



# I G PETROCHEMICALS LIMITED

3<sup>rd</sup> August, 2020

SECT/1042

<b>BSE Limited</b> Corporate Relationship Department 1 <sup>st</sup> Floor, P J Towers Dalal Street Mumbai - 400 001 <b><u>Scrip Code: 500199</u></b>	<b>The National Stock Exchange of India Ltd.</b> Exchange Plaza BandraKurla Complex Bandra (East) Mumbai – 400 051 <b><u>Scrip Code: IGPL</u></b>
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Dear Sir,


**Sub: Annual Report – Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

As required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith an annual report of the Company for the year 2019-20 along with notice of Annual General Meeting.

Kindly take the same on your record.

Thanking you,

Yours faithfully,  
For I G Petrochemicals Limited

  
Sudhir R Singh  
Company Secretary

Encl: As above



**31<sup>st</sup>**  
**2019-20** | **ANNUAL**  
**REPORT**



# READ INSIDE

**Date :** 26<sup>th</sup> August, 2020  
**Time :** 3:00 p.m.  
**Mode:** Video Conference /  
Other Audio  
Visual Means

## BUSINESS OVERVIEW

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

IGPL is the largest producer of PAN in India, and will be the largest single location facility for manufacturing of PAN in the world with commissioning of its expansion projects during the current financial year. With its presence in the PAN business spreading over three decades, IGPL has been recognized as a reliable and trusted player in the PAN market, both in global and domestic markets. IGPL is also one of the lowest cost producer of PAN globally.



**ISO 9001:2015**  
Quality Management

**ISO 14001:2015**  
Environment certification  
from Bureau Veritas

IGPL has state of the art manufacturing facilities for Phthalic Anhydride and its by-products... proximity to port and chemical belt in western India.

**Six-Sigma Quality control processes and ERP Systems across the Organization**



Credit Ratings

“IND A+”- Long term borrowings and

“IND A1+” - Short term borrowings - Issued by India Ratings & Research



# BUSINESS OVERVIEW

## VISION

"To be well diversified chemicals Company with leadership position in Phthalic Anhydride Industry"

### PHTHALIC ANHYDRIDE

The Company's primary business is the production of Phthalic Anhydride (PAN), a downstream product of Orthoxylene (Ox). Ox, which is the third derivative of crude oil, constitutes the single and major raw material in the production of PAN. PAN is a versatile intermediate in organic chemistry having a wide range of applications. It constitutes important industrial chemical for the production of Plasticizers, Unsaturated Polyester Resins, Alkyd Resins, Paints and CPC Pigments. PAN is also being innovatively used for making Plastic Currency, Paper Boards, Leisure Boats and Sail of Windmills.

### MALEIC ANHYDRIDE

The Company manufactures Maleic Anhydride (MAN) and Benzoic Acid for which the primary raw material is the wash water which is again generated from and derived after the production of PAN.

MAN is a chemical intermediary used for manufacturing unsaturated polyester resins, coatings, surfactants, used as an additive of plastics, lubricating oil additives and agricultural chemicals etc.

The Company is the only manufacturer of MAN in India and will soon add Advance Plasticizer to its product offerings.





## END USER INDUSTRY

The key end-user industries where PAN find its applications

**Manufacturing of poly vinyl chloride (PVC) products**

**Manufacturing of paints and coatings**

**Making inks and photovoltaic cells**

**Manufacturing of fiberglass reinforced plastics for automobile, construction.**



## THE MALEIC ANHYDRIDE END-USER INDUSTRY

**Spandex**

**Unsaturated Polyester Resins**

**Lubricating oil additives**

# FINANCIAL INSIGHTS

₹ in crores, except EPS

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Total Revenue (Net)	956.41	1,040.80	1,148.19	1,311.28	1064.98
Gross Profit / EBITDA	116.92	171.63	271.42	233.70	78.22
Finance Cost	22.67	18.24	14.88	11.43	15.95
Depreciation & Amortisation	17.54	21.12	25.70	26.54	29.90
Profit Before Tax	76.71	132.27	230.85	186.30	32.07
Tax Expense	16.35	30.33	84.30	69.82	11.03
Profit After Tax	60.36	101.94	146.54	116.48	21.04
Equity Share Capital	30.79	30.79	30.79	30.79	30.79
Net Worth	291.76	392.51	528.10	628.73	634.11
Earnings Per Share (EPS) of ₹10/- each	19.60	33.10	47.58	37.82	6.83



# MANAGING DIRECTOR'S LETTER

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At the outset, I hope you and your family are safe. We are indeed living through very unusual times. Your Company faced challenging business environment throughout the year and at the end of year Covid-19 pandemic has had impacted business and Indian economy as a whole. Our immediate focus was to mobilize the efforts to protect our employees and our immediate communities and also ensure seamless restart of our plants with utmost care and precautions to ensure safety and security for all stakeholders.

Adversity, they say, is the true test of character. Your Company sustained itself through various business cycle and rise against all the odds. It was in the final days of the year that the true nature of its purpose-driven worldview truly shone through. Even amidst this difficult environment and declining margins, your company sailed through and rise much stronger due to strong fundamentals, minimal leverage, diversified product lines and excellent clients and supplier's relations, among other things.

Our strategically located plant enjoys the advantage of not only being close to ports, but also proximity to India's chemical hub. Adding to this is your



**Nikunj Dhanuka,**  
Managing Director & CEO

Company's state of the art and integrated manufacturing facility, at a single location. We are adding more than 30% of capacity in our all product facilities PAN, MAN and BA in mid of current financial year 2020-21. With commencement of new lines, we will be one of largest producers of PAN in the world. We believe that the global supply disruptions and the impetus offered by the 'Aatm Nirbhar' movement, both provide great opportunities for growth. Your Company is equipped to take advantage of this with the largest capacity of PAN at a single location in the world. To gradually reduce reliance on a single product, your Company has also entered into the downstream industry of advance plasticizers furthering its goal of diversification as laid out in it's vision of "To be a well-diversified chemical company with leadership position in Phthalic Anhydride Industry". We have set up effluent treatment plant to enable our entire Taloja facilities to be a zero discharge facility. We continue to be strive for better environment and best practices for health and safety of our employees.

Gross domestic product (GDP) grew 5% in the first quarter of FY20, India's growth for Q4FY20 went down to 3.1% according to the Ministry of Statistics. What is next for India? This is a looming question gripping the country but we have every reason to believe there's light aplenty at the end of this tunnel. Every sector will have to reinvent itself to survive in a post-Covid-19 world order. Countries, too, must reimagine their contribution to a world that's likely to be radically different from the one we've known thus far. The

government has announced stimulus package, however, recovery in economy activities, creation of jobs, building confidence among customers will take time, patience and consistent efforts from both, Industry and Government.

Our approach to the pandemic was centred around four key actions points like safety of our employees, communities, partners and assets, rapid pivot to digital to ensure business continuity, conservation of cash through cost control, working capital, capex rationalization and ensuring continuous support to our customers and supply chain partners. Amidst a crisis like this shines the true financial strength of a company like yours. We have cleared all dues in time & has not sought for any deferment of debt or interest.

While external parties must be dealt with utmost care, so must our most important asset – our employees. The health and safety of all employees was given paramount importance with seamless working from home facilities and ERP implementation. At this point of time, all our plants are operational. I take this opportunity to thank our teams for their resilience and agility. While this pandemic has impacted economic activity, we are confident of emerging much stronger as we come out of this challenge with flying colours.

Yours sincerely,

**Nikunj Dhanuka,**

Managing Director & CEO

# KEY FINANCIAL NUMBERS



## TOTAL REVENUE

₹ crores

2015 - 16		956.41
2016 - 17		1,040.80
2017 - 18		1,148.19
2018 - 19		1,311.28
2019 - 20		1,064.98

## EBIDTA

₹ crores

2015 - 16		116.92
2016 - 17		171.63
2017 - 18		271.42
2018 - 19		233.70
2019 - 20		78.22

**PAT** ₹ crores

2015 - 16		60.36
2016 - 17		101.94
2017 - 18		146.54
2018 - 19		116.48
2019 - 20		21.04

**EPS** ₹ per share

2015 - 16		19.60
2016 - 17		33.10
2017 - 18		47.58
2018 - 19		37.82
2019 - 20		6.83

**DEBT: EQUITY RATIO**

2015 - 16		0.40
2016 - 17		0.21
2017 - 18		0.10
2018 - 19		0.27
2019 - 20		0.26

**DIVIDEND** ₹ per share

2015 - 16		2
2016 - 17		3
2017 - 18		4
2018 - 19		4
2019 - 20		2

# Corporate Information

## Board of Directors

M M Dhanuka, Chairman  
Nikunj Dhanuka, Managing Director & CEO  
Rajesh Muni  
Dr. A K A Rath  
P H Ravikumar (Resigned w.e.f. 30<sup>th</sup> July, 2019)  
Dr. Vaijayanti Pandit  
J K Saboo, Executive Director

## Chief Financial Officer

Pramod Bhandari

## Company Secretary

Sudhir R Singh

## Auditors

M/s ASA & Associates LLP  
M/s Uday & Co.

## Internal Auditors

M/s S M M P & Associates

## Bankers

State Bank of India  
Yes Bank Ltd.  
The Cosmos Co-Operative Bank Ltd.  
Andhra Bank  
Central Bank of India

## Registered Office

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

## Corporate Office

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

## Executive Office

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

## Factory

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

## Registrar & Share Transfer Agents

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

## Notice

NOTICE is hereby given that the 31<sup>st</sup> Annual General Meeting of I G Petrochemicals Limited (CIN:L51496GA1988PLC000915) will be held on 26<sup>th</sup> August, 2020 at 3.00 p.m. through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) to transact the following business:

### AS ORDINARY BUSINESS

- To consider and adopt the standalone and consolidated audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2020 and the Report of the Board of Directors and the Auditors’ Report thereon.
- To declare Dividend.
- To appoint a Director in place of Shri Nikunj Dhanuka (DIN 00193499) who retires by rotation and being eligible offers himself for re-appointment.

### AS SPECIAL BUSINESS

#### 4. Payment of remuneration to the Non-Executive Director

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

“**RESOLVED THAT** pursuant to the approval of the members at the Annual General Meeting held on 20<sup>th</sup> September, 2017 for the payment of remuneration by way of commission to the Non-Executive Directors of the Company and in accordance with the Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, consent of the Company be and is hereby accorded for the payment of remuneration by way of commission to Shri M M Dhanuka, Non-Executive Director of the Company exceeding fifty per cent of the total remuneration payable to all Non-Executive Directors of the Company for the financial year 2019-20 as set out in the explanatory statement annexed to the notice.”

