other than in relation to acquisition of fixed assets and other long term foreign currency monetary liabilities are dealt with in the Statement of Profit and Loss.

ii) In accordance with Accounting Standard 11, “Accounting for the effects of changes in foreign exchange rates”, exchange differences arising in respect of long term foreign currency monetary items:

- used for acquisition of depreciable capital asset, are added to or deducted from the cost of asset and are depreciated over the balance life of asset.
- used for the purpose other than the acquisition of depreciable capital asset, are accumulated in Foreign Currency Monetary Item Translation Difference Account (FCMITDA) and amortised over the balance period of such liability.

iii) In case of foreign exchange forward contracts taken for underlying transactions, and covered

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

by Accounting Standard 11, "Accounting for the effects of changes in foreign exchange rates", the premium or discount is amortised as income or expense over the life of the contract. The exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences is recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change.

Any profit or loss arising on the cancellation or renewal of such contracts is recognised as income or expense for the year.

iv) Forward exchange contracts taken for highly probable/forecast transactions, which are not covered by Accounting Standard 11, are marked to market in accordance with the principles under AS 30 "Financial Instruments: Recognition and Measurement" issued by the Institute of Chartered Accountants of India. The Company records the gain or loss on effective hedges in the Hedging Reserve until the transactions are complete. On completion, the gain or loss is transferred to the Statement of Profit and Loss of the period in which such transaction is concluded. To designate a forward contract or option as an effective hedge, management objectively evaluates and evidences with appropriate supporting documents at the inception of each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk. In the absence of a designation as effective hedge, a gain or loss is recognised in the Statement of Profit and Loss.

2.14 Employee benefits

a) **Short-term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, and bonus, etc., are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

b) **Post employment benefits**

Defined contribution plan

The Company deposits the contributions for provident fund to the appropriate government authorities and these contributions are recognised in the Statement of Profit and Loss in the financial year to which they relate.

Defined benefit plan

The Company's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary, using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

c) **Other long term employee benefits**

Entitlements to annual leave are recognised when they accrue to employees. Leave entitlements can be availed while in service or encashed at the time of retirement/ termination of employment, subject to a restriction on the maximum number of accumulation. The Company determines the liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the year end.

2.15 Taxation

Income tax expense comprises current tax and deferred tax charge or credit. Current tax provision is made based on the tax liability computed after considering tax allowances and exemptions under the Income tax Act, 1961. The deferred tax charge or credit and the corresponding deferred tax liability and assets are recognised using the tax rates that have been enacted or substantively enacted on the balance sheet date.

Deferred tax assets arising from unabsorbed depreciation or carry forward losses are recognised

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

only if there is virtual certainty of realisation of such amounts. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets are reviewed at each balance sheet date to reassess their realisability.

The credits arising from Minimum Alternate Tax paid are recognised as receivable only if there is reasonable certainty together with convincing evidence that the Company will have sufficient taxable income in future years to utilise such credits.

2.16 Government grants

Government grants specifically receivable as a reduction of interest charge under the grants scheme is netted off from the interest charge for the year.

Government grants available to the Company are recognised:

(i) where there is reasonable assurance that the Company will comply with the conditions attached to them; and

(ii) where such benefits have been earned by the Company and it is reasonably certain that the ultimate collection will be made.

An appropriate amount in respect of such earned benefits, estimated on a prudent basis, is credited to income for the year even though the actual amount of such benefits may be finally settled and received after the end of the relevant accounting period.

2.17 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

2.18 Provisions and contingent liabilities

The Company recognises a provision when there is a present obligation as a result of a past event and it is more likely than not that there will be a outflow of resources embodying economic benefits to settle such obligations and the amount of such obligation can be reliably estimated. Provisions are not discounted to their present value and are determined based on the management's estimation of the outflow required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of future events, not wholly within the control of the Company.

When there is an obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Note 3 Share capital

	As at 31 March 2014	As at 31 March 2013
Authorised		
185,000,000 equity shares of ₹ 10 each	185.00	185.00
Issued, subscribed and fully paid-up		
151,822,242 equity shares of ₹ 10 each fully paid-up	151.82	151.82
	151.82	**151.82**

Foot notes :

1. During the current year, there have been no movements in the number of equity shares outstanding.
2. The Company has only one class of equity shares, having a par value of ₹ 10 per share. Each shareholder is eligible to one vote per share held, except for shares held against Global Depository Receipts (GDR). The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

3. Shares in the Company held by each shareholder holding more than 5% shares [also refer to footnote 4] are as under:

	As at 31 March 2014		As at 31 March 2013	
Names	**Number of shares**	**% of shares held**	**Number of Shares**	**% of shares held**
Brookgrange Investments Limited	43,288,057	28.51	43,288,057	28.51
Mr. Om Prakash Lohia (Chairman & Managing Director)	35,014,630	23.06	35,091,408	23.11
Mrs. Urmila Lohia	15,855,314	10.44	15,855,314	10.44
Mavi Investments Limited	12,652,175	8.33	12,652,175	8.33

4. Above equity shares of ₹ 10 each include 10,291,360 equity shares (representing 6.78% of total number of shares), outstanding against 1,286,420 Global Depository Receipts (GDR), each GDR comprising 8 underlying fully paid up equity shares of ₹ 10 each.

Note 4 Reserves and surplus

	As at 31 March 2014	As at 31 March 2013
Capital reserve		
Opening balance	0.08	0.08
Add: Forfeiture of money received against share warrants (refer note 5)	20.30	-
Closing balance	**20.38**	**0.08**
Revaluation reserve		
Opening balance	34.53	48.91
Less: adjustment on account of depreciation on revalued assets	9.10	14.38
Closing balance	**25.43**	**34.53**
Securities premium account	**166.22**	**166.22**
General reserve	**47.61**	**47.61**
Surplus in the Statement of Profit and Loss		
Opening balance	207.19	184.69
(Loss)/ Profit for the year	(13.55)	40.26
Less: Appropriations :		
Proposed dividend (also refer note 9)	(15.18)	(15.18)
Tax on dividend (also refer note 9)	(2.58)	(2.58)
Net surplus in the Statement of Profit and Loss	**175.88**	**207.19**
Total reserves and surplus	**435.52**	**455.63**

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Note 5 Money received against share warrants

	As at 31 March 2014	As at 31 March 2013
Money received against share warrants	-	20.30

On 9 November 2010, the Company had allotted 20,000,000 Fully Convertible Preferential warrants (FCPs) at ₹ 40.60 per warrant (aggregating ₹ 81.20 Crores) as per Securities and Exchange Board of India (SEBI) and other guidelines, as applicable. As per the terms of the warrants, ₹ 10.15 per warrant (aggregating ₹ 20.30 Crores) had been received and balance amount of ₹ 30.45 per warrant (aggregating ₹ 60.90 Crores) was payable within 18 months of allotment of the warrants. The warrants were convertible into equity shares within a period of 18 months from the date of allotment of warrants at the option of the warrant holders. Upon conversion, one warrant would have been converted into one fully paid equity share of ₹ 10 each and amount of ₹ 30.60 would have been adjusted towards share premium account. Subsequently, the Company had received request from warrant holders for extending period upto May 2014 for payment of balance amount of ₹ 60.90 Crores. The Company made an application to SEBI for the extension of the period which has not been approved by SEBI vide its letter dated 4 December 2013. Accordingly, the money received against share warrants has been forfeited and transferred to capital reserve in the current year.

Note 6 Long-term borrowings

	Total		Non-current portion		Current maturities	
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
Secured :						
Loans and advances from banks						
Term loans						
- Rupee loans	112.10	23.29	91.82	15.74	20.28	7.55
- Foreign currency loans	129.69	154.14	81.02	112.08	48.67	42.06
Other loans and advances						
- Rupee loans	147.32	153.66	138.07	140.09	9.25	13.57
- Foreign currency loans	23.38	39.64	-	19.75	23.38	19.89
	412.49	**370.73**	**310.91**	**287.66**	**101.58**	**83.07**
Less:						
Amounts disclosed under the head "other current liabilities" (refer note 12)	-	-	-	-	(101.58)	(83.07)
	412.49	**370.73**	**310.91**	**287.66**	**-**	**-**

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Nature of security		Terms of repayment
a)	**Rupee term loans from banks:**	
i)	amounting to ₹ Nil (previous year ₹ 1.93 Crores) is secured by first specific charge over the specific assets purchased under the loan agreement for thermal power project of the Company.	The loan has been repaid in the current year.
ii)	Working capital term loan amounting to ₹ Nil (previous year ₹ 2.27 Crores) is secured by way of first charge on the Company's entire fixed assets, ranking pari-passu with other banks.	The loan has been repaid in the current year.
iii)	amounting to ₹ 14.67 Crores (previous year ₹ 18.67 Crores) is secured by first specific charge over the specific assets purchased under the loan agreement.	Repayable in 18 equal quarterly installments commencing from June 2012, along with interest at BR plus 1% plus 0.50%.
iv)	amounting to ₹ 25.00 Crores (previous year ₹ Nil) is secured collaterally by exclusive charge on the captive power plant at Butibori, Maharashtra.	Repayable in 18 equal quarterly installments of ₹ 1.38 Crores each commencing from the end of third quarter from the date of first disbursement along with interest at 3.25% over base rate.
v)	amounting to ₹ 72.31 Crores (previous year ₹ Nil) is secured primarily by first pari-passu charge on the current assets and collaterally by first pari-passu charge on the fixed assets of the company. Further, the same is secured by the personal guarantee of promoters i.e. Mr. Om Prakash Lohia and Mr. Vishal Lohia.	Repayable in 8 equal quarterly installments of ₹ 3.125 Crores each commencing 6 months from the date of first disbursement and 10 equal quarterly installments of ₹ 5 Crores thereafter, along with interest at 3% over base rate.
vi)	aggregating to ₹ 0.12 Crores (previous year ₹ 0.42 Crores) are secured by hypothecation of specific vehicles.	(a) ₹ 0.02 Crores (previous year ₹ 0.08 Crores) repayable in 36 equated monthly installments commencing from August 2011. (b) ₹ 0.10 Crores (previous year ₹ 0.15 Crores) repayable in 36 equated monthly installments commencing from January 2013.
b)	**Foreign currency term loans from banks:**	
i)	amounting to ₹ 89.12 Crores (previous year ₹ 103.58 Crores), are secured by first pari-passu specific charge on the equipment purchased under the loan agreement for the Company's Polyester Expansion Project and a first charge on the land situated at Mehsana, Gujarat.	Repayable in 20 equal half yearly installments commencing from April 2007 along with interest at six month EURIBOR plus 0.95%. Further, two installments due on 15 April 2009 and 15 October 2009 have been rescheduled to be paid in 10 equal half yearly installments from 30 September 2010 along with interest at six month EURIBOR plus 1.65%.
ii)	amounting to ₹ 40.57 Crores (previous year ₹ 50.56 Crores) is secured by first pari-passu specific charge on the equipment purchased under the loan agreement for the Company's Polyester Expansion Project and a first charge on the land situated at Mehsana, Gujarat.	Repayable in 20 equal half yearly installments commencing from April 2007 along with interest at six month LIBOR plus 0.95%. Further, two installments due on 15 April 2009 and 15 October 2009 have been rescheduled to be paid in 10 equal half yearly installments from 30 September 2010 along with interest at six month LIBOR plus 1.65%.

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Nature of security	Terms of repayment
c) Rupee term loan from others:	
i) amounting to ₹ Nil (previous year ₹ 6.25 Crores) is secured by equitable mortgage on all the immovable properties (excluding land in the state of Gujarat), by way of deposit of title deeds and hypothecation of movable assets of the Company (save and except book debts and assets exclusively hypothecated to banks and bodies corporate), including movable machinery, machinery spares, tools and accessories, both present and future, ranking pari-passu with the charges created/to be created in favour of banks and financial institutions for securing rupee and foreign currency term loans.	The loan has been repaid during the year.
ii) amounting to ₹ 147.32 Crores (previous year ₹ 147.41 Crores). During the current year, Tata Clean Tech Capital Limited ('TCCL'), Tata Capital Financial Services Limited ('TCFSL') and PTC India Financial Services Limited ('PFS') have participated in the loan granted by L & T Infrastructure Finance Company Limited ('L&T Infra') in previous year.	144 structured monthly installments post moratorium period of 6 months from the Date of Commencement of Commercial Operation (DCCO). The instalment commenced w.e.f. 1 October 2013.
As at 31 March 2014, the breakup of this loan is as follows:	Interest rate
1) L&T Infra ₹ 77.08 Crores (previous year ₹ 147.41 Crores) 2) TCCL ₹ 10.91 Crores (previous year ₹ Nil) 3) TCFSL ₹ 16.36 Crores (previous year ₹ Nil) 4) PFS ₹ 42.97 Crores (previous year ₹ Nil)	(i) Rate of interest: The rate of interest is "L&T Infra" prime lending rate(PLR) minus spread per annum with monthly rests ("Applicable Interest Rate") payable monthly.
The loan is Secured/to be secured in all respect with pari passu charge among all lenders with the below mentioned charges/pledges/mortgages and guarantees :	(ii) "Spread" is calculated as the difference between "L&T Infra" PLR and the applicable Interest Rate amounting to 2.5% per annum. The spread was determined at the time of first disbursement based on the L & T Infra PLR on that date.
(a) First mortgage and charge of all the borrower's immovable properties (freehold/leased subject to provisions of applicable law in relation to forest land and revenue land, if any) together with all structures and appurtenances thereon and thereunder, both present and future;	(iii) The interest rate for each subsequent tranche of disbursement has been indexed to the then prevailing L&T Infra PLR minus the spread.
(b) First charge by way of hypothecation of all the borrower's movable assets, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures and all other movable assets, both present and future;	(iv) The Applicable Interest Rate shall be reset on the first day of the subsequent month at the end of one year from the date of first disbursement ("First Reset Date") and every anniversary of such date thereafter ("Reset Date"), based on the then prevailing L&T Infra PLR.
(c) First charge on all intangible assets of the borrower including but not limited to goodwill and uncalled capital of the borrower, both present and future;	(v) In case the account is irregular for more than one month at time of reset, no benefit for reduction in interest would be passed on, though the increase in interest will be loaded.

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Nature of security	Terms of repayment
(d) First charge on all accounts, revenue, all receivables, operating cash flows, commissions, reserves, book debts and DSR of the borrower including without limitation, the trust and retention accounts/escrow accounts (or any account in substitution thereof) and of all funds from time to time deposited therein and in all Permitted Investments or other securities representing all amounts credited to the trust and retention accounts both present and future; (e) First charge by way of assignment, both present and future, of: (i) All rights, title, interest, benefits, claims and demands, whatsoever of the borrower in, to and under all of the project documents as may be amended, varied and supplemented from time to time, including erection & commissioning contract, supply contract, operation and maintenance agreement (O&M) etc. duly acknowledged/ consented in writing by relevant counter parties to such project document(s); (ii) All rights, title and interest, claims and demands, whatsoever of the borrower in, to and under all the permits, approvals, clearance(s) and the government approvals; (iii) All rights, title, interest benefits, claims and demands, whatsoever of the borrower in, to and under all the guarantees/letter of credit other performance bonds warranties, corporate guarantee, bank guarantee, indemnities and securities that may be furnished in favour of the borrower by the various contractors and any party under the project documents, after obtaining the written consent of the parties thereto, if necessary; (iv) All rights, title, benefits, claims, demands and interest, whatsoever under all the Insurance contracts/insurance proceeds pertaining to the project. (f) Pledge of 76% (seventy six per cent) of the paid up and voting equity share capital and of preference share capital (if any) held by the Holding Company in the share capital of the borrower till final settlement date, and; (g) An irrevocable and unconditional corporate guarantee from the Holding Company in favour of the security trustee acting for the benefit of lenders for the due payment/repayment of secured obligations.	

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Nature of security	Terms of repayment
d) Foreign currency term loans from others:	
amounting to ₹ 23.38 Crores (previous year ₹ 39.64 Crores) is secured by equitable mortgage on all the immovable properties (excluding land in the state of Gujarat), by way of deposit of title deeds and hypothecation of movable assets of the Company (save and except book debts and assets exclusively hypothecated to banks and bodies corporate) including movable machinery, machinery spares, tools and accessories, both present and future, ranking pari-passu with the charges created/to be created in favour of banks and financial institution for securing rupee and foreign currency term loans.	As per rescheduled agreement, the balance as on 9 February 2010 is repayable in 9 equal half yearly installments commencing from 15 November 2010 along with interest at EURIBOR plus 2.35% p.a.

Note 7 Deferred tax liabilities (net)

	As at 31 March 2014	As at 31 March 2013
Deferred tax liability on account of :		
- Fixed assets	192.14	212.84
Deferred tax assets on account of:		
- Unabsorbed depreciation and tax losses*	-	-
- Effect of expenditure debited to statement of profit and loss in the current/earlier years but allowable for tax purposes in following years	4.61	5.67
- Provision for doubtful debts and advances	1.50	0.08
	6.11	5.75
Net deferred tax liability	**186.03**	**207.09**

* Excluding deferred tax assets aggregating ₹ 306.31 Crores (previous year ₹ 296.37 Crores) in relation to unabsorbed depreciation amounting to ₹ 901.20 Crores (previous year ₹ 871.92 Crores), which have not been recorded. The same have been a subject matter of litigation by the Income Tax Authorities and appeals in this regard are pending with the higher authorities.

Note 8 Other long-term liabilities

	As at 31 March 2014	As at 31 March 2013
Lease equalisation charges	0.83	0.84
	0.83	**0.84**

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Note 9 Long-term and short-term provisions

	Long-term		Short-term	
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
Provision for employee benefits				
- Gratuity (refer note 34)	11.73	9.92	0.88	2.10
- Leave benefits	6.45	5.09	1.79	2.11
	18.18	**15.01**	**2.67**	**4.21**
Others				
Proposed dividend*	-	-	15.18	15.18
Tax on proposed dividend	-	-	2.58	2.58
Provision for tax [previous year net of advance tax (₹ 29.68 Crores)]	-	-	-	5.88
	-	**-**	**17.76**	**23.64**
	18.18	**15.01**	**20.43**	**27.85**

* During the current year, the Group has declared a dividend of ₹ 1 per equity share of ₹ 10 each (previous year ₹ 1 per equity share).

Note10 Short-term borrowings

	As at 31 March 2014	As at 31 March 2013
Loans repayable on demand (secured)		
From banks :		
Cash credit and working capital facilities	245.85	342.72
	245.85	**342.72**

Nature of security

Cash credit and other working capital facilities from banks are secured by way of hypothecation of stocks of raw materials, work-in-progress, finished goods, stores and spares, packing material, goods at port/in transit/under shipment, outstanding money, book debts, receivables and other current assets of the Company, both present and future. These are further secured by a second charge on all the immovable properties of the Company, both present and future.

Note 11 Trade payables

	As at 31 March 2014	As at 31 March 2013
Acceptances	138.74	182.84
Sundry creditors		
- micro and small enterprises (refer note 41)	0.01	0.01
- others	392.27	353.23
	531.02	**536.08**

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Note 12 Other current liabilities

	As at 31 March 2014	As at 31 March 2013
Current maturities of long-term borrowings (also refer to note 6)	101.58	83.07
Interest accrued but not due on borrowings	2.46	2.66
Unpaid dividends (refer foot note)	0.36	0.42
Advances from customers	9.01	5.87
Other payables:		
Payable to employees	15.38	12.23
Creditors towards fixed assets	12.09	6.92
Book overdraft	-	0.02
Statutory dues payable		
- Excise duty on finished goods	5.14	13.97
- Customs duty	20.11	14.75
- Tax deducted at source	1.38	1.17
- Other statutory dues	1.07	1.01
	168.58	**142.09**

Foot note :

There are no outstanding dues to be paid to Investor Education and Protection Fund.

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

Note 13.1 Fixed assets - Tangible assets

As at 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Asset description	Gross block				Depreciation				Net block	
	As at 31 March 2013	Additions	Disposals/ adjustments	As at 31 March 2014	Upto 31 March 2013	Depreciation for the year	In respect of disposals/ adjustments	Upto 31 March 2014	As at 31 March 2014	As at 31 March 2013
Land:										
- leasehold	9.14	-	-	9.14	1.56	0.10	-	1.66	7.48	7.58
- freehold	1.61	-	-	1.61	-	-	-	-	1.61	1.61
Buildings	156.71	-	-	156.71	43.97	3.78	-	47.75	108.96	112.74
Leasehold improvements	3.22	-	-	3.22	1.23	0.36	-	1.59	1.63	1.99
Plant and equipment	3,018.62	248.63	4.52	3,262.73	1,978.83	146.55	3.54	2,121.84	1,140.89	1,039.79
Furniture and fixtures	8.97	0.08	0.12	8.93	6.40	0.22	0.04	6.58	2.35	2.57
Vehicles	5.40	-	0.42	4.98	2.98	0.38	0.15	3.21	1.77	2.42
Office equipments	19.12	0.48	0.53	19.07	13.26	0.74	0.24	13.76	5.31	5.86
Total	**3,222.79**	**249.19**	**5.59**	**3,466.39**	**2,048.23**	**152.13**	**3.97**	**2,196.39**	**1,270.00**	**1,174.56**

As at 31 March 2013

Asset description	Gross block				Depreciation				Net block	
	As at 31 March 2012	Additions	Disposals/ adjustments	As at 31 March 2013	Upto 31 March 2012	Depreciation for the year	In respect of disposals/ adjustments	Upto 31 March 2013	As at 31 March 2013	As at 31 March 2012
Land:										
- leasehold	9.14	-	-	9.14	1.46	0.10	-	1.56	7.58	7.68
- freehold	0.16	1.45	-	1.61	-	-	-	-	1.61	0.16
Buildings	156.18	1.00	0.47	156.71	40.32	3.77	0.12	43.97	112.74	115.86
Leasehold improvements	3.22	-	-	3.22	0.87	0.36	-	1.23	1.99	2.35
Plant and equipment	2,965.03	71.07	17.48	3,018.62	1,829.33	165.99	16.49	1,978.83	1,039.79	1,135.70
Furniture and fixtures	8.58	0.60	0.21	8.97	6.23	0.23	0.06	6.40	2.57	2.35
Vehicles	5.35	0.28	0.23	5.40	2.64	0.48	0.14	2.98	2.42	2.71
Office equipments	18.93	0.82	0.63	19.12	12.49	0.98	0.21	13.26	5.86	6.44
Total	**3,166.59**	**75.22**	**19.02**	**3,222.79**	**1,893.34**	**171.91**	**17.02**	**2,048.23**	**1,174.56**	**1,273.25**

Notes:-

1. Fixed assets comprising of plant and machinery, buildings and land were revalued by an external valuer as on 31 March 2000. The valuation was based on fair market price/other relevant indices and resulted in increase in the gross block by ₹ 203.20 Crores at that time. The balance of revaluation reserve as at the end of the year amounts to ₹ 25.43 Crores (previous year ₹ 34.53 Crores).
2. Additions to plant and machinery include loss on foreign exchange fluctuation ₹ 29.17 Crores (Previous year ₹ 12.29 Crores).