#### 5. Ratification of Remuneration of Cost Auditor

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

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or

re-enactment(s) thereof, for the time being in force), the remuneration of ₹ 45,000/- plus taxes as applicable and reimbursement of actual travel and out-of-pocket expenses for the financial year ending 31<sup>st</sup> March, 2021 as approved by the Board of Directors of the Company, payable to M/s Krishna S & Associates, Cost Accountants, (Firm Registration No. 100939) to conduct the audit of the cost records of the Company, be and is hereby ratified and confirmed.”

By Order of the Board  
For I G Petrochemicals Limited

Mumbai

24<sup>th</sup> June, 2020

Registered Office

T-10, 3<sup>rd</sup> Floor, Jairam Complex

Mala, Neugi Nagar, Panaji, Goa – 403 001.

**Sudhir R Singh**

Company Secretary

### Notes:

- In view of the massive outbreak of the Covid-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 8<sup>th</sup> April, 2020, Circular No.17/2020 dated 13<sup>th</sup> April, 2020 issued by the Ministry of Corporate Affairs (MCA) followed by Circular No. 20/2020 dated 5<sup>th</sup> May, 2020, physical attendance of the Members at the annual general meeting (AGM) venue is not required and AGM be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- Pursuant to the Circular No. 14/2020 dated 8<sup>th</sup> April, 2020, issued by the MCA, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
- Corporate members intending to authorize its representatives are requested to send a certified scanned copy of the Board Resolution to the Company, authorising their representative to attend the AGM through VC/OAVM and vote on its behalf at the meeting.
- In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.



5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of the reckoning the quorum under Section 103 of the Companies Act, 2013 (“the Act”).
7. The Explanatory Statement pursuant to Section 102 of the Act, which sets out details relating to Special Business at the meeting, is annexed hereto.
8. Details under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“SEBI Listing Regulations”), in respect of the Director seeking re-appointment at the AGM forms part of the Notice.
9. In accordance with the aforesaid Circulars, the Notice of AGM alongwith Annual Report for the financial year 2019-20 has been sent only through electronic mode to the Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice of AGM and Annual Report has been uploaded on the website of the Company at [www.igpetro.com](http://www.igpetro.com). The Notice of AGM and Annual Report can also be accessed from the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
10. Members whose email addresses are not registered can register the same with the Company’s Registrar and Share Transfer Agent (RTA)/ their Depository Participants, in respect of shares held in physical/electronic mode.
11. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI Listing Regulations and the aforesaid Circulars, the Company is pleased to offer voting by electronic means to the members to cast their votes electronically on all resolutions set forth in this Notice. The detailed instructions for e-voting and attending the AGM through VC/OAVM are given at page no. 15 of this Notice.
12. Members are requested to immediately intimate change of address, bank details, if any, to the Company/RTA.
13. The Register of Members and Share Transfer Books of the Company will remain closed on Thursday, 20<sup>th</sup> August, 2020 and Friday, 21<sup>st</sup> August, 2020 for the purpose of AGM and payment of dividend, if declared.
14. If dividend as recommended by the Board of Directors is approved at the AGM, payment will be made subject to deduction of tax at source on or after 1<sup>st</sup> September, 2020 as under:
  - a) To all Beneficial Owners in respect of shares held in dematerialized form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on 19<sup>th</sup> August, 2020;
  - b) To all Members holding shares in physical form, whose names stand on the Register of Members of the Company on 19<sup>th</sup> August, 2020.
15. Members holding securities in demat mode are requested to update their bank details with their depository participants. Members holding securities in physical form should send a request updating their bank details, to the Company’s RTA. In compliance with the aforesaid Circulars and upon normalization of the postal services, the Company shall dispatch by post the dividend warrants to those members who have not registered their bank mandate with Company.
16. Pursuant to the changes introduced by the Finance Act, 2020, dividend income will be taxable in the hands of the members w.e.f. 1<sup>st</sup> April, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to members at the prescribed rates:
 

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

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

However, no tax shall be deducted on the dividend payable to a resident individual member if the total dividend to be received by them during the financial year 2020-21 does not exceed ₹ 5,000/- and also in cases where members provide form 15G (applicable to any person other than a company or a firm)/form 15H (applicable to an Individual who is 60 years and older) subject to conditions specified in the IT Act. Members may also submit any other document as prescribed under the IT Act to claim a lower/nil withholding tax. PAN is mandatory for members providing form 15G/form 15H or any other documents as mentioned above.

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

The aforementioned documents are required to be submitted at [udhuri@igpetro.com](mailto:udhuri@igpetro.com) on or before Thursday, 13<sup>th</sup> August, 2020 in order to enable the Company to determine and deduct appropriate TDS/withholding tax.

Incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication on the tax determination/deduction shall be considered post 13<sup>th</sup> August, 2020.

17. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Act are requested to

submit details to the RTA of the Company, in the prescribed Form SH-13 for this purpose.

18. During the year, there was no amount which was liable to be transferred to the Investor Education and Protection Fund (IEPF) in terms of Section 124 of the Act. A statement of unclaimed dividend declared at the last AGM held on 5<sup>th</sup> August, 2019 is available on the Company's website [www.igpetro.com](http://www.igpetro.com).

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

19. The Members whose shares have been transferred to the IEPF Authority may claim the shares by making an online application to IEPF Authority by web-based Form IEPF-5 at [www.mca.gov.in](http://www.mca.gov.in). Members should note that only one consolidated claim can be filed in a financial year as per the IEPF Rules. Members are advised to claim any un-encashed dividends before it becomes due for transfer to IEPF.
20. Members whose bank details are not registered with the Company are requested to immediately notify the name of the bank and the branch, MICR No., IFSC, the nature of account and their Core Banking Solutions account number (CBS A/c No.) to the Company/RTA, in respect of shares held in physical form and to their Depository Participant in case of shares held in electronic form. Members may note that payment of dividend without bank details is prohibited.
21. As per Regulation 40 of the SEBI Listing Regulations, securities of listed companies can be transferred only in dematerialized form with effect from 1<sup>st</sup> April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or RTA for assistance in this regard.
22. Members seeking any information with regard to the accounts or any matter to be placed at the AGM may write to the Company on or before 22<sup>nd</sup> August, 2020 at [udhuri@igpetro.com](mailto:udhuri@igpetro.com).

23. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

**PROCESS FOR MEMBERS OPTING FOR E-VOTING**

**The instructions for Members voting electronically are as under:**

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

The remote e-voting period commences on Sunday, 23<sup>rd</sup> August, 2020 (9:00 am) and ends on Tuesday, 25<sup>th</sup> August, 2020 (5:00 pm). During this period members’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of i.e. 19<sup>th</sup> August, 2020, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, Password and a Verification Code as shown on the screen.

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

4. Your user ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example, if your DP ID is IN300*** and Client ID is 12*****then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example, if your Beneficiary ID is 12*****then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
  - (i) If your email ID is registered in your demat account or with the Company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mail box. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is

your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

#### Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote

and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the print out of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

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

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

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [udhuri@igpetro.com](mailto:udhuri@igpetro.com)

#### **The instructions for Members for e-voting on the day of the AGM are as under: -**

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

#### **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM, ARE AS UNDER:**

- a. Member will be provided with a facility to attend the AGM by VC/OAVM through the NSDL

e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

- b. Members are encouraged to join the Meeting through Laptops for better experience.
- c. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- e. Members who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [udhuri@igpetro.com](mailto:udhuri@igpetro.com). The same will be replied by the Company suitably.
- f. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/ 1800-222-990 or contact Shri Pratik Bhatt at 022-24994738 or Shri Amit Vishal at 022-24994360 or Smt. Pallavi Mhatre at 022-24994545.

#### General Guidelines for shareholders

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

password. In such an event, you will need to go through the “Forgot User Details/Password” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
4. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. 19<sup>th</sup> August, 2020.
5. Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 19<sup>th</sup> August, 2020, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222- 990.

6. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-voting as well as e-voting during the AGM through remote e-voting.
7. Shri Martinho Ferrao (Membership No. 6221) or failing him Shri Shiv Kumar Vaishy (Membership No. 45528) Practicing Company Secretaries has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
8. The Results alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.igpetro.com](http://www.igpetro.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.



**Explanatory statement pursuant to Section 102 of the Companies Act, 2013****Item No. 4**

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

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

In accordance with the above approval, commission for the financial year 2019-20 is proposed to be paid @1% to all non-executive directors of the Company out of which Shri M M Dhanuka, Non-Executive Director shall be paid 0.90% of the net profits. Approval of the members is, therefore, sought by way of special resolution for the payment of commission to Shri M M Dhanuka.

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

The Board of Directors recommends the resolution for your approval.

**Item No. 5**

The Board of Directors have approved the appointment of M/s Krishna S & Associates, Cost Accountants, for conducting an audit of cost records of the Company at a remuneration of ₹ 45,000/- plus taxes as applicable and reimbursement of actual travel and out of pocket expenses for the financial year 2020-21.

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

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

The Board of Directors recommends the resolution for your approval.

By Order of the Board  
For I G Petrochemicals Limited

Mumbai  
24<sup>th</sup> June, 2020

**Sudhir R Singh**  
Company Secretary

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



**DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT**

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

<b>Name</b>	<b>Nikunj Dhanuka</b>
Directors Identification Number	00193499
Date of Birth	26 <sup>th</sup> May, 1967
Date of Appointment	1 <sup>st</sup> July, 1998
Qualifications	B. Com.
Expertise in specific functional area	General management, finance, banking and chemical industries.
Directorship held in Listed Companies	Mysore Petrochemicals Limited
Chairmanship / Membership of Committees in other Public Companies	<u>Mysore Petrochemicals Limited</u> Audit Committee – Member Stakeholder Relationship Committee – Chairman
Number of shares held	Nil
Relationship between directors inter-se	Nil

# Management Discussion and Analysis

## Global Petrochemical Industry

The global petrochemicals market size was predicted at USD 441.0 billion in 2019 and is anticipated to witness a CAGR of 5%. The growth of the market for petrochemicals will be driven by rising demand for downstream products from end-use industries and capacity additions in the base chemical industry. The petrochemical industry is a vital component of numerous industrial processes as it provides raw materials for a wide array of products that find application in automotive, construction and manufacturing. Some of the products derived from petrochemicals are tyres, detergents, industrial oil, fertilizers, plastics and medical devices. The basic chemicals and plastic derived from the petrochemicals act as a building block for numerous non-durable and durable consumer goods.