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

Note 13.2 Fixed assets - Intangible assets

As at 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Asset description	Gross block				Amortisation				Net block	
	As at 31 March 2013	Additions	Disposals/ adjustments	As at 31 March 2014	Upto 31 March 2013	Amortisation for the year	In respect of disposals/ adjustments	Upto 31 March 2014	As at 31 March 2014	As at 31 March 2013
Computer Software	3.24	-	-	3.24	2.30	0.51	-	2.81	0.43	0.94
Total	**3.24**	**-**	**-**	**3.24**	**2.30**	**0.51**	**-**	**2.81**	**0.43**	**0.94**

As at 31 March 2013

Asset description	Gross block				Amortisation				Net block	
	As at 31 March 2012	Additions	Disposals/ adjustments	As at 31 March 2013	Upto 31 March 2012	Amortisation for the year	In respect of disposals/ adjustments	Upto 31 March 2013	As at 31 March 2013	As at 31 March 2012
Computer Software	3.05	0.19	-	3.24	1.82	0.48	-	2.30	0.94	1.23
Total	**3.05**	**0.19**	**-**	**3.24**	**1.82**	**0.48**	**-**	**2.30**	**0.94**	**1.23**

Note 13.3 Capital work in progress comprises

Particulars	As at 31 March 2014	As at 31 March 2013
- Plant and machinery	0.17	174.27
- Erection and commissioning charges	-	16.43
- Development cost	-	5.29
- Borrowing cost	-	4.48
- Salaries, wages and bonus	0.62	2.22
- Legal and professional charges	1.10	1.80
- Project consultancy expenses	0.64	0.64
- Travelling expenses	0.05	0.19
- Rates and taxes	0.59	0.59
- Miscellaneous expenses	0.08	0.09
Total	**3.25**	**206.00**

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Note 14.1 Non-current investments (valued at cost unless otherwise stated)

	No.	As at 31 March 2014	No.	As at 31 March 2013
Other than trade investments (Unquoted)				
Equity shares				
Fully paid up equity shares of ₹ 10 each				
Ritspin Synthetics Limited	1,500,000	1.50	1,500,000	1.50
Less: Provision for diminution in the value of long term investments		(1.50)		(1.50)
Aggregate book value of unquoted investments		**-**		**-**

Note 14.2 Current investments

	No.	As at 31 March 2014	No.	As at 31 March 2013
Current investments (at the lower of cost and fair value)				
A) Equity shares, quoted				
Fully paid up equity shares of ₹ 10 each				
Optel Telecommunications Limited	52,501	0.37	52,501	0.37
Sanghi Polyesters Limited	708,400	2.34	708,400	2.34
Reliance Industries Limited	10	-*	10	-*
Fully paid up equity shares of ₹ 5 each				
Balasore Alloys Limited	72,601	0.17	72,601	0.17
Fully paid up equity shares of 1 Baht each				
Indorama Ventures Public Company Limited, Thailand	7,509,200	0.83	60,409,200	6.65
		3.71		**9.53**
B) Preference shares, quoted				
Fully paid up preference shares of ₹ 10 each				
0.01% Cumulative redeemable preference shares				
JSW Ispat Steel Limited	892,000	0.89	892,000	0.89
Less: Provision for diminution in the value of current investments		0.41		0.12
		0.48		**0.77**
C) Government securities, unquoted				
National Savings Certificates VIth issue				
(pledged with sales tax authorities)		- **		- **
		4.19		**10.30**

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

	As at 31 March 2014		As at 31 March 2013	
	Aggregate Book Value	Market Value/ Net Asset Value#	Aggregate Book Value	Market Value/ Net Asset Value#
Additional disclosures for current investments:				
Quoted investments				
- Equity shares	3.71	31.79	9.53	262.13
- Preference shares	0.48	0.48	0.77	0.77
	4.19	**32.27**	**10.30**	**262.90**
Book value of unquoted investments	- **		- **	
Aggregate diminution in the value of current investments	0.41		0.12	

* ₹ 7,780 (previous year ₹ 7,780)

** ₹ 4,000 (previous year ₹ 4,000)

\# Excluding for equity shares of Sanghi Polyesters Limited and Optel Telecommunications Limited in respect of which market value are not available

Note 15.1 Long-term loans and advances

	As at 31 March 2014	As at 31 March 2013
To parties other than related (unsecured)		
Considered good :		
Capital advances	3.84	3.84
Security deposits	1.91	1.93
Other loans and advances :		
Surrender value of keyman insurance	4.05	3.40
MAT credit entitlement (refer note 42)	57.91	61.86
Advance tax [net of provision ₹ 106.42 Crores (previous year ₹ 70.86 Crores)]	9.92	13.03
Prepaid expenses	1.95	2.14
Others	0.48	0.20
	80.06	**86.40**
Considered doubtful :		
Advances to vendors	1.75	0.26
Less : Provision for doubtful advances	1.75	0.26
	-	**-**
	80.06	**86.40**

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Note 15.2 Short-term loans and advances

	As at 31 March 2014	As at 31 March 2013
To parties other than related (unsecured)		
Considered good :		
Others :		
Customs and excise duty	57.40	87.79
Prepaid expenses	5.23	5.88
Advances to vendors	17.43	17.63
Advances to employees	0.98	1.02
	81.04	**112.32**

Note 16.1 Other non-current assets

	As at 31 March 2014	As at 31 March 2013
Claims and other receivables	7.61	19.61
	7.61	**19.61**

Note 16.2 Other current assets

	As at 31 March 2014	As at 31 March 2013
Claims and other receivables	134.95	125.91
Forward cover receivable (net)	23.89	21.11
Unearned income	0.33	-
Unbilled revenue	10.14	-
Interest accrued on deposits and others	1.49	1.77
	170.80	**148.79**

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Note 17 Inventories

	As at 31 March 2014	As at 31 March 2013
Raw materials [include in transit ₹ 101.67 Crores (previous year ₹ 62.78 Crores)]*	201.28	122.85
Work- in-progress *	10.01	8.78
Finished goods [include in transit ₹ 14.57 Crores (previous year ₹ 13.62 Crores)]*	60.73	152.36
Stores and spares [include in transit ₹ Nil (previous year ₹ 0.03 Crores)]#	19.15	16.01
Packing material #	1.97	2.96
Waste $	0.47	0.64
	293.61	**303.60**
* valued at the lower of cost and net realisable value. The finished goods and raw materials were reduced by ₹ 1.17 Crores (previous year ₹ 10.85 Crores) and Nil (previous year ₹ 9.83 Crores) respectively on account of net realisable value being lower than the cost.		
# valued at cost or under.		
$ at realisable value.		
Additional disclosures regarding inventories		
Raw materials		
Purified Terepthalic Acid	88.87	63.31
Mono Ethylene Glycol	101.17	48.79
Others	11.24	10.75
	201.28	**122.85**
Work-in-progress		
Polyester Staple Fibre	3.87	3.67
Polyester Filament Yarn	3.41	3.71
Draw Texturised Yarn	2.72	1.39
Polyester Chips	0.01	0.01
	10.01	**8.78**
Finished goods		
Polyester Staple Fibre	25.63	56.99
Polyester Filament Yarn	9.82	38.66
Draw Texturised Yarn	25.28	56.71
	60.73	**152.36**

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Note 18 Trade receivables

	As at 31 March 2014	As at 31 March 2013
Unsecured, considered good		
- Receivables outstanding for a period exceeding six months from the date they became due for payment		
Unsecured, considered good	3.09	5.28
Unsecured, considered doubtful	2.66	-
	5.75	**5.28**
Less:- Provision towards doubtful debts	2.66	-
	3.09	**5.28**
- Other receivables, unsecured and considered good	111.07	82.25
	114.16	**87.53**

Note 19 Cash and bank balances

	Current	
	As at 31 March 2014	As at 31 March 2013
Cash and cash equivalents		
Balances with banks:		
- Current accounts	11.12	9.79
Fixed deposits with original maturity period of upto three months #	1.31	1.00
Cash on hand	0.21	0.10
Cheques in hand	1.05	-
	13.69	**10.89**
Other bank balances :		
Fixed deposits with banks with maturity period more than 3 months but upto 12 months #	29.89	25.65
Balances with banks:		
- Unpaid dividends *	0.36	0.42
Margin money accounts **	0.08	0.08
	30.33	**26.15**
	44.02	**37.04**

** Earmarked against the corresponding provision

Pledged with banks for credit limits

* Earmarked against the corresponding provision

** Pledged with banks for performance guarantees issued to government authorities on behalf of the Company

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Note 20 Revenue from operations

	For the year ended 31 March 2014	For the year ended 31 March 2013
Sale of products		
Finished goods	2,843.80	3,120.83
Traded goods	-	0.47
	2,843.80	3,121.30
Less: Excise duty	231.91	256.28
	2,611.89	**2,865.02**
Other operating revenue		
Scrap sales	8.67	10.16
VAT refund	24.82	30.63
Generation Based Incentive (GBI) by Indian Renewable Energy		
Development Agency Limited (refer note 44)	1.66	-
Others	3.00	4.32
	38.15	**45.11**
Revenue from operations (net)	**2,650.04**	**2,910.13**
Breakup of revenue from sale of products :		
Sale of finished goods		
Polyester Staple Fibre	1,488.18	1,561.18
Polyester Filament Yarn	557.10	873.60
Draw Texturised Yarn	761.82	649.96
Polyester Chips	4.48	23.21
Power	19.53	0.30
Waste	12.69	12.58
	2,843.80	**3,120.83**
Sale of traded goods		
Spandex	-	0.47
	-	**0.47**

Note 21 Other income

	For the year ended 31 March 2014	For the year ended 31 March 2013
Interest from customers and fixed deposits	11.12	11.45
Dividend income from current investments	2.88	10.46
Profit on sale of current investments	225.82	202.91
Foreign exchange fluctuation (previous year - refer note 46)	-	2.75
Gain on sale of fixed assets	-	1.52
Interest on insurance claim [previous year - refer note 40 (a)]	-	11.69
Capital creditors written back	4.19	-
	244.01	**240.78**

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Note 22 Cost of materials consumed

	For the year ended 31 March 2014	For the year ended 31 March 2013
Raw materials :		
Purified Terephthalic Acid	1,520.29	1,762.30
Mono Ethylene Glycol	561.77	621.49
Others	43.01	42.83
	2,125.07	**2,426.62**

Note 23 Purchase of stock-in-trade

	For the year ended 31 March 2014	For the year ended 31 March 2013
Traded goods		
Spandex	-	0.46
	-	**0.46**

Note 24 Changes in inventories of finished goods, work-in-progress and stock in trade

	As at 31 March 2014	As at 31 March 2013	Decrease / (Increase) during the year ended 31 March 2014
Inventories at the end of the year			
- Finished goods	60.73	152.36	91.63
- Work-in-progress	10.01	8.78	(1.23)
- Waste	0.47	0.64	0.17
	71.21	**161.78**	**90.57**
Inventories at the beginning of the year			**31 March 2013**
- Finished goods	152.36	160.44	8.08
- Work-in-progress	8.78	9.09	0.31
- Waste	0.64	0.71	0.07
	161.78	**170.24**	**8.46**
Decrease / (increase) during the year	**90.57**	**8.46**	

Note 25 Employee benefits expense

	For the year ended 31 March 2014	For the year ended 31 March 2013
Salaries, wages and bonus	72.53	68.78
Leave benefits	1.90	1.67
Gratuity	1.38	1.80
Contribution to provident and other funds	4.98	5.04
Workmen and staff welfare expenses	4.57	3.95
	85.36	**81.24**

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Note 26 Other expenses

	For the year ended 31 March 2014		For the year ended 31 March 2013	
Consumption of stores and spares		30.52		27.11
Packing materials consumed		41.40		46.38
Power and fuel		148.56		159.50
Freight and forwarding charges	89.54		99.19	
Less : Recovery	54.40	35.14	55.38	43.81
Rent and hire charges		4.76		5.04
Rates and taxes		3.14		3.33
Insurance	2.03		2.42	
Less: Recovery	1.26	0.77	1.45	0.97
Repairs and maintenance:				
- plant and machinery		17.48		17.40
- buildings		1.59		1.64
- others		5.58		5.95
Brokerage and commission on sales (other than to sole selling agents)		8.43		8.80
Cash discounts and claims		2.47		2.36
Directors' sitting fee		0.08		0.07
Auditors' remuneration:				
- as auditors		0.67		0.43
- for tax audit		0.06		0.06
- for other services		0.09		0.28
- for reimbursement of out of pocket expenses		0.04		0.02
Donations		0.07		0.12
Provision for doubtful debts and advances		4.15		-
Provision for diminution in the value of current investments		0.29		0.12
Loss on discard / disposal of fixed assets		0.19		-
Legal and professional charges		7.07		4.46
Decrease in excise duty on stocks of finished goods and waste		(8.83)		(1.31)
Miscellaneous expenses		27.25		26.12
		330.97		**352.66**

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Note 27 Finance costs

	For the year ended 31 March 2014		For the year ended 31 March 2013	
Interest	40.82		36.18	
Less: Capitalised/transferred to capital work-in-progress	5.24	35.58	4.47	31.71
Bank charges		14.15		12.81
		49.73		**44.52**

Note 28 Earnings per equity share (EPS)

	For the year ended 31 March 2014	For the year ended 31 March 2013
Net (loss)/profit as per Statement of Profit and Loss	(13.55)	40.26
Number of equity shares of ₹ 10 each at the beginning of the year	151,822,242	151,822,242
Number of equity shares of ₹ 10 each at the end of the year	151,822,242	151,822,242
Weighted average number of equity shares of ₹ 10 each at the end of the year for calculation of basic and diluted EPS	151,822,242	151,822,242
Basic and diluted earnings per share (in ₹) (Per share of ₹ 10 each)	**(0.89)**	**2.65**

Note 29 CIF value of imports

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Raw materials	1,625.84	1,499.16
Packing material	-	0.15
Stores and spares	9.06	6.15
Capital goods	0.52	3.66

Note 30 Expenditure in foreign currency (accrual basis)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Travelling	1.29	1.78
Commission	2.29	2.88
Interest	6.06	10.11
Others	0.75	0.12

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Note 31 Value of raw materials, stores and spares and packing materials consumed:

Particulars	Percentage of total consumption (%)		Value	
	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2014	For the year ended 31 March 2013
Raw materials				
Imported	76	68	1,615.95	1,654.61
Indigenous	24	32	509.12	781.01
Total	**100**	**100**	**2,125.07**	**2,426.62**
Stores and spares				
Imported	20	22	6.19	6.00
Indigenous	80	78	24.33	21.11
Total	**100**	**100**	**30.52**	**27.11**
Packing materials				
Imported	1	-	0.21	0.12
Indigenous	99	100	41.19	46.26
Total	**100**	**100**	**41.40**	**46.38**

Note 32 Net dividend remitted in foreign exchange

	For the year ended 31 March 2014	For the year ended 31 March 2013
Period to which dividend relates to	2012-13	2011-12
Number of non-resident shareholders (Nos.)	3	3
Number of equity shares held on which dividend was due (Nos.)	48,894,465	48,894,465
Amount remitted USD 729,927 and JPY 8,768,080 (Previous year USD 778,138 and JPY 7,489,350) (₹ in Crores)	4.89	4.89

Note 33 Earnings in foreign currency (accrual basis)

	For the year ended 31 March 2014	For the year ended 31 March 2013
F.O.B. value of exports	685.62	749.86
Dividend	2.88	10.46
Sale of current investments (Gross consideration)	241.86	208.07

Note 34 Disclosure pursuant to Accounting Standard 15 on "Employee Benefits"

Defined contribution plans

An amount of ₹ 4.98 Crores (Previous year ₹ 4.47 Crores) for the year has been recognised as an expense in respect of the Group's contributions towards Provident Fund which is deposited with the government authorities and has been included under employee benefit expenses in the Statement of Profit and Loss.

Defined benefit plans

Gratuity is payable to all eligible employees of the Group on superannuation, death or permanent disablement in terms of the provisions of the Payment of Gratuity Act or as per the Group's Scheme, whichever is more beneficial.

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

The following table sets forth the status of the gratuity plan of the Group and the amounts recognised in the Balance Sheet and Statement of Profit and Loss:

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Changes in present value of obligation		
Present value of obligation as at the beginning of the year	**12.01**	**11.26**
Interest cost	1.00	0.93
Current service cost	0.99	1.07
Past service cost	-	-
Benefits paid	(0.78)	(1.06)
Actuarial (gain) / loss on obligation	(0.61)	(0.19)
Present value of obligation as at end of the year	**12.61**	**12.01**
- Long term	11.73	9.91
- Short term	0.88	2.10
	12.61	**12.01**
Expenses recognised in the Statement of Profit and Loss		
Current service cost	0.99	1.07
Past service cost	-	-
Interest cost on benefit obligation	1.00	0.93
Net actuarial (gain) / loss recognised in the year	(0.61)	(0.19)
Gratuity expense eligible for capitalisation	-	(0.01)
Expenses recognised in the Statement of Profit and Loss	**1.38**	**1.80**

The principal assumptions used in determining gratuity for the Group's plans are shown below:

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Discounting rate	8.30%	8.30%
Salary Escalation Rate (per annum)	5%	5%
Withdrawal rates		
Age- Upto 30 years	3%	3%
31-44 years	2%	2%
Above 44 years	1%	1%
Mortality table	IALM (2006-08)	IALM (1994-96)

Discounting Rate: The discount rate is estimated based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligation.

Salary Escalation Rate: The estimates of salary increases, considered in actuarial valuation, take account of inflation, promotion and other relevant factors.

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Note 35 Segmental information:

(a) Information about primary business segment

The primary reporting of the Group has been performed on the basis of business segments. The Group is organised into two business segments – (a) Polyester (b) Renewable energy. Segments have been identified and reported based on the nature of the products/services, the risks and returns, the organisation structure and the internal financial reporting system.

For the year ended 31 March 2014

Particulars	Polyester	Renewable Energy	Total
Revenue			
Segment revenue (net of excise)	2,592.63	19.26	2,611.89
Other operating income	36.49	1.66	38.15
Total revenue	**2,629.12**	**20.92**	**2,650.04**
Results			
Segment (loss)/profit	**(134.54)**	**9.13**	**(125.41)**
Unallocated income (other than interest income)			232.89
Profit/(loss) before interest, taxation and exceptional items			**107.48**
Interest expense			(49.73)
Interest income			11.12
Profit/(loss) before taxation and exceptional items			**68.87**
Exceptional items Foreign exchange fluctuation			(99.51)
Net loss before tax			**(30.64)**
Income taxes			(17.09)
Net loss after tax			**(13.55)**
Segment assets	1,762.15	235.01	1,997.16
Unallocated corporate assets			72.01
Total assets			**2,069.17**
Segment liabilities	605.75	11.13	616.88
Unallocated corporate liabilities			864.95
Shareholder's funds			587.34
Total liabilities			**2,069.17**
Capital expenditure (net)	30.02	16.42	46.44
Depreciation and amortisation	135.12	8.36	143.48

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

For the year ended 31 March 2013

Particulars	Polyster	Renewable Energy	Total
Revenue			
Segment revenue (net of excise)	2,865.02	-	2,865.02
Other operating income	45.11	-	45.11
Total revenue	**2,910.13**	**-**	**2,910.13**
Results			
Segment profit/ (loss)	**(116.32)**	**(0.99)**	**(117.31)**
Unallocated income (other than interest income)			229.33
Profit/(loss) before interest, taxation and exceptional items			**112.02**
Interest expense			(44.52)
Interest income			11.45
Profit/ (loss) before taxation and exceptional items			**78.95**
Exceptional items			
Foreign exchange fluctuation			(39.26)
Net profit before tax			**39.69**
Income taxes			(0.57)
Net Profit after tax			**40.26**
Segment assets	1,889.71	212.19	2,101.90
Unallocated corporate assets			85.19
Total assets			**2,187.09**
Segment liabilities	611.30	0.78	612.08
Unallocated corporate liabilities			947.26
Shareholder's funds			627.75
Total liabilities			**2,187.09**
Capital expenditure (net)	47.62	209.62	257.24
Depreciation and amortisation	157.99	0.01	158.00

(b) Information on secondary/ geographical segment

The Group sells polyster products to various manufacturers within the country and also exports to other companies. Further, the Group sells renewable energy to State Government of Maharashtra. Considering the size and proportion of exports to local sales, the Group considers sales made within the country and exports as two geographical segments. Information of geographical segment is based on the geographical location of the customers.

Particulars	2013-14	2012-13
Segment revenue		
Domestic	1,945.54	2,130.82
Overseas	704.50	779.31
Total	**2,650.04**	**2910.13**
Segment debtors		
Domestic	72.65	56.55
Overseas	41.51	30.98
Total	**114.16**	**87.53**

Note: The Group has common assets for producing goods for domestic and overseas markets. Hence, separate figures for other assets/additions to other assets cannot be furnished.

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

(c) Accounting policies for segment

The accounting principles consistently used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments are as set out in this schedule on significant accounting policies. In addition, the accounting policies in relation to segment accounting are as follows:

(i) Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of fixed assets, capital work in progress, current and non-current assets and long term and short term loans and advances except advance tax, MAT credit entitlement and investments. Segment liabilities include all operating liabilities in respect of a segment and consist principally of creditors and accrued liabilities. Segment liabilities do not include share capital, reserves, share warrants, borrowings, proposed dividend, provision for tax and deferred tax liability.

(ii) Segment revenue and expenses

Segment revenue and expenses are directly attributable to the segment and have been allocated to various segments on the basis of specific identification. However, segment revenue and expenses do not include interest and other income/expense in respect of non segmental activities.

Note 36 Related party disclosures

(i) Related parties where control exists: Nil

(ii) Other related parties with whom Group had transactions:

(a)	Key management personnel and their relatives	Mr. Mohan Lal Lohia, Chairman Emeritus
		Mr. Om Prakash Lohia, Chairman and Managing Director ('CMD')
		Mr. Vishal Lohia, Whole Time Director ('WTD')
		Mr. Ashok Jagjivan Gupta (Executive Director till 30 June 2013)
		Mr. Anant Kishore (Executive Director with effect from 8 August 2013)
		Mr. R Narayan Kumar (Executive Director till 31 October 2013)
		Mr. Sanjay Syal (Director with effect from 31 October 2013)
		Mrs. Urmila Lohia, wife of CMD
		Mr. Aloke Lohia, Brother of CMD
		Mrs. Ritika Kumar, Daughter of CMD
		Ms. Aruna Goenka, Sister of CMD
		Mrs. Rimple Lohia, Wife of WTD
(b)	Enterprises over which key management personnel or their relatives have significant influence	Indo Rama Petrochem Limited (IRPL), Thailand
		T P T Petrochemicals PCL (TPT Petro), Thailand
		P.T. Indo Rama Synthetics TBK, Jakarta
(c)	Enterprises having significant influence	Brookgrange Investments Limited

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

(iii) Transactions with related parties for the year ended 31 March 2014:

Particulars	Key Management Personnel	Enterprises over which key management personnel or their relatives have significant influence	Enterprises having significant influence	Total
Purchases of raw material				
- IRPL		562.50		562.50
		(331.93)		(331.93)
- TPT Petro		346.07		346.07
		(505.81)		(505.81)
Sale of Finished goods and spares				
P T Indo Rama Synthetics, TBK		0.03		0.03
		(2.01)		(2.01)
Managerial remuneration *				
- Mr. Om Prakash Lohia	2.55			2.55
	(2.49)			(2.49)
- Mr. Vishal Lohia	1.89			1.89
	(1.72)			(1.72)
- Mr. Ashok Jagjivan Gupta	0.42			0.42
	(0.29)			(0.29)
- Mr. Anant Kishore	0.58			0.58
	(-)			(-)
- Mr. R Narayan Kumar	0.96			0.96
	(1.00)			(1.00)
- Mr. Sanjay Syal	0.29			0.29
	(-)			(-)
Dividend paid/ Proposed dividend				
- Brookerange Investments Limited			4.33	4.33
			(4.33)	(4.33)
- Mr. Om Prakash Lohia	3.50			3.50
	(3.51)			(3.51)
- Mrs. Urmila Lohia	1.59			1.59
	(1.59)			(1.59)
- Others	0.73			0.73
	(0.30)			(0.30)
Balances outstanding as at the year end:				
- IRPL (Trade payable)		148.16		148.16
		(112.47)		(112.47)
- TPT Petro (Trade payable)		66.54		66.54
		(78.10)		(78.10)
- P T Indo Rama Synthetics (Trade receivable)		0.03		0.03
		(2.01)		(2.01)

* Excludes expenditure towards retirement benefits and compensated absences since the same is based on actuarial valuation for the Group as a whole.