US-China trade tensions added volatility in global petrochemical markets in 2019 and towards the later part of the year, the effects of the ongoing issue became visible across downstream petrochemical markets, such as that for plasticizer and polyester, which are seeing faltering prices and compressed margins. Whether it is the availability of shift-based operational staff, the imports of critical equipment and services, or the downstream sale and disposal of products, as a 24x7 process industry, the petrochemicals sector is reliant on continuous and global supply chains.

Lately the petrochemicals sector across the world is dealing with significant disruptions from the Covid-19 crisis and making matters even more challenging, the sector is now facing a crude oil price war. The sector is currently contending with plummeting oil prices across the globe, and in its slipstream, Saudi Arabia and its allies Organization of Petroleum Exporting Companies (OPEC) are currently engaged in a price war with Russia and its allies. Neither market is willing to ramp down its oil production as of now, which is sending global oil prices into a nosedive. More recently the price of crude oil suffered its biggest drop since the start of the gulf war in 1991.

Covid-19 has had major impact for the sector as several major economies across the globe have gone into lockdown. Demand for the products has suddenly dried up in a number of end user markets like automotive, oil and gas, consumer products, rubbers etc. These are the unanticipated results, while other changes in the global market will be driven by factors looking to adapt and capitalise under new conditions. For instance, an increasing share of the global petrochemicals supply chain is going to become localised, as companies look to move production closer to their consumers. Trade wars were already sparking such a trend in before Covid-19 and the current scenario will only exacerbate it.

## Indian Economy, Indian petrochemical and speciality chemical industry

Gross domestic product (GDP) grew 5% in the first quarter of FY20. India's growth in the fourth quarter of the fiscal year 2020 went down to 3.1% according to the Ministry of Statistics. The Chief Economic Adviser to the Government of India attributed this drop to the coronavirus pandemic effect on the Indian economy. The World Bank and rating agencies had initially revised India's growth for FY2021 with the lowest figures India has seen in three decades since India's economic liberalization in the 1990s. Although, Indian Economy is expected to contradict in FY21, mainly due to complete shut down for more than 60 days, however, it is projected to rebound to more than 8% in FY22, as per Standard & Poor's (S&P) Global Ratings.

The Indian Chemical Industry is valued at USD 178 billion in FY19. Industry growth will be driven by rising demand in end-use segments for speciality chemicals and petro chemicals intermediaries. Indian Chemical industry is expected to grow at 9% p.a. and reach USD 304 billion by FY 2025. Chemical industry in India has broadly grown at ~11% CAGR over the last decade compared to nominal GDP growth of ~9%.

To recover the lost ground, each sector will have to reinvent itself to survive in a post-Covid-19 world order. Countries, too, must reimagine their contribution to a world that's likely to be radically different from the one we've known thus far. The Pandemic has caused a shock for the Indian economy. The four legs i.e. consumption, manufacturing, exports, capital flows, on which the Indian economy had been growing, have all been impacted adversely. Consumption, because of the demand shock caused by lockdown and social distancing, manufacturing sector has been hit by large scale supply chain disruptions, exports are halted as global consumers have paused and capital flows are impacted due to pandemic which causes risk aversion and emerging markets have felt the impact of capital outflows or slowdowns in capital inflows.

All this and general psychological fear about the Pandemic has impacted our economy. Comparisons of the current economic disruptions are being made with the 2008 financial crisis, which seems to be an over-reaction. The 2008 crisis was restricted to liquidity for the banking sector. This current shock is deeper and broader and impacts almost the entire real economy. As the lockdown progressed and now eases, the Centre's medium and long term goals have become clear and its policy actions reflective of those goals. Its objective is to take the soft-landed economy and reboot and restart it in as smooth a manner as possible and as quickly as possible without diluting the healthcare and pandemic surveillance and management. The

₹ 20 lakh crore package was designed to restart the Economy and business, protect jobs and at the same time extend the support to those vulnerable and poor and informal sectors.

The economy has gradually started coming out of lockdown but it may take a while to stimulate and restart demand in an economy purely on the basis of stimulus package.

The demand/consumption growth will depend on two things:

1. How people come out of their homes, restart their lives and the impact thereof on-demand organically and
2. If, at the right stage, when businesses are ready, capital is made available to the businesses to produce and service demand - demand might need a stimulus and a kick start in specific segments which are showing signs of potential demand.

#### Capitalizing on global supply chain diversification

Evolving trends of de-globalization and protectionism will find their peak in the Covid-19 aftermath. As countries reduce their dependence on China, they will look to diversify into other Asian markets and this presents an abundance of opportunities to India. Growth in revenue within the chemical industry depends largely on the overall growth of the economy and industrial production, and is often measured as a multiple of GDP growth.

In the chemicals sector, the crisis has resulted in several Indian companies getting order inflows from global chemical players to meet the short-term supply disruptions from China, which is a credit positive for these players, packaging, especially food packaging, sanitary and medical applications, are seeing an uplift mainly due to stockpiling, an increase in delivery services and the high healthcare-focused activities, while prices of various petrochemicals have declined for Indian manufacturers, the decline in prices of feed stocks has been higher, thereby improving the spreads.

Today, India has a chemical trade deficit of \$15 billion. Analysis of India's chemical exports and imports, coupled with a review of opportunities emerging from global trends, suggests two investible themes: Building self-sufficiency in petrochemicals to plug the domestic supply shortfall of 52% (by volume) in petrochemical intermediates — six value chains make up around 77% of this shortfall, creating an opportunity worth about \$11 billion; and ramping up exports in select areas, such as specialty chemicals, to obtain a larger share of global value. McKinsey said - loss of China (25% share) as a reliable partner and continued shifts from EU/ Japan (17% / 7% share) mean share of India (3%) will rise meaningfully. Availability of talent in chemistry and engineering will act to India's advantage.

Some of the key growth drivers which will boost the demand for chemical in Indian market are as follows:

- Consumption Driven Demand: Per capita consumption of chemicals in India is 1/10<sup>th</sup> of the world's average. This makes India an attractive destination for investment and growth.
- Rising Middle Class Population: By 2030, 23% of the global middle class will most likely be Indian supporting strong demand for Specialty chemicals in the automotive, personal products, water treatment and construction segment.
- 100% FDI is permissible in Chemical Industry
- Manufacturing of most of the chemical products is delicensed except few chemicals because of their hazardous nature.
- Government initiatives like Swachh Bharat Abhiyan is supporting chemical industry especially in companies dealing in surfactants and water treatment chemical manufacturing
- Setting up of Petroleum, Chemical and petrochemical Investment regions and setting up of plastic parks
- Another focus on area of smart cities, is likely to support construction chemical industry
- Global Manufacturers disengage with China and shifting their factories or facilities to developing countries like India. Indian Chemical companies are expected to get bigger share of overall chemical market post Covid-19.

#### Domestic Market of Phthalic Anhydride (PAN) & Maleic Anhydride (MAN)

PAN is a versatile intermediate in organic chemistry and a downstream product of a basic petrochemical, Orthoxylene (Ox). It is used as an intermediate to produce paints, plasticizers, resins, pigments, unsaturated polyester resins, alkyd resins and polyols and specialty chemicals. It finds application in both consumer durables to non-consumer durables. Its end users are paints, inks, coatings, boxes, containers and packaging films industries, amongst others.

The PAN market is anticipated to register a CAGR of more than 5%, owing to an increase in the utilization of plasticizers, which is used in the production of polyvinyl chloride (PVC) in the Asia-Pacific region. The increasing demand for glass fiber-reinforced plastics in various industries is also likely to stimulate the PAN market and increasing construction activities and government focus on infrastructure will also do well for augmenting the growth of the market. PAN has also been considered as a major reference resin, used for the manufacturing of alkyd resin-based paints and coatings.

The MAN market size is projected to reach USD 3.5 billion by 2024 from USD 2.8 billion, at a CAGR of 4.5%. The increasing demand for slip additives from emerging economies, such as India and South Korea, is expected to fuel the market across the globe. The global market structure is highly segregated with top five companies including Yabang Jiangsu, Polynt, Huntsman, Qiaoyou Shanxi and Tianjin Bohai. These companies together accounted for over 30% of the total volume. Huntsman was the single largest manufacturer of MAN and accounted for over 9.5% of the global market share.

### **IGPL diversification and growth Journey to continue...**

IGPL is one of the largest producers of PAN in domestic market and has more than 50% market share. Apart from PAN, the Company also manufactures MAN and Benzoic Acid (BA) as by-products. Post expansion, the Company will be one of the largest producer of PAN in the world. The expansion will also translate into increased production capacity for MAN and BA. Further, the Company also plans to introduce advance plasticizers in order to diversify existing product mix. The expansion will result in additional wash water which will be used to generate increased MAN. Higher MAN capacity will further support the Company's strong position in the industry. Overall it will lead to greater visibility across geographies. The capacity expansion, entry into downstream segment and other opportunities will open the new window to enter into other downstream speciality chemicals. The Company continues to diversify its product mix and will be producing ~ 92% of PA as a part of its overall capacity, compared to 100% PA in 2014. The Company is amongst the leading PAN manufacturers globally and is accredited with being one of the lowest cost producer of PAN, having strong clientele and higher capacity utilization, the plants being strategically located i.e. being near to the raw material supplier and port and catering to most of customers in the western region, has lower operating conversion cost due to state of the art technology which provides better yield and efficiency in usage of energy. The global PAN capacity is poised to see moderate growth over the next five years, potentially increasing from 5.87 mtpa to 6.02 mtpa in 2023.

### **Internal Control, System and Process including ERP implementation**

While technology continues to play an integral part in the growth of your Company, last year Information Technology (IT) team has spent significant time in introducing new and transformative technologies. We have implemented ERP system of Microsoft "Navision", which has helped us to synchronize our entire accounting, MIS, finance, marketing, commercial functions to work seamlessly. Our focus on IT and IT Infrastructure developments and investment

have very successful. We have assigned the option of "work from home" for most of our employees in our corporate office during the covid time. Our plants and factory operations have come back to normalcy within a period of one month from the date of start of our operations due to robust IT infrastructure developed in last two years and seamless integration of IT system with entire business operations.

### **Human Resources Development**

The Company believes that the well-being of its employees is of prime importance to the success of our organization. The focus is not just on the goals of the organization but also on the aspirations of the employees to stay true to our Company's vision "To be largest producer of PAN with diversification in downstream speciality chemicals". During the year under review, our emphasis was on strategic workforce planning, talent attraction and management, recruitment, learning and development, employee engagement and wellness and overall improvement of operational efficiencies. Learning and development in the Company saw a huge emphasis on technical trainings, sales training and managerial trainings apart from other functional and health and safety trainings. The Company recognises that it is not only important to attract and retain the right talent; but also crucial to build capability thereby enabling leadership continuity and build succession management pool. To foster an appreciative culture, the year saw inclusion of additional rewards and recognition and also host lot of activities to encourage team building activities. The Company is rapidly adjusting to the new changing environment for their employees, customers and suppliers, while navigating the financial and operational challenges amid Covid-19.