Note: Previous year figures have been given in brackets.

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

(All amounts in ₹ Crores, unless otherwise stated)

Note 37 Long-term obligations

The Group has taken office space on operating lease. The lease rentals charged during the year in respect of cancellable and non cancellable operating leases and maximum obligations on long term non-cancellable operating lease payable as per the rentals stated in the agreement are as follows:

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Lease rental expense	4.75	5.03

	Total future minimum lease rentals payable as on 31 March 2014	Total future minimum lease rentals payable as on 31 March 2013
Within one year	1.68	1.67
Later than one year and not later than five years	5.64	6.67
Later than five years	-	0.64
Total	**7.32**	**8.98**

Note 38 Contingent liabilities and commitments (to the extent not provided for)

Contingent liabilities:

- Claims against the Group not acknowledged as debts.

Particulars	As at 31 March 2014	As at 31 March 2013
Excise / customs / service tax matters in dispute/ under appeal	63.19	303.61
Income tax matters in dispute/ under appeal	15.52	17.53
Sales tax matters in dispute/ under appeal	6.46	6.07
Claims by ex-employees, vendors, customers and civil cases	0.71	0.61

- In respect of the Custom duty claims amounting to ₹ 214.25 Crores against the Group, favourable orders have been received from the Central Excise and Custom Appellate (CESTAT). The matter is presently pending with the Honorable Supreme Court. The Group strongly believes that, on final settlement, it will not result into any significant adverse impact on the Group.

- Commitments:

  a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 10.82 Crores (previous year ₹ 15.26 Crores).

  b) On 25 January 2012, the Group has entered into a memorandum of understanding ('MOU') with Indorama Ventures PCL, Thailand, for manufacturing of Purified Terepthalic Acid (PTA) and downstream products Polyethylene (PET) and Polyester Staple Fiber (PSF). As a part of the above process, the Group has entered into a Memorandum of Understanding (MOU) with Government of Tamil Nadu to set up the above project. The project continues to be at an initial stage of conceptualization.

  c) The Group has commitments to export 264,077 MT (previous year 343,010 MT) of finished goods over a period of three years pursuant to import of duty free material under advance license scheme.

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

d) During the current year, L&T Infrastructure Finance Company Limited, has imposed a penal interest of ₹ 1.10 Crores (previous period ₹ Nil) for non creation of securities as per the terms of loan agreement. The Group is in discussion with lender for waiver of the penal interest. The Group is of the view that the penal interest would not ultimately be payable and the security has hence been created.

e) The Group is in the process of finalising a compensation arrangement with its workers union for the past few years starting November 2011 and the matter is pending with the Labour Court of Nagpur. During the current year, the Group has received an interim order from the Court to pay an interim increment w.e.f. November 2013. Pending disposal of the matter, the final amounts are not ascertainable and differential, if any, would be adjusted in the year of settlement.

Note 39 Derivative instruments and unhedged foreign currency exposure

(a) Foreign currency forward contracts outstanding:

Purpose	As at 31 March 2014		As at 31 March 2013	
	USD Millions	INR Crores	USD Millions	INR Crores
Hedging of expected future exports (Sell)	141.35	846.82	139.15	755.32
Hedging of underlying imports (Buy)	25.15	150.68	-	-

(b) Particulars of unhedged foreign currency exposure:

Particulars	Currency	As at 31 March 2014			As at 31 March 2013		
		Amount in foreign currency (Millions)	Exchange rate (in absolute rupees)	Amount (in ₹ Crores)	Amount in foreign currency (Millions)	Exchange rate (in absolute rupees)	Amount (in ₹ Crores)
Trade payables	USD	55.63	59.92	333.31	66.89	54.29	363.15
	Euro	0.02	82.28	0.16	0.02	69.53	0.12
	JPY	49.17	0.59	2.88	53.49	0.58	3.08
Advance from customers	USD	0.25	59.92	1.52	0.33	54.29	1.77
Loans (including interest payable)	USD	35.87	59.92	214.94	68.93	54.29	374.21
	Euro	13.76	82.28	113.23	20.74	69.53	144.22

Note 40 Insurance claim receivables:

(a) The Group had lodged claims with an insurance company for the loss of certain assets and loss suffered due to business interruption under loss of profit policy relating to a fire incidence at Butibori plant in 2007-08. Since the matter has been under dispute with the insurance company, as per the terms and conditions of the above policy, the Group has, during the previous years, initiated the arbitration process for a claim of ₹ 72.94 Crores for loss of business interruption and for the claim of ₹ 6.43 Crores for loss of assets. While the said matter was pending conclusion by the Arbitral Tribunal, the Group carried forward insurance recoverable (recorded in the financial year ended 31 March 2008) to the extent of ₹ 33.53 Crores (net of receipt/adjustment) as advances recoverable, without prejudice to its right to claims aggregating ₹ 79.37 Crores. On 1 August 2012, the Arbitral Tribunal has decided the matter in the favour of the Group with an award of ₹ 32.45 Crores (net off receipt/adjustment) and interest at 9% per annum from July 2008 till the date of payment. Pursuant to the above award, the Group had during the year 2012-13 recorded the interest receivable amounting to ₹ 11.69 Crores upto July 2012 (the date of order)

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

and aligned the carrying amount of insurance claim. The Insurance Company had filed an appeal in the Delhi High Court which is still sub-judice. Pending disposal by the High Court and as a matter of prudence, the Group has not recognised the interest for the period after July 2012.

(b) Consequent to an incident of fire during the year 2011-12, during the previous year, the Group had spent ₹ 7.58 Crores on refurbishment of the concerned plant and machinery, which has been recognised as a receivable under other current assets. During the current year, the management has submitted the claims to surveyor. The final report from the surveyor is awaited.

The Group strongly believes and is reasonably certain that it will be able to realise the above amounts in the normal course and, therefore, all the claims have been classified as current.

Note 41 Based on the information available, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures as required by section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006', are given below:

Sl. no.	Particulars	2013-14	2012-13
(i)	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
	- principal amount	*	*
	- interest thereon	-	-
(ii)	the amount of interest paid in terms of section 16, along with the amounts of the payment made to the suppliers beyond the appointed day:		
	- principal amount	**	**
	- interest thereon	-	-
(iii)	the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	#	#
(iv)	the amount of interest accrued and remaining unpaid	##	##
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

* ₹ 99 thousand (previous year ₹ 25 thousand)

** ₹ 396 thousand (previous year ₹ 306 thousand)

₹ 8 thousand (previous year ₹ 10 thousand)

₹ 84 thousand (previous year ₹ 77 thousand)

Note 42 The Group's business mainly comprises manufacture of polyester. During the current year, the Group has also commenced revenue operations from the renewable energy segment.

During the past few years, there has been significant volatility in raw material prices which are linked with crude oil prices and is subject to foreign exchange fluctuations. In comparison, the sales realisation in the industry has been slow in comparison to the raw material price variations. In addition, stiff competition in certain products, low capacity utilisation, high inflation, high interest rates and weakened rupee has resulted in a temporary phase of low operating margins/losses in the recent past and also accumulation of significant unabsorbed depreciation as per tax laws. However, the Group's products command a premium in the market due to cost competitiveness and quality standards and its premium product lines are operating at full capacity. The Group has internally assessed its position and the future outlook and has also initiated various measures including strategic steps to ensure profitable operations. To achieve the projected level of profitability, the Group is in the process of finalising plans to increase the capacity for its premium products

NOTES to the Consolidated Financial Statements for the year ended 31 March 2014

by making further investment in the product line and is also confident of the market demand for the increased production. These actions would be coupled with other initiatives which include cost saving measures, exploration of new markets especially exports, streamlined utilisation of export benefits, developing backward integration facilities towards producing certain key input materials. The Group is also arranging for funds to meet the above plans. Accordingly, the Group believes that considering the expected investment and resultant profitability over the next year and in future years, no provision is required for impairment of assets and is confident that the MAT Credits carried at the end of the year is fully recoverable.

Note 43 The Group had made an early application, since the year 2010-11, of Accounting Standard 30 "Financial Instruments- Recognition and Measurement", issued by the Institute of Chartered Accountants of India for accounting for forward exchange contracts taken for highly probable / forecast transactions, which are not covered by Accounting Standard 11. An amount of ₹ 10.40 Crores has been recognised as expense (previous year an income of ₹ 21.11 Crores) in the financial statements for the year ended 31 March 2014 and included in exceptional items as an adjustment on the said application of Accounting Standard 30.

Note 44 The Group has recognised other operating revenue amounting to ₹ 1.66 Crores towards Extension Scheme for Generation Based Incentive ('GBI') dated 4 September 2013 announced by Ministry of New and Renewable Energy ('MNRE').The implementation agency is Indian Renewable Energy Development Agency Limited ('IREDA'). The GBI would be available for wind turbines commissioned on or after 1 April 2012 and for grid connected wind power projects set up for sale of electricity to the grid, at a tariff notified by State Electricity Regulatory Commissions and /or State Government . Though the eligibility criteria for availing the benefits under the scheme were met during the year, the application for registration was made on 21 April 2014 and the registration was completed on 28 April 2014. Income has been recognised on the basis of eligibility as per the conditions of the scheme.

Note 45 During the current and previous year, due to significant volatility in the foreign currency vis-à-vis local currency, the Group has considered the foreign exchange fluctuation as an exceptional item in the Statement of Profit and Loss.

Note 46 Hitherto, the exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost, were treated as borrowing cost in terms of the Accounting Standard (AS)-16, "Borrowing Costs". During the year ended 31 March 2013, pursuant to a clarification dated 9 August 2012 from the MCA, the Group had changed the accounting policy, w.e.f from 1 April 2011 to treat the same as "foreign exchange fluctuation" to be accounted as per AS-11, "The Effects of Changes in Foreign Exchange Rates" instead of the "borrowing costs". This change had resulted into increase in other income by ₹ 2.75 Crores (pertaining to the year ended 31 March 2012) for the year ended 31 March 2013 and the depreciation for the year ended 31 March 2013 being higher by ₹ 0.15 Crores (pertaining to the year ended 31 March 2012).

Note 47 The figures relating to the previous year have been regrouped and reclassified wherever necessary to conform to the current year's classification.

As per our report attached to the balance sheet.
For B S R and Associates
Chartered Accountants
Firm registration number: 128901W

For and on behalf of the Board of Directors of **Indo Rama Synthetics (India) Limited**

Kaushal Kishore
Partner
Membership No.: 090075

Om Prakash Lohia
Chairman and Managing Director
DIN: 00206807

Ashok Kumar Ladha
Director
DIN: 00089360

Jayant K Sood
Company Secretary
ICSI Membership No.: FCS 4482

Sanjay Syal
President and Chief Financial Officer
ICAI Membership No.: 089091

Place : Gurgaon
Date : 20 May 2014

Place : Gurgaon
Date : 20 May 2014

INFORMATION RELATED TO SUBSIDIARIES INCLUDING SUBSIDIARIES OF SUBSIDIARIES:

(In terms of Government of India, Ministry of Corporate Affairs General Circular No. 2/2011, No:5/12/2007-CLIII dated 8 February 2011)

(₹ in Crores)

S.No.	Name of Subsidiary Company	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Loss(-)/ Profit Before Taxation	Provision for Taxation	Loss(-)/ Profit After Taxation	Proposed Dividend	Country
1	Indo Rama Renewables Limited	INR	36.99	-1.07	81.59	81.59	-	-	-0.63	-	-0.63	-	India
2	Indo Rama Renewables Jath Limited	INR	56.78	-5.19	226.74	226.74	-	20.92	-4.68	-	-4.68	-	India
3	Indo Rama Renewables Porbandar Limited	INR	0.05	-0.04	2.47	2.47	-	-	-0.02	-	-0.02	-	India
4	Indo Rama Renewables Ramgarh Limited	INR	0.05	-0.07	2.32	2.32	-	-	-0.04	-	-0.04	-	India

TEN YEARS AT A GLANCE

Financial Highlights

Year ended 31st March	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Sales & Other Income (₹/Million)	31,050	34,072	33,883	30,446	26,899	25,962	28,592	22,177	21,647	22,283
(Of which Exports Turnover) (₹/Million)	7,448	8,421	9,089	8,053	5,296	4,228	5,347	3,400	3,291	2,791
PBDIT (₹/Million) *	1,451	2,432	2,538	4,279	2,338	1,348	2,573	1,807	1,947	2,431
Finance costs (₹/Million)	352	445	612	697	770	1,138	1,029	396	295	389
Profit before Depreciation / Amortisation and Tax (₹/Million) *	1,099	1,987	1,926	3,582	1,568	210	1,544	1,411	1,652	2,043
Depreciation/DRE-W/O (₹/Million)	1,351	1,580	1,544	1,499	1,491	1,515	1,473	1,068	981	978
(Loss)/Profit before Tax (₹/Million)	(253)	407	382	2,083	76	(1,305)	71	343	672	1,065
(Loss)/Profit after Tax (₹/Million)	(82)	413	320	1,394	71	(978)	30	206	518	702
Earning/(Loss) per Share (₹)	(0.54)	2.72	2.11	9.18	0.47	(6.44)	0.20	1.57	3.93	5.33
Gross Fixed Assets (₹/Million)	32,505	32,235	31,696	30,542	30,327	30,723	30,109	28,060	20,734	20,737
Net Current Assets/ (Liabilities) (₹/Million)	854	1,049	840	829	316	(164)	1,360	54	(1,522)	307
Equity Capital (₹/Million)	1,518	1,518	1,518	1,518	1,518	1,518	1,518	1,318	1,318	1,318
Reserves & Surplus # (₹/Million)	4,419	4,566	4,475	4,477	3,569	3,636	4,817	5,273	5,357	5,433
Loan Funds (₹/Million)	5,110	5,660	5,872	6,085	8,711	10,134	10,961	9,418	5,609	5,765
Net Worth # (₹/Million)	5,937	6,287	6,196	6,198	5,087	5,154	6,335	6,591	6,675	6,746
Book Value/Share (₹)	39.11	41.41	40.82	40.83	33.51	34	42	50	51	51
Sales/Share Capital (Times)	20.45	22.45	22.32	20.06	17.72	17	19	16	16	17

*Including Exceptional items for 2013-14, 2012-13, 2011-12 and 2010-11

Includes Revaluation of Assets

Note: Figures of the previous year are regrouped wherever necessary.

NOTES

Marketing Offices

Bhilwara
Shop No. G1, G2,
Nakoda Textile Tower,
Trilok Marg - Gandhinagar,
Bhilwara-311001,
Rajasthan, India
Tel: 01482-248576
Telefax: 01482-248733

Coimbatore
Sarang, 1st Floor, 8/5,
Race Course Road,
Coimbatore-641 018,
Tamil Nadu, India
Tel: 0422-2220456
Fax: 0422-2220658

Erode
37/3, 'G Tower',
Perundurai Road,
Erode-638011,
Tamil Nadu, India
Telefax: 0424-2240847

Gurgaon
20th Floor, DLF Square,
DLF Phase-II,
NH-8, Gurgaon-122 002,
Haryana, India
Tel: 0124-499 7000
Fax: 0124-499 7070

Hyderabad
House No 12-1-1314-/A/5,
Laxmi Nagar,
North Lalaguda,
Secunderabad – 500 017
Andhra Pradesh, India

Kolkata
7-C, Kiran Shankar Roy Road,
Hastings Chambers, Ground Floor,
Room No-GX,
Kolkata-700001,
West Bengal, India

Ludhiana
B-XIX-122/2, 4th Floor, Golden Plaza,
The Mall Road,
Ludhiana-141 001,
Punjab, India
Tel: 0161-2442752 / 5045068

Madurai
No. 102 / G-1,
Kameshwara Apartment,
Sathya Sai Nagar Main Road,
Madurai-625003,
Tamil Nadu, India
Telefax: 0452-2694804

Mumbai
The Metropolitan, 6th Floor,
Bandra Kurla Complex, Bandra (East),
Mumbai-400 051,
Maharashtra, India
Tel: 022-26571234
Fax: 022-26571222

Panipat
L-572, Behind Ram Sharnam,
Model Town, Panipat-132103
Haryana, India

Silvassa
A/9, 1st Floor,
Gurukrupa Business Centre,
Opp. Kotak Mahindra Bank,
Vapi Main Road, Amli,
Silvassa-396230,
UT of Dadra & Nagar Haveli, India
Tel: 0260-2643416/17, 2644519

Surat
202, Trividh Chambers,
Opp. Fire Brigade Station,
Ring Road,
Surat-395 002,
Gujarat, India
Tel: 0261-2339368 / 2350701 / 2350687

Manufacturing complex

A-31, MIDC Industrial Area, Butibori,
Nagpur – 441122, Maharashtra, India.
Tel: 07104 - 663 000/01,
Fax: 07104 - 663 200

INDO RAMA
Synthetics (India) Limited

Corporate Office
20th Floor, DLF Square, DLF Phase II, NH 8, Gurgaon - 122002,
Haryana, India. Tel.: 91 124 4997000, Fax: 91 124 4997070
E-mail: corp@indorama-ind.com

Registered Office
A-31, MIDC Industrial Area, Butibori, Nagpur - 441122,
Maharashtra, India. Tel: 91 7104 663 000/01, Fax: 91 7104 66320

CIN: L17124MH1986PLC166615

www.indoramaindia.com

INDO RAMA SYNTHETICS (INDIA) LIMITED

Regd. Office: A-31, MIDC Industrial Area, Butibori, Nagpur - 441122, Maharashtra.
Tel.: 07104-663000 / 01 Fax: 07104-663200, CIN: L17124MH1986PLC166615
Email: investor-relations@indorama-ind.com Website: www.indoramaindia.com

NOTICE

NOTICE is hereby given that the 28th Annual General Meeting of the Members of Indo Rama Synthetics (India) Limited will be held on Friday, 1st August 2014, at 2:00 PM at the Registered Office of the Company at A-31, MIDC Industrial Area, Butibori, Nagpur - 441122, Maharashtra, to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt:
   (a) The audited financial statement of the Company for the financial year ended 31st March 2014, the reports of the Board of Directors and Auditors thereon; and
   (b) The audited consolidated financial statement of the Company for the financial year ended 31st March 2014.
2. To declare dividend on equity shares for the financial year ended 31st March 2014.
3. To appoint a Director in place of Mr. Mohan Lal Lohia (DIN: 00918397), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
4. To appoint M/s B S R and Associates, Chartered Accountants (ICAI Firm Registration No.128901W) as Statutory Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

5. **Appointment of Mr. Ashok Kumar Ladha (DIN: 00089360) as an Independent Director.**

   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 Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Ashok Kumar Ladha (DIN: 00089360), who was appointed as a Non-Executive Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 33rd Annual General Meeting of the Company in the calendar year 2019."

6. **Appointment of Mr. Suman Jyoti Khaitan (DIN: 00023370) as an Independent Director.**

   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 Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Suman Jyoti Khaitan (DIN: 00023370), who was appointed as a Non-Executive Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 33rd Annual General Meeting of the Company in the calendar year 2019."

7. **Appointment of Dr. Arvind Pandalai (DIN: 00352809) as an Independent Director.**

   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 Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Arvind Pandalai (DIN: 00352809), who was appointed as a Non-Executive Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 33rd Annual General Meeting of the Company in the calendar year 2019."

8. **Appointment of Mr. Anant Kishore (DIN: 05262142) as Director.**

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

   "RESOLVED THAT Mr. Anant Kishore (DIN: 05262142), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 8th August 2013, in terms of Section 161(1) of the Companies Act, 2013 (corresponding Section 260 of the Companies Act, 1956) and Article 120 of the

Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

9. **Appointment of Mr.Anant Kishore (DIN: 05262142) as Whole-time Director & CEO.**

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

   "RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the appointment of Mr. Anant Kishore (DIN: 05262142) as Whole-time Director & CEO of the Company, for a period of 3 (three) years with effect from 8th August 2013 to 7th August 2016, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice of convening this Meeting and also contained in the draft agreement to be executed between the Company and Mr. Anant Kishore, submitted to this meeting, which agreement be and is hereby specifically approved and sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board, previously Remuneration Committee) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Anant Kishore, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment there of;

   RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

10. **Ratification of Cost Auditors Remuneration.**

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

   "RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, if any, payment of Remuneration of Rs. 1,80,000/- (apart from reimbursement of out of pocket expenses and applicable taxes) to M/s. Balaji & Associates, Cost Accountants, New Delhi (Firm Registration No. 000112), who were appointed by the Board of Directors in their Meeting held on 20th May 2014, for conducting the audit of cost records of the Company for the financial year ending 31st March 2015, be and is hereby approved and ratified;

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Registered Office: **By Order of the Board of Directors**
A-31, MIDC Industrial Area
Butibori, Nagpur - 441122
Maharashtra **Jayant K Sood**
20th May 2014 ***Head-Corporate & Company Secretary***

NOTES:

1) The Register of Members and the Share Transfer books of the Company will remain closed from Friday, 25th July 2014 to Friday, 1st August 2014 (both days inclusive) for annual closing and determining the names of members eligible for dividend on eqity share, if declared at the meeting.

2) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

   A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

3) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at this Meeting.

4) Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of Companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, forms integral part of the Notice.

5) Explanatory Statement under Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

6) Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.

7) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

8) Dividend of Re.1/- per share has been recommended by the Board of Directors for the year ended 31st March 2014 and subject to approval of members at this Annual General Meeting, is proposed to be paid between 20th August 2014 to 25th August 2014.

9) Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the "Investor Education and Protection Fund" (IEPF) constituted by the Central Government. The Company had, accordingly, transferred ₹ 12,09,099/- being the unpaid and unclaimed dividend amount pertaining to the financial year 2005-06, on 6th August, 2013, to the Investor Education and Protection Fund of the Central Government.

   The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the members ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post, etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the unclaimed dividends for the financial years from 2006-07, as on the date of the 27th Annual General Meeting (AGM) held on 4th July, 2013, on the website of the IEPF, viz.;**www.iepf.gov.in** and under "Investor Relations" on the Website of the Company, viz.;**www.indoramaindia.com**

10) Members who have not en-cashed their dividend warrant(s), so far, are requested to make their claims to the Company. No claim shall lie against the Company or the said fund in respect of the amounts remaining unclaimed, once the unclaimed dividend is transferred to the Central Government.

11) Members holding shares in the electronic form are requested to intimate all changes with respect to their bank details, mandate, etc., to their respective Depository Participants (DPs). These changes will be automatically reflected in Company's records, which will help the Company to provide efficient and better service to the members.

12) Members holding shares in physical form, who have not yet provided the Bank details are once again requested to provide their latest Bank Account Number, Name of Bank and address of the Branch, quoting their Folio Number to the Company to enable the Company to print the Bank Account details on the Dividend Warrants. This would ensure safety in so far as the dividend warrant, if lost or misplaced, cannot be used for any other purpose except for depositing the same in the account specified on the dividend warrant.