### **Cautionary Statement**

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

# Directors' Report

To the Members,

On behalf of the Board of Directors of your Company, it gives me pleasure in presenting the Thirty First Annual Report together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2020:

## 1. Financials

₹ in lakhs

	2019-20	2018-19
Total Revenue	1,06,497.97	1,31,128.07
Profit before interest, depreciation and tax	7,822.54	23,370.48
Finance Cost	1,595.43	1,143.53
Depreciation and Amortization expenses	2,990.02	2,646.41
Profit before tax	3,237.08	18,630.54
Provision for tax	1,103.24	6,982.39
Profit for the year	2,104.39	11,648.16
Balance brought forward from previous year	50,529.68	42,366.51
Profit available for Appropriations	2,104.39	50,529.68
Earnings per share	6.83	37.82

## 2. Dividend

The Board of Directors have recommended a dividend of ₹ 2/- per equity share having face value of ₹ 10/- each (20%) for the year ended 31<sup>st</sup> March, 2020 aggregating to ₹ 615.90 lakhs.

## 3. Operating & financial performance

The Company's financial performance, during the year, was mainly impacted due to shrinkage in margin between raw material and finished products, unplanned shut down of plants, dumping of Phthalic Anhydride (PAN) by selected countries in Indian market in the absence of any duty protection and Covid-19 in last quarter of financial year. While the Company registered a growth of 22% in its export sales, it registered a total income of ₹ 1,064.98 crores during the year under review as against ₹ 1,311.28 crores during the previous year. The rising volatility in the crude prices impacted the commodity prices which have resulted into compressed margins

for the year ended 31<sup>st</sup> March, 2020. The EBITDA was ₹ 78.22 crores (₹ 233.70 crores) and the profit after tax for the financial year 2019-20 was ₹ 21.04 crores as against ₹ 116.48 crores during the previous year.

There were no material changes or commitments that have occurred between the end of the financial year and the date of this Report which affects the financial statements of the Company in respect of the reporting year.

## 4. Effect of Covid-19 pandemic

The novel corona virus (Covid-19) started with China in late December 2019 and eventually spread all across the world severely impacting the lives of millions of people and claiming mass casualty. India was no exception to the contagious disease and therefore, the Government had to impose a lockdown on 24<sup>th</sup> March, 2020 which was subsequently extended from time to time.

During the later part of the lockdown, we were able to partially re-start our production after obtaining adequate approval from the State Government. The relaxations granted by the government from time to time ensured the supply of raw materials was not affected. However, the Company was concerned about the health and well-being of all its employees and to contain the virus and had shut its plant and other offices in compliance with the Government's directives and employees were encouraged to work from home by providing them with necessary infrastructures. At plant, appropriate training for maintaining hygiene, use of sanitizers, use of masks, PPE and Face Shields, use of Arogya Setu App, temperature checks at entry and exit point, sanitization of the premises, social distancing in the premises, etc. were some of the measures implemented for the minimal employees who were operating.

The Company is rapidly adjusting to the new changing environment for its employees, customers and suppliers, while navigating the financial and operational challenges amid these testing times.

## 5. Expansion

The expansion of the plant is expected to be completed during the year 2020-21.

## 6. Contribution to the Exchequer

The Company has contributed ₹ 17,982.88 lakhs to the exchequer by way of income tax, customs duty, goods and service tax, etc.



## 7. Share Capital & Finance

### a) Share Capital

The Company's paid-up Equity Share Capital stands at ₹ 3,079.81 lakhs as at 31<sup>st</sup> March, 2020. The shareholdings of the Promoters and Persons Acting in Concert with Promoters are 68.74%.

### b) Finance

The borrowings of the Company comprises of external commercial borrowings (ECB), term loan and working capital facilities. The ECB and term loan were primarily availed for the expansion of the plants. The working capital facilities have not been fully leveraged with major part of the facilities remaining unutilized. The debts (including interest) are being serviced regularly.

### c) Credit Rating

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

### d) Deposits

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

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

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

## 8. Subsidiary Companies

During the year, IGPL (FZE) became a direct subsidiary of the Company which was later liquidated in the absence of any further business activity.

The financial statements of subsidiaries are placed on the website of the Company and available for inspection by the members of the Company. A copy of the audited accounts shall be made available to the member upon request.

The consolidated financial statements of the Company are prepared in accordance with the applicable Ind AS together with the report of the Auditors' thereon forms part of this Annual Report.

A statement containing salient features of the financial statements of the subsidiaries in Form AOC-1 is attached with this Annual Report.

## 9. Corporate Social Responsibility (CSR) initiatives

The CSR Committee is mandated to identify and oversee the projects and expenditures in accordance with the CSR Policy of the Company. The Report on CSR activities containing prescribed details are annexed to the Directors' Report as "Annexure-A". However, the Company was able to spend only ₹ 32.82 lakhs towards CSR activities. The Company has initiated some projects which are under implementation.

## 10. Annual Return

The Annual Return of the Company in Form MGT-7 for the year 2019-20 is available on the website of the Company and can be accessed at [www.igpetro.com](http://www.igpetro.com).

## 11. Vigil Mechanism Policy

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

## 12. Transfer of shares to IEPF Authority

There will be no shares due for transfer to the IEPF Authority during the year 2020-21. Members whose shares have been transferred to the IEPF can claim their shares and dividend from the IEPF Authority by filing an online web based Form IEPF-5 available at [www.mca.gov.in](http://www.mca.gov.in). It may be noted that with the introduction of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2019 on 14<sup>th</sup> August, 2019, all applications for the claiming of shares along with the supporting documents are required to be submitted in an online mode only. Members may contact the Company for further guidance.

## 13. Directors & Key Managerial Personnel

Shri Nikunj Dhanuka retires by rotation and being eligible offered himself for re-appointment. The Board recommends his re-appointment at the ensuing Annual General Meeting.

During the year under review, the Members of the Company at an extra-ordinary general meeting held on 17<sup>th</sup> March, 2020 re-appointed Shri J K Saboo as Executive Director for a period of one year with effect from 1<sup>st</sup> April, 2020 and Dr. Vaijayanti Pandit as an Independent Director for the second term of five consecutive years with effect from 30<sup>th</sup> March, 2020.



Shri P H Ravikumar resigned as Director on 30<sup>th</sup> July, 2019 citing personal reasons. The Directors acknowledges his professional acumen/insight and the invaluable contribution and guidance to the Board and his ability to lend his opinion/views on decision making process and expressed their sincere gratitude.

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

Pursuant to Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 as amended, all Independent Directors of the Company viz. Shri Rajesh Muni, Dr. A K A Rathi and Dr. Vajjayanti Pandit have registered themselves in the Independent Directors databank maintained with the Indian Institute of Corporate Affairs (IICA).

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

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on 31<sup>st</sup> March, 2020 are: Shri Nikunj Dhanuka, Managing Director & CEO, Shri Pramod Bhandari, Chief Financial Officer and Shri Sudhir R Singh, Company Secretary.

### 13.1. Meetings

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

### 13.2. Board Evaluation

The Board of Directors have carried out its annual performance evaluation as well as of the Directors individually and their respective Committees as more particularly specified in the Corporate Governance Report.

### 13.3. Remuneration Policy

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

The information relating to remuneration as required pursuant to Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("the Rules") for the financial year 2019-20 are given below:

- a. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company.  
Shri Nikunj Dhanuka, Managing Director & CEO – 44:1  
Shri J K Saboo, Executive Director – 7:1
- b. The percentage increase in the remuneration of Managing Director, Chief Financial Officer and Company Secretary  
Shri Nikunj Dhanuka, Managing Director & CEO – (53%) @  
Shri Pramod Bhandari, Chief Financial Officer – 5%  
Shri Sudhir R Singh, Company Secretary – 10%  
@ decline in commission due to lower profit.
- c. The percentage increase in the median remuneration of employees - 6.83%
- d. Number of permanent employees on the rolls of the Company - 421
- e. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year was 8.30% whereas the increase in the managerial remuneration was 7.50%.

It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company. The information under Rule 5(2) of the Rules will be provided to the Members upon request in terms of the first proviso to Section 136 of the Act.

## 14. Directors' Responsibility Statement

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

- a. that in the preparation of the annual financial statements for the year ended 31<sup>st</sup> March, 2020, all the applicable accounting standards have been followed and no material departures have been made from the same;
- b. that appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year

ended 31<sup>st</sup> March, 2020 and of the profit of the Company for that year;

- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing/ detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## 15. Related Party transactions

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

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

## 16. Internal Control

The internal control mechanism of the Company enables it to identify, assess and mitigate the risk related to its business. Risks are being evaluated on various parameters and these parameters are being reviewed at regular intervals.

## 17. Auditors

### 17.1. Statutory Auditors

The Members of the Company at an AGM held on 17<sup>th</sup> August, 2015 had appointed M/s ASA & Associates LLP as Joint Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 31<sup>st</sup> AGM. The term of M/s ASA & Associates LLP shall end at the ensuing AGM and they have not sought re-appointment.

M/s Uday & Co., Chartered Accountants, (Firm Registration No. 004440S) were appointed as Statutory Auditors at an AGM held on 20<sup>th</sup> September, 2017 to hold office for a period

of five years from the conclusion of that AGM till the conclusion of the 33<sup>rd</sup> AGM. In view of the Companies (Amendment) Act, 2017, the matter relating to ratification of appointment of Statutory Auditor has been removed and accordingly, the same is not being placed before the Members.

### 17.2. Cost Auditor

M/s Krishna S & Associates, Cost Accountants (Firm Registration No. 100939) have been appointed as the Cost Auditor to conduct an audit of the cost records of the Company for the year 2020-21.

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

### 17.3. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Makarand M Joshi & Associates, Practicing Company Secretaries (Membership No. 5533) to conduct the Secretarial Audit and their Report on the Secretarial Audit for the year 2019-20 annexed herewith as "Annexure-B".

### 18. Energy Reservation, Technology Absorption and Foreign Exchange earnings and Outgo

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

### 19. Business Responsibility Report

Pursuant to the Regulation 34 of the Listing Regulations, Business Responsibility (BR) Report for the year ended 31<sup>st</sup> March, 2020 is provided separately and annexed to the Directors' Report as "Annexure-D".

### 20. Corporate Governance

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

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

**21. Prevention of sexual harassment**

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

The Internal Complaints Committee meets as and when required.

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

**22. ISO 9001:2015 and ISO 14001:2015 certification**

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

**23. Acknowledgements**

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

For and on behalf of the Board of Directors

Mumbai, 24<sup>th</sup> June, 2020

**M M Dhanuka**  
Chairman

## Annexure 'A'

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

Sr. No.	Particulars	Remarks
1.	A brief outline of the Company's CSR Policy, including overview of projects or programmes undertaken and a reference to the web-link to the CSR policy and projects or programmes	CSR Policy of the Company is available at <a href="http://www.igpetro.com">www.igpetro.com</a>
2.	Composition of the CSR Committee	Dr. Vaijayanti Pandit, Chairperson Shri M M Dhanuka Shri Rajesh Muni Shri J K Saboo
3.	Average net profit of the Company for last three financial years	₹ 18,315.01 lakhs
4.	Prescribed CSR expenditure (2% cent of the amount as in item 3 above)	₹ 366.30 lakhs
5.	Details of CSR spend for the financial year	₹ 32.82 lakhs

Manner in which the amount spent during the financial year is detailed below:

₹ in lakhs

Sr. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or program 1. Local area or other 2. Specify the State and district where projects or Programs was undertaken	Amount outlay (Budget) Project or Programs-wise	Amount spent on the Project or Programs Sub-heads		Cumulative Expenditure upto the reporting period	Amount spent Direct or through implementing agency
					1. Direct expenditure on projects or programs	2. Overheads		
1.	Blind Organisation of India & Param Shantidham Vridhasharam	Community Organisation	Mumbai	Not exceeding ₹ 366.30 lakhs	3.90		3.90	Direct
2.	Utkarsh Global Foundation, Nisarg Jasambaran Samajik Foundation, Palgad Boudhjan Mandal	Environment	Mumbai		28.31		28.31	Direct/Agency
3.	Manav Seva Charitable Trust & Ghati Marathi Yuva Prathishtan	Education	Mumbai		0.61		0.61	Agency
<b>TOTAL</b>							<b>32.82</b>	<b>32.82</b>

During the year, the Company spent ₹ 32.82 lakhs towards CSR activities as against the budgeted allocation of ₹ 366.30 lakhs. The Company has initiated some projects which are under implementation.

The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Sd/-  
**Nikunj Dhanuka**  
Managing Director & CEO

Sd/-  
**Dr. Vaijayanti Pandit**  
Chairperson – CSR Committee

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

For The Financial Year Ended 31<sup>st</sup> March, 2020

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings and Overseas Direct Investment; **(Foreign Direct Investment Not Applicable to the Company during the Audit Period)**;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company during the Audit Period)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit Period)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit Period)** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **(Not Applicable to the Company during the Audit Period)**

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015. (hereinafter called 'Listing Regulations')

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

**We further report that**, having regard to the compliance system prevailing in the Company and

on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company

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

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

**Kumudini Bhalerao**

Partner

FCS No. 6667

CP No. 6690

UDIN: F006667B000376861

Peer Review No: P2009MH007000

Place: Mumbai

Date: 24<sup>th</sup> June, 2020

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

Annexure I

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

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

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

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

**Kumudini Bhalerao**

Partner

FCS No. 6667

CP No. 6690

UDIN: F006667B000376861

Peer Review No: P2009MH007000

Place: Mumbai

Date: 24<sup>th</sup> June, 2020



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

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

For Power &amp; Fuel consumption per unit (MT) of

Product, Technology Absorption &amp; Foreign Earnings &amp; Outgo

		For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
<b>(A) Power &amp; fuel Consumption</b>			
1.	Electricity		
a.	Purchased (Units)	6,28,307	5,02,129
	Total Amount (₹)	79,91,624	72,52,851
	Rate / Unit (₹)	12.72	14.44
b.	Own Generation		
I.	Through Diesel Generator	13,69,920	9,53,840
	Units per Ltr. of Diesel oil	2.86	4.17
	Cost / Units (₹)	22.76	17.00
II.	Through Steam Turbine	3,70,96,000	3,93,01,010
	Generator (Units)	-	-
	Units per Ltr. of Fuel / Oil / Gas	-	-
2.	Coal is not used in Manufacturing Process	-	-
3.	Furnace Oil quantity (MT)	5,261	4,955
	Total Amount (₹)	17,37,79,838	18,48,03,192
	Average Rate / MT (₹)	33,032	37,294
4.	Other / Internal Generation	-	-
<b>(B) Consumption per unit (MT) of Product</b>			
	Product	Standard	
	Electricity - Units	Not Specified	250
	Furnace Oil - Litres	Not Specified	35
<b>(C) Technology Absorption</b>			
	Research & Development (R & D)		
(i)	Specific area in which R & D carried out by the Company:		
	The Company is conducting its R & D activities for developing the process of Phthalic Anhydride downstream value added products.		
(ii)	Benefits derived as a result of above R & D.		
	Benefits in terms of better quality and increased productivity.		
(iii)	Future plan of action.		
	All the efforts are being continued in the direction of product / process development as mentioned above.		
(iv)	Expenditure incurred on R & D		
	The Company has incurred expenditure to an extent of ₹ 57.44 lakhs.		
	Total R & D expenses as a % of turnover :	0.05%	0.04%
₹ in lakhs			
<b>(D) Foreign Exchange Earnings &amp; Outgo :</b>			
	Total Foreign Exchange Earnings :	15,497.97	16,501.39
	Total Foreign Exchange Outgo :	3,008.10	12,416.89

# Business Responsibility Report

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

## Section A: General information about the Company

1. Corporate Identity Number (CIN) of the Company: L51496GA1988PLC000915
2. Name of the Company: I G Petrochemicals Limited
3. Registered address: T-10, 3<sup>rd</sup> Floor, Jairam Complex, Mala, Neugi Nagar, Panaji, Goa - 403 001.
4. Website: [www.igpetro.com](http://www.igpetro.com)
5. E-mail id: [igpl@igpetro.com](mailto:igpl@igpetro.com)
6. Financial Year Reported: 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

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

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

## Section B: Financial details of the Company

1. Paid up Capital (INR) – 30,79,48,500/-
2. Total Turnover (INR) – 10,64,97,97,183/-
3. Total profit after taxes (INR) – 21,04,38,725/-
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) – INR 32,82,390/- 1.56%
5. List of activities in which expenditure in 4 above has been incurred:-
  - (a) Water conservation project
  - (b) Women education & empowerment
  - (c) Defence

## Section C: Other details

1. Does the Company have any Subsidiary Company/Companies? Yes, the Company has 2 subsidiary as on 31<sup>st</sup> March, 2020.
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) - No
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?– No

**Section D: BR Information**

1. Details of Director/Directors responsible for BR

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

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

(b) Details of the BR head

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

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

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

No.	Questions	P	P	P	P	P	P	P	P	
		1	2	3	4	5	6	7	8	9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation Of the policy?	Y	Y	Y			Y			Y
6	Indicate the link for the policy to be Viewed online?	All essential policies are available on our website – <a href="http://www.igpetro.com">www.igpetro.com</a>								
7	Has the policy been formally Communicated to all relevant internal and external stakeholders?	All relevant policies are communicated and accessible to all stakeholders.								
8	Does the Company have in-house Structure to implement the policy/ policies.	The Company has established in house structure to implement the policies								

No.	Questions	P	P	P	P	P	P	P	P	
		1	2	3	4	5	6	7	8	9
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Stake holders can raise their grievances via communicated channels through our website, and the same shall be addressed appropriately.								
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	All applicable and key policies are reviewed at regular interval by internal and external bodies. Relevant Govt. authorities audit our EHS systems and policies on a monthly basis								

**3. Governance related to BR**

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

**Section E: Principle-wise performance**

**Principle 1**

- 1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes. It is applicable to the Company and its Subsidiaries. We ensure full compliance across the group and take declarations from all employees and Senior Management.
- 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so. NIL

**Principle 2**

- 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.  
Phthalic Anhydride (PAN), Maleic Anhydride (MAN) and Benzoic Acid (BA)
- 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):
  - (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?  
Our Manufacturing process is very efficient and a model operation across the industrial belt where we operate our plant. We use our residual steam to manufacture our own electricity to run our operations and also optimally use all heat residues wherever practically possible.
  - (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?  
We are early adaptors of ZLD (Zero Liquid Discharge) and have brand new ETP facility which is capable of delivering the same.
- 3. Does the Company have procedures in place for sustainable sourcing (including transportation)?
  - (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so  
The Company has adopted sustainable model across the entire value chain of SCM. Including but not limited to procurement of Raw Material, Delivery of Finished Goods, Waste Disposal and Recycling of Jumbo Bags / Bags that we use for delivery of finished goods.
- 4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

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

We give utmost importance to local sourcing through use of local transporters, packaging materials, waste disposal bodies and local Labour. This is embedded in the Company's philosophy and helps sustain community.

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

Yes, we strive to achieve ZLD in the coming years, with our new ETP unit. Currently our plant recycling and product waste stands at <5%.

**Principle 3 - HR**

1. Please indicate the Total number of employees - 421
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis - 196
3. Please indicate the Number of permanent women employees - 14
4. Please indicate the Number of permanent employees with disabilities - 1
5. Do you have an employee association that is recognized by management- Yes
6. What percentage of your permanent employees is members of this recognized employee association? - 38.09%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year. – There were no complaints of this nature during the financial year.

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

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

- (a) Permanent Employees– 100% (safety Training) Skill Upgrading - 77%
- (b) Permanent Women Employees– 100% (safety Training) Skill Upgrading - 64%
- (c) Casual/Temporary/Contractual Employees– Safety Training - 100%
- (d) Employees with Disabilities - Nil

**Principle 4**

1. Has the Company mapped its internal and external stakeholders?

Yes, the Company's key stakeholders include employees, contractual workers, casual workers, suppliers, customers, business partners, regulatory agencies and local communities around its sites of operations.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes, the Company endeavors to reach out and empower the community in and around the place where it operates as well as other areas in order to achieve inclusive growth by supporting the underprivileged class of masses. In terms of the CSR Policy of the Company, the CSR Committee is entrusted with the responsibility of discharging the Company's obligations to give it back to the Society.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Yes, in the following fields:

**Education** - The Company's contribution in the field of education includes contribution to the Akshay Patra Foundation, Bangalore which provides mid-day meal to the students of various schools, distribution of LED TV's with Tata Sky channel to a Primary School in Ghotgaon, Talaja, Maharashtra and by donation through a

Public Trust to the schools in Vrindavan for purchase of school bus and other educational material.