13) To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participants and holdings should be verified.

14) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the Company.

15) Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc., from the Company electronically.

16) Electronic copy of the Annual Report for the financial year 2013-14 is being sent to all the members, whose email IDs are registered with the Company/Depository Participants(s) for communication purposes. For members who have not registered their email address, physical copies of the Annual Report for the financial year 2013-14 is being sent in the permitted mode.

17) Electronic copy of the Notice of the 28th Annual General Meeting of the Company, *inter-alia*, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 28th Annual General Meeting of the Company, *inter-alia*, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

18) Members may also note that the Notice of the 28th Annual General Meeting and the Annual Report for the financial year 2013-14 will also be available on the Company's website **www.indoramaindia.com** for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the members may also send requests to the Company's Investor email id: **investor-relations@indorama-ind.com**

19) Members who wish to obtain any information on the Company or view the Accounts for the financial year ended 31st March 2014, may visit the Company's website **www.indoramaindia.com** or send their queries at least 10 days before the Annual General Meeting, to the Company Secretary at the Corporate Office at 20th Floor, DLF Square, DLF Phase-II, NH-8, Gurgaon-122002, Haryana.

20) **Voting through electronic means:**

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, Indo Rama Synthetics (India) Limited, is offering e-voting facility to its members to exercise their right to vote at the 28th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

A. **In case a Member receives an email from NSDL:**

   (i) Open email and open PDF file, viz; "**Indorama e-Voting.pdf**" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that this password is an initial password.

   (ii) Launch internet browser by typing the following **URL: https://www.evoting.nsdl.com**

(iii) Click on Shareholder – Login

(iv) Put user ID and password as initial password noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of "e-voting" opens. Click on "e-Voting: Active Voting Cycles".

(vii) Select "EVEN" of Indo Rama Synthetics (India) Limited.

(viii) Now you are ready for "e-voting" as "Cast Vote" page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Institutional members (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., together with attested specimen signature of the duly authorized signatory(ies), who are authorized to vote, to the Scrutinizer through e-mail to **indoramascrutinizer@gmail com** or **evoting@indorama-ind.com** with a copy marked to **evoting@nsdl.co.in**

(xii) Once you have voted on the resolution, you will not be allowed to modify your vote.

B. **In case a Member receives physical copy of the Notice of AGM:**

(i) Initial User ID and Password is provided with the copy of this notice in separate slip.

(ii) Please follow all steps from Sl. No. A(ii) to Sl. No. A(xi) above, to cast vote.

II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the Downloads section of **www.evoting.nsdl.com**

III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.

IV. You can also update your mobile number and e-mail id in the user profile details of the folio, which may be used for sending future communication(s).

V. The e-voting period commences on 26th July 2014 (9:00 AM) and ends on 28th July 2014 (6:00 PM). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (Record Date), i.e., 20th June 2014, may cast their vote electronically. The 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.

VI. 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 (Record Date), i.e., 20th June 2014.

VII. Mr. Sandeep Kumar, B.A., LL.B, FCS, Practicing Company Secretaries (Membership No.FCS 5260) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

VIII. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

IX. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website **www.indoramaindia.com** and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited.

21) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection, at the Registered Office of the Company, during normal business hours (9:00 AM to 5:00 PM) on all working days (except on public holidays), upto the date of the Annual General Meeting.

1. EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM NO. 5

Mr. Ashok Kumar Ladha is Independent Director of the Company and has held the position as such for more than 5 (five) years.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement *inter-alia* stipulating the conditions for the appointment of Independent Director by listed Company.

Mr. Ladha retires by rotation at this Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. It is proposed to appoint Mr. Ashok Kumar Ladha as Independent Director under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to the conclusion of the 33rd Annual General Meeting of the Company in the calendar year 2019.

Mr. Ladha is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director.

The Company has received notice in writing from Member along with the deposit of requisite amount under Section160 of the Companies Act, 2013 proposing the candidature of Mr. Ashok Kumar Ladha for the office of Director of the Company.

The Company has also received declaration from Mr. Ladha that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Ladha fulfills the conditions for appointment as Independent Director as specified in the Companies Act, 2013 and the Listing Agreement. Mr. Ladha is independent of the management.

Brief resume of Mr. Ashok Kumar Ladha, nature of his expertise in specific functional areas and names of companies in which he hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, which is forming part of the Notice, as under:

Mr. Ashok Kumar Ladha has joined the Board of Directors of the Company on 14th June 1995. Mr. Ladha is Chairman of the Audit Committee, Nomination and Remuneration Committee (previously Remuneration Committee) and Stakeholders Relationship Committee (previously Investors' Grievance Committee) and Member of Banking & Finance Committee and Share Transfer Committee of the Board of Directors of the Company. Mr. Ladha is holding 17,713 equity shares of the Company.

Mr. Ladha, born on 15th April 1949, is a Commerce Graduate. He started his career with C.K. Birla Group Companies way back in 1966. He has extensive experience in various aspects of Management, viz., production, finance, marketing and general administration. He is currently the President-Corporate looking after the Corporate Affairs of C.K. Birla Group Companies.

Mr. Ladha is Director in the following public limited Companies:

i) Amer Investment Delhi Limited;
ii) Birlasoft Enterprises Limited;
iii) Birlasoft (India) Limited;
iv) C K Birla Corporate Services Limited;
v) Gwalior Finance Corporation Limited;
vi) Hindustan Discounting Co. Limited;
vii) Rajasthan Industries Limited; and
viii) V V A Finance Limited.

He is a Member of Audit Committees of Amer Investments (Delhi) Limited, Birlasoft Enterprises Limited and Birlasoft (India) Limited.

Copy of the draft letter for appointment of Mr. Ashok Kumar Ladha as Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Ladha as an Independent Director of the Company.

Except Mr. Ladha, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

The Board commends the Ordinary Resolution set out at Item No.5 of the Notice for approval by the members.

ITEM NO. 6

Mr. Suman Jyoti Khaitan is Independent Director of the Company and has held the position as such for more than 1 (one) year.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement *inter-alia* stipulating the conditions for the appointment of Independent Director by listed Company.

Mr. Khaitan retires by rotation at this Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. It is proposed to appoint Mr. Suman Jyoti Khaitan as Independent Director under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to the conclusion of the 33rd Annual General Meeting of the Company in the calendar year 2019.

Mr. Khaitan is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director.

The Company has received notice in writing from Member alongwith the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Suman Jyoti Khaitan for the office of Director of the Company.

The Company has also received declaration from Mr. Khaitan that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Khaitan fulfills the condition for appointment as Independent Director as specified in the Companies Act, 2013 and the Listing Agreement. Mr. Khaitan is independent of the management.

Brief resume of Mr. Suman Jyoti Khaitan, nature of his expertise in specific functional areas and names of companies in which he hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, which is forming part of the Notice, as under:

Mr. Khaitan has joined the Board of Directors of the Company on 30th January 2013. Mr. Khaitan is a Member of Audit Committee and Nomination and Remuneration Committee (previously Remuneration Committee) of the Board of Directors of the Company.

Mr. Khaitan born on 9th February 1959 and holds degree of BA (Hons) Eco., LL.B. He is a practicing Advocate in India since 1985. In 2004, he founded the law Firm, Suman Khaitan & Co. In January, 2007, he was appointed as a Notary. In 2008, he founded the law Firm, Khaitan & Partners. He has handled various legal matters including arbitration, banking, finance, foreign investment, insurance, infrastructure, intellectual property, litigation, real estate and provided legal advice to power, telecom and aviation projects, and advised organizations on business restructuring, schemes of amalgamations, demergers and takeovers, overseas acquisitions, finance, tax planning, family settlements and trusts. He has also appeared before parliamentary committees, making representations and proposals on proposed amendments to important corporate, commercial and important legislation. Mr. Khaitan regularly appears as lawyer in International and Domestic Arbitrations and has been appointed as the Sole Arbitrator by ICC Geneva. He is the Immediate Former President of PHDCCI, a Member of the Managing Committee of ASSOCHAM, the Chair of National Legal Affairs Council of ASSOCHAM, two leading Chambers of Commerce in India. He is also on the Managing Committee of Confederation of Indian Bar, ICC India, Indian Council of Arbitration, International Centre for Alternative Dispute Resolution and Society of Indian Law Firms.

Mr. Khaitan is Director in the following public limited Companies:

i) Hindustan Urban Infrastructure Limited;
ii) Jindal Stainless Limited;
iii) Lumax Industries Limited;
iv) Monnet Power Company Limited;
v) Oriental Carbon & Chemicals Limited; and
vi) Skipper Electricals (India) Limited.

He is a Chairman of Audit Committee, Remuneration Committee and Members' / Investors' Grievance Committee of Jindal Stainless Limited. He is also Member of Share Transfer Committee, Compensation Committee and Sub-Committee of Directors of Jindal Stainless Limited.

He is a Member of Remuneration Committee and Investor/ Shareholders Grievance Committee of Hindustan Urban Infrastructure Limited.

Mr. Khaitan does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Copy of the draft letter for appointment of Mr. Suman Jyoti Khaitan as Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Khaitan as an Independent Director of the Company.

Except Mr. Khaitan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

The Board commends the Ordinary Resolution set out at Item No.6 of the Notice for approval by the members.

ITEM NO. 7

Dr. Arvind Pandalai is Independent Director of the Company and has held the position as such for more than 5 (five) years.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement *inter-alia* stipulating the conditions for the appointment of Independent Director by listed Company.

Dr. Pandalai retires by rotation at this Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. It is proposed to appoint Dr. Arvind Pandalai as Independent Director under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to the conclusion of the 33rd Annual General Meeting of the Company in the calendar year 2019.

Dr. Pandalai is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director.

The Company has received notice in writing from Member alongwith the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Dr. Arvind Pandalai for the office of Director of the Company.

The Company has also received declaration from Dr. Pandalai that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Dr. Pandalai fulfills the condition for appointment as Independent Director as specified in the Companies Act, 2013 and the Listing Agreement. Dr. Pandalai is independent of the management.

Brief resume of Dr. Arvind Pandalai, nature of his expertise in specific functional areas and names of companies in which he hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, which is forming part of the Notice, as under:

Dr. Arvind Pandalai has joined the Board of Directors of the Company on 20th July 2009. Dr. Pandalai is a Member of Audit Committee, Nomination and Remuneration Committee (previously Remuneration Committee) and CSR Committee of the Board of Directors of the Company.

Dr. Pandalai born on 10th May 1949 and holds degree of B.Sc. (Chem), MBA & PH.D. Dr. Pandalai having an experience of 42 years and retired as Chairman-cum-Managing Director of State Trading Corporation of India Ltd., New Delhi. He has specialization in the areas of international trade, project management, joint ventures, financial management, strategic management, market research, counter trade and offset trade, etc. He has experience in global trade in bulk commodities through linkages with major international companies, banking and financial institutions, commodity exchanges & ECGC, etc., and has been associated with various prestigious academic and professional bodies / institution.

Dr. Pandalai is Director in the following public limited Companies:

i) Keventer Agro Limited;
ii) K. S. Oils Limited;
iii) Indo Rama Renewables Limited;
iv) Indo Rama Renewables Jath Limited;
v) Indo Rama Renewables Porbandar Limited; and
vi) Indo Rama Renewables Ramgarh Limited

Dr. Pandalai does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Copy of the draft letter for appointment of Dr. Arvind Pandalai as Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. Pandalai as an Independent Director of the Company.

Except Dr. Pandalai, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

The Board commends the Ordinary Resolution set out at Item No.7 of the Notice for approval by the members.

ITEM NOS. 8 & 9

The Board of Directors of the Company at its meeting held on 8th August 2013 had appointed Mr. Anant Kishore as an Additional Director, as per Article 120 of the Articles of the Association of the Company, with effect from 8th August 2013 and as such he holds office upto the date of this Annual General Meeting. A notice has been received from a member proposing Mr. Kishore as a candidate for the office of Director of the Company.