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

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

### Principle 5

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

The Company's Human Rights policy protects its direct and indirect stakeholders alike. Human rights policy principles covers aspects of Equal Opportunity: across all dealings irrespective of cast, creed, ethnicity, religion, region, sex or sexuality.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? No complaint received

### Principle 6

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

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

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

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

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

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

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

Yes, we have reduced effluent discharge from 686 M3/day to 220 M3/day by enhancing our ETP facilities and are working towards ZLD. Environmental compliance report is prepared and submitted to Govt. agencies on regular basis in line with MoEF guidelines.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page.

- We have started conversion of lighting to LED for power conservation.
- We are also reviewing various options for Solar Energy/ Lighting solutions
- We care reviewing Gas vs FO option from clean technology
- We are reviewing options for achieving ZLD

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

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

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



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

#### Principle 7

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
  - (a) Indian Chemical Council
  - (b) Bombay Chamber of Commerce and Industry
  - (c) Confederation of Indian Industries (CII)
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

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

#### Principle 8

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

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

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

Some programmes are run in house through our dedicated CSR team and some projects are run in partnership with Akshay Patra Foundation.

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

Yes, we have a devised mechanism for impact analysis of our CSR initiatives

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

Details are available in our CSR Report.

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

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

#### Principle 9

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

# Report on Corporate Governance

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

The Directors present the Company's Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2020

## COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Board of Directors of the Company holds fiduciary responsibilities towards all stakeholders and it lays down the policies and broad guidelines for the management to pursue its objectives. The Company's philosophy on governance ensures that the corporate ethos are upheld and reflected in all its actions. Business dynamics requires critical decision making ability of the people vested with key roles and responsibilities and to accomplish this, executive powers have been delegated across all levels in the organization. The Board and its sub-committees (including management) act as a guiding factor by prescribing desired code of conduct for the internal and external corporate behavior and ensure that strategies and plans are given shape into actions within the defined framework.

The Company's philosophy on corporate governance reflects its inherent values by contributing to the lives of people and environment.

## BOARD OF DIRECTORS

### Composition and category of the Directors

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

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

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

## ATTENDANCE OF THE DIRECTORS AT THE MEETINGS

The Board met four times during the year i.e. on 22<sup>nd</sup> May, 2019, 9<sup>th</sup> August, 2019, 13<sup>th</sup> November, 2019 and 3<sup>rd</sup> February, 2020.

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

Name of the Directors	Category	Number of Board Meetings attended	Attendance at AGM held on 5 <sup>th</sup> August, 2019	Number of Directorship(s) held in other public companies	Number of Committee positions held in other public companies		No. of shares held
					Chairman	Member	
Shri M M Dhanuka	Non-Executive	4	No	1	0	0	1,04,904
Shri Nikunj Dhanuka	Executive	3	No	1	0	2	0
Shri J K Saboo	Executive	2	Yes	2	0	0	1,200
Shri Rajesh Muni	Non-Executive & Independent	4	Yes	1	1	1	5,500
Dr. A K A Rathi	Non-Executive & Independent	4	Yes	0	0	0	100
Dr. Vaijayanti Pandit	Non-Executive & Independent	4	No	7	1	6	0
Shri P H Ravikumar*	Non-Executive & Independent	1	NA	7	2	3	1,000

\* Resigned w.e.f. 30<sup>th</sup> July, 2019

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

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

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

The Company's business requires it to have the work force with dominant knowledge of the chemical industries besides people with ability to make strategic decisions, finance and marketing expertise amongst others. The Company's skilled workforce comprises of people in charge of production, technical and maintenance, projects, finance, marketing, etc.

The Board of Directors of the Company have the privilege of Directors with diverse background such as engineering, management, finance and tax expertise.

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

Name of the Directors	Directorships held in	Category	Skills/Expertise
Shri M M Dhanuka	Mysore Petro Chemicals Ltd.	Executive	Chemical Industries, sales, marketing, commercial, board governance, production and technical
Shri Nikunj Dhanuka	Mysore Petro Chemicals Ltd.	Non-Executive	Finance, Banking, Chemical Industries, Operations and Management, Risk assessment and mitigation, business development, corporate strategy and planning
Shri J K Saboo	-	-	Factory and labour laws, set-up and operations of plant, regulatory compliances, legal
Shri Rajesh Muni	Inspirisys Solutions Ltd.	Non-Executive & Independent	Audit, accounts, taxation and financial management
Dr. A K A Rathi	-	-	Chemical and petrochemical industrial practices, environmental and safety management, engineering education
Dr. Vaijayanti Pandit	Indo Count Industries Ltd. Automobile Corporation of Goa Ltd. Banswara Syntex Ltd. Everest Kanto Cylinder Ltd	Non-Executive & Independent  Additional Director - Independent	Business management, industry association experience, CSR and gender empowerment

In the opinion of the Board, all the independent directors have fulfilled the conditions of the SEBI Listing Regulations and that they are independent of the Company's management.

Shri P H Ravikumar resigned as Independent Director w.e.f. 30<sup>th</sup> July, 2019 citing personal reasons. He had confirmed that there are no other material reasons for his resignations other than that stated by him.

#### AUDIT COMMITTEE

The Audit Committee consists majorly of independent directors with diverse experience and Chairman possessing expertise in financial, accounts and taxation. The meetings of the Committee are held at regular intervals.

The terms of reference are governed by Regulation 18 of the SEBI Listing Regulations and Section 177 of the Act. It acts as an additional layer of governance for the Board of Directors in providing its observations and recommendations to the Board to enable it to arrive at informed decisions which relates primarily to overseeing the financial statements and its reporting process, internal audit reports, related party transactions, reviewing the adequacy and evaluation of internal financial controls, etc.

The Audit Committee met four times during the year i.e. on 22<sup>nd</sup> May, 2019, 9<sup>th</sup> August, 2019, 13<sup>th</sup> November, 2019 and 3<sup>rd</sup> February, 2020, which were attended by all the then members of the Committee.

The Composition of Audit Committee are given below:

<b>Name of the Members</b>	<b>Position</b>	<b>Category</b>
Shri Rajesh Muni	Chairman	Non-Executive & Independent
Shri M M Dhanuka	Member	Non-Executive
Dr. A K A Rathi	Member	Non-Executive & Independent
Dr. Vijayanti Pandit	Member	Non-Executive & Independent
Shri P H Ravi Kumar *	Member	Non-Executive & Independent
Shri Nikunj Dhanuka #	Member	Executive

\* Ceased to be member of the Committee w.e.f. 30<sup>th</sup> July, 2019

# Ceased to be member of the Committee w.e.f. 9<sup>th</sup> August, 2019

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

#### **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee functions within the ambit of powers as vested by the Board vis-à-vis Regulation 19 of the SEBI Listing Regulations and Section 178 of the Act, which includes amongst others overseeing the matters relating to appointment of directors, key managerial personnel, senior management level employees, recommending to the Board the remuneration and other related benefits of the executive directors and senior management employees, determining the term of the directors, recommending to the Board and the shareholders the appointment of directors, evaluating the re-appointment and determining whether to extend the tenure of the independent directors, etc.

All members of the Committee are non-executive with majority of them being independent. During the year, two meetings were held on 22<sup>nd</sup> May, 2019 and 3<sup>rd</sup> February, 2020 and which were attended by all the then members of the Committee.

The Composition of Nomination and Remuneration Committee are given below:

<b>Name of the Members</b>	<b>Position</b>	<b>Category</b>
Dr. A K A Rathi	Chairman	Non-Executive & Independent
Shri M M Dhanuka	Member	Non-Executive
Shri Rajesh Muni	Member	Non-Executive & Independent
Shri P H Ravikumar *	Chairman	Non-Executive & Independent

\*Ceased to be member of the Committee w.e.f. 30<sup>th</sup> July, 2019.

The Company Secretary acts as the Secretary of the Committee.

#### **Performance evaluation criteria of independent directors**

The criteria for the evaluation of directors are determined by the Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Act and SEBI Listing Regulations. The Committee evaluates the performance of each director. The evaluation criteria provides for different parameters for the evaluation of the performance of the Board, its committees and Directors (including Independent Directors). The criteria for the evaluation were designed from the point of discharge of the key responsibilities, attendance at the meetings, directors' contribution, board functioning, etc.

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

## Remuneration of Directors

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

During the year, there was no pecuniary relationship or transactions between the Company and any of its Non-Executive Directors apart from sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending the meetings of the Company.

The shareholders at an Annual General Meeting held on 20<sup>th</sup> September, 2017 have approved the payment of Commission @ 1% of the net profits to the Non-Executive Directors (including Independent Directors) in the ratio as determined by the Board of Directors after taking into factors such as attendance at meetings, role and responsibilities as Chairman/Member of the Board/Committees.

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

₹ in lakhs

Name	Commission#	Sitting Fees
Shri M M Dhanuka \$	29.61	3.80
Shri Rajesh Muni	1.10	3.70
Dr. A K A Rathi	1.10	2.90
Dr. Vaijayanti Pandit	1.10	2.80
Shri P H Ravikumar	-	0.95

# Payable in FY 2020-21

\$ Subject to approval of Shareholders

Details of remuneration of Managing/Executive Director:

₹ in lakhs

Name	Shri Nikunj Dhanuka	Shri J K Saboo
Salary as per Section 17(1) of the Income Tax Act, 1961	87.83	47.19
Perquisites	35.34	21.14
Commission	49.35	-
<b>TOTAL</b>	<b>172.53</b>	<b>68.33</b>

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

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

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

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

During the year, the Committee met on 9<sup>th</sup> August, 2019 in which all the then members of the Committee were present.

The details of the composition of the Committee and the complaints are given below:

Name of the Members	Position	Category	No. of complaints received	No. of compliant resolved	No. of complaint pending
Dr. A K A Rathi	Chairman	Non-Executive & Independent	10	10	0
Shri M M Dhanuka	Member	Non-Executive			
Dr. Vaijayanti Pandit	Member	Non-Executive & Independent			
Shri P H Ravikumar*	Member	Non-Executive & Independent			

\* Ceased to be member of the Committee w.e.f. 30<sup>th</sup> July, 2019

The Company Secretary is the Secretary of the Committee and Compliance Officer of the Company.

### GENERAL BODY MEETINGS

#### a. Annual General Meetings

Financial Year	Date	Time	Venue	Special Resolutions
2016-17	20 <sup>th</sup> September, 2017	3.00 p.m.	Hotel Mandovi, D.B. Bandodkar Road, Panaji Goa – 403 001	Revision in terms of remuneration of Shri Nikunj Dhanuka
2017-18	27 <sup>th</sup> August, 2018	3.00 p.m.		Nil
2018-19	5 <sup>th</sup> August, 2019	3.00 p.m.		<ol style="list-style-type: none"> <li>To re-appoint Shri Nikunj Dhanuka as Managing Director &amp; CEO</li> <li>To re-appoint Shri Rajesh Muni as an Independent Director</li> <li>To re-appoint Dr. A K A Rathi as an Independent Director</li> <li>To approve payment of remuneration to the Non-Executive Director</li> </ol>

#### b. Extra-Ordinary General Meeting

Financial Year	Date	Time	Venue	Special Resolution
2019-20	17 <sup>th</sup> March, 2020	2.30 p.m.	LA-PAZ Gardens, Vasco-Da Gama, Goa - 403 802.	To re-appoint Dr. Vaijayanti Pandit as an Independent Director

- During the year, no Special Resolution was passed through postal ballot.
- No special resolution is proposed to be conducted through postal ballot at this AGM.



## MEANS OF COMMUNICATION

Quarterly results	The quarterly results are published in the newspapers and displayed on the Company's website i.e. <a href="http://www.igpetro.com">www.igpetro.com</a>
Newspapers wherein results published	The quarterly results are generally published in Business Standard/Financial Express and Nav Prabha/Goa Doot with the exception of last quarter due to lockdown
Any website, where displayed	The quarterly results of the Company are displayed on the website of the Company
Whether it also displays official news releases	Yes

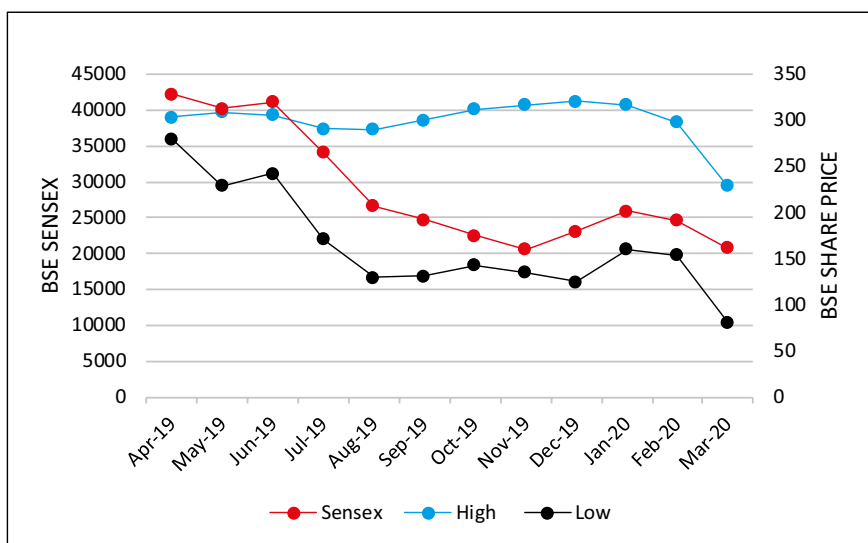
The quarterly financial results and other information (as applicable) are promptly disclosed to the stock exchanges and are published in newspapers. The financial results are uploaded on the website of the Company [www.igpetro.com](http://www.igpetro.com).

## GENERAL INFORMATION TO SHAREHOLDERS

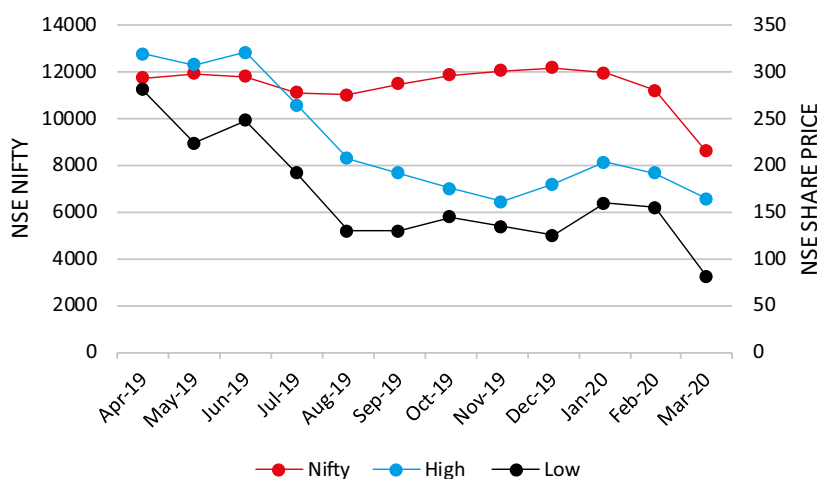
Day, Date and Time of Annual General Meeting	Wednesday, 26 <sup>th</sup> August, 2020 at 3:00 pm through VC / OAVM pursuant to the MCA Circular dated 5 <sup>th</sup> May, 2020 and as such there is no requirement to have a venue for the AGM.  For details, please refer to the Notice of AGM.
Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March
Date of Book Closure	20 <sup>th</sup> August, 2020 and 21 <sup>st</sup> August, 2020
Dividend Payment Date	On or after 1 <sup>st</sup> September, 2020
ISIN Code	INE204A01010
Listing on stock exchanges and stock code	BSE Ltd. – 500199 and The National Stock Exchange of India Ltd. - IGPL  The listing fees for the year 2020-21 have been paid to the stock exchanges
Registrar & Share Transfer Agents	M/s Bigshare Services Pvt. Ltd., 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East) - Mumbai – 400 059 • Tel: 022-62638200 • Fax: 022-62638299 • E-mail: <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a>
Share Transfer System	By the Registrar & Share Transfer Agents
Dematerialisation of shares and liquidity	96.66% of the shares are held in dematerialised form as at 31 <sup>st</sup> March, 2020
Plant locations	T-2, MIDC Industrial Area, Taloja 410 208, Dist. Raigad, Maharashtra
Address for correspondence	401-404, Raheja Centre, 214, Nariman Point, Mumbai - 400 021 Phone : +91-22-40586100 E-mail- <a href="mailto:igpl@igpetro.com">igpl@igpetro.com</a>

**MARKET PRICE DATA DURING THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020 (MONTH-WISE)**

Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)	
Months	High (₹)	Low (₹)	High (₹)	Low (₹)
April	329.10	280.10	319.15	281.35
May	312.75	229.00	307.55	224.00
June	320.00	242.30	321.00	248.05
July	265.00	171.00	264.90	191.80
August	207.00	129.90	207.40	130.00
September	192.40	131.25	192.00	130.00
October	175.00	143.00	175.25	144.50
November	160.00	135.05	161.10	134.45
December	179.95	125.00	180.00	125.00
January	201.70	159.95	203.00	159.10
February	191.75	154.00	191.30	154.50
March	162.00	81.25	163.90	81.20

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


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



**DISTRIBUTION OF SHAREHOLDING AS AT 31<sup>ST</sup> MARCH, 2020**

Shareholding	No. of Shareholders	% of total	No. of Shares	% of total
1-500	28,807	94.73	31,36,844	10.19
501-1000	897	2.95	7,22,851	2.35
1001-2000	382	1.26	5,69,034	1.85
2001-3000	100	0.33	2,53,411	0.82
3001-4000	71	0.23	2,55,917	0.83
4001-5000	46	0.15	2,15,088	0.70
5001-10000	52	0.17	3,46,289	1.12
10001-Above	55	0.18	2,52,95,416	82.14
<b>Total</b>	<b>30,410</b>	<b>100.00</b>	<b>3,07,94,850</b>	<b>100.00</b>

**OTHER DISCLOSURES**

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

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

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

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

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

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

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

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

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

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

The Company has adopted the following non-mandatory requirements:

- a. The financial statements of the Company contain an unmodified audit opinion.
- b. The office of the Chairman and Managing Director are being held by separate persons.
- c. The report of the Internal Auditor is placed before the Audit Committee meeting and they are invitees to the meeting.

e. Web link where policy for determining 'material' subsidiaries is disclosed

The Company do not have any material subsidiary.

f. Web link where policy on dealing with related party transactions

The Policy on related party transactions is available at [www.igpetro.com](http://www.igpetro.com)

g. Disclosure of commodity price risks and commodity hedging activities – NIL

h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) – Not applicable

i. Certificate from a company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority

The certificate forms part of this report.

j. Where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof – None

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

Audit Fees	₹ 18.50 lakhs
Reimbursement of Expenses	₹ 1.95 lakhs
Total	₹ 20.45 lakhs

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

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

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

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

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

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

### DECLARATION ON CODE OF CONDUCT

I hereby confirm and declare that all the Directors and Senior Management personnel of the Company as defined in the Code of Conduct of the Company have submitted annual declarations for the year ended 31<sup>st</sup> March, 2020 confirming their compliance of the same.

**Nikunj Dhanuka**  
Chief Executive Officer

London, 24<sup>th</sup> June, 2020

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

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

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

**For Martinho Ferrao & Associates**  
Company Secretaries

**Martinho Ferrao**  
Proprietor  
F.C.S. No. 6221  
C.P. No. 5676  
UDIN: F006221B000359081

Date: 19<sup>th</sup> June, 2020  
Place: Mumbai

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

The Members of  
**I G Petrochemicals Limited**

We have examined the compliance of conditions of Corporate Governance by I G Petrochemicals Limited (“the Company”) for the year ended 31<sup>st</sup> March, 2020 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 (“SEBI Listing Regulations”) and as amended from time to time.

**Management’s Responsibility**

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

**Auditor’s Responsibility**

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

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

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

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

**Opinion**

Based on our examination of relevant records and information and according to the explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations, during the year ended 31<sup>st</sup> March, 2020, as applicable.