Mr. Anant Kishore has also been appointed as Whole-time Director & CEO of the Company for three (3) years effective from 8th August 2013, by the Board of Directors of the Company at their meeting held on 8th August 2013, on the terms and conditions including remuneration as specified in the draft agreement to be executed between him and the Company.

Brief resume of Mr. Anant Kishore, nature of his expertise in specific functional areas and names of companies in which he hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, which is forming part of the Notice, as under:

Mr. Kishore, born on 29th September 1947, is a B.Sc., (Chem. Engg.), PGDB & IM and has extensive working experience of more than 41 years in Polyester Industry. He had been associated with Indorama India and Indonesia for nearly 20 years besides working in Reliance, JCT and JK & Birla Groups. The entire Indorama's Indonesian Polyester plant was set up by him way back in early 90's by putting 3 Nos. Continuous polymer lines, each producing Polyester Fibres, Filament & PET Bottle Resin. He has also been associated with Reliance Polyester expansion project at Hazira in late 90's. Besides above, he has a wide range of work experience which includes Operations, Manufacturing, Business & Projects. He is also involved in setting-up a world scale Petrochemical Unit promoted as JV Unit of Indo Rama India & IVL, coming up at Tamil Nadu for manufacture of PTA, PET & PSF. During 15 years of his tenure at Indorama India, he had served as Project Head, Plant Head and Business Head & COO before being elevated as Whole-time Director & CEO. Mr. Kishore would be responsible for the overall business operations and affairs of the Company.

Mr. Kishore is not a Director in any other Company. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Kishore as a Whole-time Director & CEO.

The Abstract dated 8th August 2013 pursuant to Section 302 of the Companies Act, 1956 (corresponding to Section 190 of the Companies Act, 2013) was circulated to the Members.

The remuneration payable to Mr. Kishore, as approved by the Nomination & Remuneration Committee (previously Remuneration Committee) of the Directors of the Company in pursuance to the Schedule V of the Companies Act, 2013 (corresponding to the Schedule XIII of the Companies Act, 1956) is as under:

1. **Salary:** ₹ 3,00,000/- per month.
2. **Allowances:**
   i) **House Rent Allowance:** Company shall reimburse actual House Rent paid by Mr. Kishore, subject to maximum limit of ₹1,50,000/- per month.
   ii) **Special Allowance:** Special Allowances of ₹ 24,00,000/- per annum.
   iii) **Special Pay:** Special Pay of ₹ 7,20,000/- per annum.
3. **Perquisites**:
   i) **Medical Reimbursement:** Reimbursement of medical expenses incurred for self and family upto ₹ 1,250/- per month or ₹ 15,000/- per annum.
   ii) **Leave Travel Concession:** Leave Travel Allowance for self and family once in a year to and fro any place in India or abroad upto ₹ 17,142/- per month or ₹ 2,05,704/- per annum, as per the Rules of the Company.
   iii) **Annual Performance Bonus:** Performance Bonus as may be decided by the Board/Committee of Directors subject to a maximum of ₹40,00,000/- per annum.
   iv) **Telephone usage:** Telephone and internet, fax at residence will be provided by the Company for official use.
   v) **Conveyance:** Use of Company's maintained car(s) with driver(s).

      Explanation: Provision of car for use on the Company's business and Telephone / Fax at residence will not be considered in computing the value of perquisite(s).
   vi) **Medi-claim Insurance for self and spouse:** As per Company Policy.
   vii) **Group Personal Accident Insurance:** As per Company Policy.

      Note: All the above perquisites shall be interchangeable, i.e., any excess in a particular perquisite may be permissible by a corresponding reduction in one or more of the other perquisite(s).
4. **Retirement Benefit:** In addition to the perquisites as aforesaid, Mr. Kishore, shall also be entitled to the following annual benefits forming part of his remuneration:
   (a) **Provident Fund**:Company's Contribution towards Pro-vident Fund shall be as per the Rules of the Company, i.e., @ 12% of the Basic Salary.
   (b) **Gratuity**: Payable at a rate not exceeding half month's salary for each Completed year of service as per Rules of the Company.

5. **Leave:** As per rules of the Company but not exceeding one month's leave with full salary for every 11 months of service.

   Leave accumulated but not availed during the tenure as Whole-time Director & CEO may be allowed to be encashed at the end of tenure as per the Rules of the Company.
6. **Reimbursement of Expenses**: Reimbursement of all entertainment, travelling, hotel and other expenses incurred by Mr. Kishore during the course of his employment in connection with the business of the Company.
7. **Sitting Fee:** No sitting fee shall be paid to Mr. Kishore for attending the Meetings of Board of Directors of the Company or any Committees thereof.
8. **Minimum Remuneration:** In the event of inadequacy or absence of profits in any financial year during his tenure, Mr. Anant Kishore will be entitled to the above remuneration along with the perquisites/benefits mentioned above as and by way of minimum remuneration in accordance with the applicable provision of Schedule V of the Companies Act, 2013 (Correspoding schedule XIII of the companies Act, 1956) and subject to the approvals of the Central Government, if required.

Except Mr. Kishore, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item Nos. 8 & 9. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

The Board commends the special resolution in relation to appointment of Mr. Anant Kishore as a Whole-time Director & CEO, for the approval by the members of the Company.

ITEM NO. 10

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March 2015.

In accordance with the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 10 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March 2015.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 10 of the Notice for approval by the members.

2. **DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES.**

Re-appointment of Mr. Mohan Lal Lohia (Item No. 3)

In terms of provisions of the Companies Act, 2013, effective from 1st April 2014, for the purpose of determining the Directors liable to retire by rotation. Mr. Mohan Lal Lohia shall accordingly retire at this Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Mohan Lal Lohia is a Non-Executive Director of the Company. He joined the Board of Directors of the Company since inception. Mr. Lohia is Chairman-Emeritus of the Board of Directors of the Company.

Brief resume of Mr. M.L. Lohia, nature of his experties in specific functional areas and names of companies in which he hold directorships and membership / chairmanship of Board Committee, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, which is forming part of the Notice, as under:

Mr. Lohia, born on 21st December 1930, is a Commerce Graduate. Mr. Lohia having more than 49 years of Industrial experience laid the foundation of Indo Rama group. The group has presence in areas like textiles, petro-chemicals, man-made fibre, chemicals, natural rubber, bottle grade pet resins, steel, etc. Mr. Lohia is presently Chairman - Emeritus on the Board of Indo Rama Synthetics (India) Limited. Mr. Lohia is holding 3,00,028 equity shares of the Company.

Mr. Lohia is Director in the following foreign entities:

i) Aurus Specialty Company Limited;
ii) Brookgrange Investments Limited;
iii) Indorama Holdings Limited; and
iv) Lohia Global Holdings Limited.

The Board Considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Lohia as a Non-Executive Director of the Company. Upon his re-appointment as a Director, Mr. Lohia shall continue to hold office as a Non-Executive Chairman-Emeritus.

Except Mr. M. L. Lohia, being an appointee and Mr. Om Prakash Lohia and Mr. Vishal Lohia, who are related to Mr. M. L. Lohia, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, at Item No. 3 of the Notice.

The Board commends his re-appointment, liable to retire by rotation, at Item No.3 of the Notice for approval by the members.

Appointment of other Directors (Item Nos. 5 to 9)

For the details of Mr. Ashok Kumar Ladha, Mr. Suman Jyoti Khaitan, Dr. Arvind Pandalai and Mr. Anant Kishore, please refer to the above Explanatory Statement in respect of the Special Business set out at Item Nos. 5 to 9 of the Notice of Annual General Meeting pursuant to Section 102 of the Companies Act, 2013.

Registered Office: **By Order of the Board of Directors**

A-31, MIDC Industrial Area
Butibori, Nagpur - 441122
Maharashtra **Jayant K Sood**
20th May 2014 **Head-Corporate & Company Secretary**

INDO RAMA SYNTHETICS (INDIA) LIMITED

Regd. Office: A-31, MIDC Industrial Area, Butibori, Nagpur - 441122, Maharashtra.,
Tel.: 07104-663000 / 01 Fax: 07104-663200, CIN: L17124MH1986PLC166615
Email: investor-relations@indorama-ind.com Website: www.indoramaindia.com,

ATTENDANCE SLIP

28TH ANNUAL GENERAL MEETING	
Registered Folio No. / DP ID and Client ID No.	
No. of Shares	
Name and Address of the Member	

I/We hereby record my/our presence at the 28th Annual General Meeting of the Company to be held on Friday, 1st August 2014 at 2:00 PM, at the Registered Office of the Company at A-31, MIDC Industrial Area, Butibori, Nagpur - 441122, Maharashtra.

………………………………………	…………………………………………	....
Member's Folio/DP ID/Client ID No.	Member's/Proxy's Name in BLOCK Letters	Member's/Proxy's Signature

Note:

1) Please complete the Folio / DP ID / Client ID No. and Name of the Member / Proxy, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2) Electronic copy of the Annual Report for the financial year 2013-14 and Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form is being sent to all the members, whose e-mail address is registered with the Company / Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending AGM can print copy of this Attendance Slip.
3) Physical copy of the Annual Report for the financial year 2013-14 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members, whose e-mail is not registered or have requested for a hard copy.

INDO RAMA SYNTHETICS (INDIA) LIMITED

Regd. Office: A-31, MIDC Industrial Area, Butibori, Nagpur - 441122, Maharashtra.
Tel.: 07104-663000 / 01 Fax: 07104-663200, CIN: L17124MH1986PLC166615
Email: investor-relations@indorama-ind.com Website: www.indoramaindia.com,

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	:	
Registered Address.	:	
E-mail ID	:	
Folio No. / DP ID and Client ID No	:	

I/We being the member(s) of …..…… shares of the above named Company hereby appoint:

(1) Name : ……………………………….............….. Address: …......................…………………………….….……………….…

E-mail ID:……………………………..................…….….… Signature: ……..…….…..…, or failing him;

(2) Name : ……..…….. Address: ………….................……………………………………………

E-mail ID:……………………………...............……….….… Signature: …...........….....................….………..…., or failing him;

(3) Name : …………………...................................…..Address: ………………...………….............................….…………………

E-mail ID:……………………………….............…….…..… Signature: ………...…….…..……………………….

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on Friday, 1st August 2014 at 2:00 PM, at the Registered Office of the Company at A-31, MIDC Industrial Area, Butibori, Nagpur - 441122, Maharashtra and at any adjournment thereof in respect of the following resolutions:

Resolution No. **RESOLUTION**
Ordinary Business
1. Consider and adopt: a) Audited Financial Statement, Directors' and Auditors' Report for the financial year ended 31st March 2014. b) Audited Consolidated Financial Statement for the financial year ended 31st March 2014.
2. Declaration of Dividend on equity shares for the financial year 2013-14.
3. Re-appointment of Mr. Mohan Lal Lohia, who retires by rotation.
4. Appointment of B S R and Associates, Chartered Accountants, as Statutory Auditors and fixing their remuneration.
Special Business
5. Appointment of Mr. Ashok Kumar Ladha as an Independent Director.
6. Appointment of Mr. Suman Jyoti Khaitan as an Independent Director.
7. Appointment of Dr. Arvind Pandalai as an Independent Director.
8. Appointment of Mr. Anant Kishore as Director.
9. Appointment of Mr. Anant Kishore as Whole-time Director and CEO.
10. Ratification of Cost Auditors Remuneration.

Signed this ……….. day of ………….…………………………….2014.

Signature of Member ………………...................…...................................…………………………….......

Signature of Proxy holder(s) …………...……………………………….

Affix Revenue Stamp not less than Re.1/-

Note:

1. This form of Proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than FORTY EIGHT (48) hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 28th Annual General Meeting.
3. Please complete all details including details of member(s), in above box, before submission.