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

**Restriction on use**

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

**For Uday & Co.**

Chartered Accountants  
Firm’s Registration No.004440S

**K. Sathyanarayanan**

Partner  
Membership No.203644  
UDIN: 20203644AAAAAJK2069

Place: Bangalore

Date: 24<sup>th</sup> June, 2020



Form AOC-1

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

Statement containing salient features of the financial statement of subsidiaries

Name of Subsidiary	Reporting Period	Reporting Currency	Exchange Rate	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments	Turn Over	Profit/ (Loss) Before Taxation	Profit/ (Loss) After Taxation	Proposed Dividend	% of share holding
IGPL International Ltd	31 <sup>st</sup> March, 2020	GBP	93.0760	5,983,101	1,261,877	9,419,283	9,419,283	-	-	(1,202,159)	(1,202,159)	-	100
IGPL (FZE)	31 <sup>st</sup> March, 2020	AED	20.5360	5,550,000	(5,383,166)	249,980	249,980	-	-	(192,562)	(192,562)	-	100

# Independent Auditor's Report

To the Members of I G Petrochemicals Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of I G Petrochemicals Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31<sup>st</sup> March 2020, and the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

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

### Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue Recognition (Ind AS 115)</b></p> <p>Revenue from the sale of goods is recognized when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery.</p> <p>The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.</p> <p>Refer Note A to the Standalone Financial Statements - Significant Accounting Policies.</p>	<p>Our audit approach was a combination of test of internal controls and substantive procedures including:</p> <ul style="list-style-type: none"> <li>• Assessing the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof.</li> <li>• Evaluating the design and implementation of Company's controls in respect of revenue recognition.</li> <li>• Testing the effectiveness of such controls over revenue cut off at year-end.</li> <li>• Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end.</li> <li>• Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.</li> </ul>

Key audit matter	How our audit addressed the key audit matter
<p><b>Ind AS 116 – Leases</b></p> <p>The Company has adopted Ind AS 116 Leases (Ind AS 116) in the current year. The application and transition to this accounting standard is complex and is an area of focus in our audit since the Company has number of leases with different contractual terms.</p> <p>Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term. Additionally, the standard mandates detailed disclosures in respect of transition.</p> <p>Refer Note A and Note 1 to the Standalone financial statements – Significant Accounting Policies.</p>	<p>Assessed and tested new processes and controls in respect of the lease accounting standard (Ind AS 116);</p> <ul style="list-style-type: none"> <li>• Assessed the Company’s evaluation on the identification of leases based on the contractual agreements and our knowledge of the business;</li> <li>• Evaluated the method of transition and related adjustments;</li> <li>• Assessed and tested the presentation and disclosures relating to Ind AS 116 including, disclosures relating to transition.</li> </ul>

**Emphasis of Matter**

We draw your attention to Note No. 40 to the standalone financial statements, which explains the management’s assessment of the financial impact due to lockdown / restrictions related to the Covid-19 pandemic imposed by the Governments, for which a definitive assessment of the impact is dependent upon future economic conditions.

Our opinion is not modified in respect of this matter.

**Information other than the Standalone Financial Statements and Auditor’s Report thereon**

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the

standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

**Responsibilities of Management and those charged with governance for the Standalone Financial Statements**

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit / loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to

the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11)

of the Act, we give in the “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

(e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

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

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

(h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 31 to the standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**For ASA & Associates LLP**  
Chartered Accountants  
Firm’s Registration No.  
009571N/N500006

**K Sathyanarayanan**  
Partner  
Membership No. 203644  
UDIN : 20203644AAAAAI4449  
**Place:** Bangalore  
**Date:** 24<sup>th</sup> June, 2020

**Prateet Mittal**  
Partner  
Membership No. 402631  
UDIN : 20402631AAAAHH1535  
**Place:** Delhi  
**Date:** 24<sup>th</sup> June, 2020

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

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

Name of the statute	Nature of disputed dues	Amount (₹ in lakhs)	Year to which demand relates	Forum, where dispute is pending
Central Excise Act, 1944	Excise Duty	2000.36	Various Years from 1997 to 2009	CESTAT
Income Tax Act, 1961	Income Tax	5289.26 #	Various Assessment Year from 1992-93 to 2017-18	Karnatka High Court / ITAT/ CIT (Appeals)

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



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

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

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

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

**For ASA & Associates LLP**  
Chartered Accountants  
Firm's Registration No.  
009571N/N500006

**K Sathyanarayanan**  
Partner  
Membership No. 203644  
UDIN : 20203644AAAAAI4449  
**Place:** Bangalore  
**Date:** 24<sup>th</sup> June, 2020

**Prateet Mittal**  
Partner  
Membership No. 402631  
UDIN : 20402631AAAAHH1535  
**Place:** Delhi  
**Date:** 24<sup>th</sup> June, 2020

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

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

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

We have audited the internal financial controls over financial reporting of I G Petrochemicals Limited ("the Company") as of 31<sup>st</sup> March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Board of Directors of the Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**For ASA & Associates LLP**  
Chartered Accountants  
Firm's Registration No.  
009571N/N500006

**K Sathyanarayanan**  
Partner  
Membership No. 203644  
UDIN : 20203644AAAAA14449  
**Place:** Bangalore  
**Date:** 24<sup>th</sup> June, 2020

**Prateek Mittal**  
Partner  
Membership No. 402631  
UDIN : 20402631AAAAHH1535  
**Place:** Delhi  
**Date:** 24<sup>th</sup> June, 2020

# Balance Sheet

as at 31<sup>st</sup> March, 2020

₹ in lakhs

Particulars	Note	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>ASSETS</b>			
<b>Non Current assets</b>			
Property, Plant and Equipment	1	46,700.74	38,657.28
Right to Use Assets	1	175.43	-
Capital Work-In-Progress	1	26,722.91	21,608.27
Goodwill	1	201.14	201.14
Other Intangible Assets	1	55.31	63.76
		<b>73,855.53</b>	<b>60,530.45</b>
<b>Financial Assets</b>			
(i) Investments	2	4,359.15	4,339.04
(ii) Loans	3	1,044.22	179.14
(iii) Other Financial Assets	4	368.84	392.20
Non- Current Tax Assets (Net)		1,076.10	644.93
Other Non-Current Assets	5	1,008.06	1,829.97
<b>Total Non Current Assets</b>		<b>81,711.90</b>	<b>67,915.73</b>
<b>Current Assets</b>			
Inventories	6	9,508.18	12,944.04
<b>Financial Assets</b>			
(i) Investments	7	1,155.51	6,977.01
(ii) Trade Receivables	8	14,334.47	18,281.13
(iii) Cash and Cash Equivalents	9(a)	152.42	836.20
(iv) Bank balances other than (iii) above	9(b)	3,427.61	1,676.64
(v) Loans	10	72.02	61.07
(vi) Other Financial Assets	11(a)	1,427.61	1,403.02
Other Current Assets	11(b)	1,163.07	1,216.42
<b>Total Current Assets</b>		<b>31,240.89</b>	<b>43,395.53</b>
<b>TOTAL</b>		<b>1,12,952.79</b>	<b>1,11,311.26</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	12	3,079.81	3,079.81
Other Equity	13	60,331.07	59,793.39
<b>Total Equity</b>		<b>63,410.88</b>	<b>62,873.20</b>
<b>Non Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	14	14,740.11	10,115.00
(ii) Other Financial Liabilities	15	2,043.90	2,369.00
Provisions	16	352.54	291.72
Deferred Tax Liabilities (Net)	17	6,290.65	5,561.65
<b>Total Non Current Liabilities</b>		<b>23,427.20</b>	<b>18,337.37</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	18	619.69	3,340.14
(ii) Trade Payables	19(a)	19,956.93	22,996.40
(iii) Other Financial Liabilities	19(b)	4,979.77	3,130.28
Other Current Liabilities	20	341.85	478.19
Provisions	21	216.47	155.68
<b>Total Current Liabilities</b>		<b>26,114.71</b>	<b>30,100.69</b>
<b>TOTAL</b>		<b>1,12,952.79</b>	<b>1,11,311.26</b>
<b>Significant Accounting Policies</b>	A		
<b>Notes on Financial Statements</b>	1-43		

As per our report of even date

**For Uday & Co.**

Chartered Accountants

**K. Sathyanarayanan**

Partner

Place: Bangalore

Membership No: 203644

Firm's Registration No: 004440S

Date: 24<sup>th</sup> June, 2020**For ASA & Associates LLP.**

Chartered Accountants

**Prateet Mittal**

Partner

Place: Delhi

Membership No: 402631

Firm's Registration No: 009571N\N500006

For and on behalf of the Board of Directors of

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

Managing Director &amp; CEO

DIN: 00193499

Place: London

**Pramod Bhandari**

Chief Financial Officer

Place : Mumbai

**Rajesh Muni**

Independent Director

DIN: 00193527

Place: Mumbai

**Sudhir R Singh**

Company Secretary

Place: Mumbai

**Statement of Profit & Loss**for the year ended 31<sup>st</sup> March, 2020

₹ in lakhs

Particulars	Note	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
<b>INCOME</b>			
Revenue from Operations	22	1,05,858.02	1,30,370.31
Other Income	23	639.93	757.76
<b>Total Income</b>		<b>1,06,497.95</b>	<b>1,31,128.07</b>
<b>EXPENSES</b>			
Cost of Raw Material Consumed	24	81,454.02	91,974.92
Purchases of Stock-in-Trade		-	538.39
Changes In Inventories of Finished Goods and Work-in-Progress	25	262.03	(1,232.58)
Employee Benefits Expense	26	6,016.35	6,181.76
Finance Cost	27	1,595.43	1,143.53
Depreciation and Amortisation Expenses	1	2,990.01	2,646.41
Other Expenses	28	10,943.02	10,295.10
<b>Total Expenses</b>		<b>1,03,260.86</b>	<b>1,11,547.53</b>
<b>Profit before Exceptional Items &amp; Tax</b>		<b>3,237.09</b>	<b>19,580.54</b>
Less: Exceptional Items			
Impairment in the value of Investment in Subsidiary		29.45	950.00
<b>Profit before Tax</b>		<b>3,207.64</b>	<b>18,630.54</b>
<b>Tax Expenses</b>	37		
Current Tax		374.24	6,341.62
Deferred Tax		729.00	640.76
<b>Profit for the year</b>		<b>2,104.40</b>	<b>11,648.16</b>
<b>Other Comprehensive Income / (Expenses)</b>			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plan - Gratuity		(71.59)	(153.03)
(ii) Income Tax relating to items that will not be reclassified to profit or loss		25.02	52.96
<b>Other Comprehensive Income For the Year</b>		<b>(46.57)</b>	<b>(100.07)</b>
<b>Total Comprehensive Income For the Year</b>		<b>2,057.83</b>	<b>11,548.09</b>
Earning per Equity Share:	29		
Face value of shares ₹ 10 each (Previous Year: ₹ 10 each)			
Basic & Diluted - ₹		6.83	37.82
<b>Significant Accounting Policies</b>	A		
<b>Notes on Financial Statements</b>	1-43		

As per our report of even date

**For Uday & Co.**

Chartered Accountants

**For ASA & Associates LLP.**

Chartered Accountants

**K. Sathyanarayanan**

Partner

Place: Bangalore

Membership No: 203644

Firm's Registration No: 004440S

Date: 24<sup>th</sup> June, 2020**Prateet Mittal**

Partner

Place: Delhi

Membership No: 402631

Firm's Registration No: 009571N\N500006

For and on behalf of the Board of Directors of

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

Managing Director &amp; CEO

DIN: 00193499

Place: London

**Pramod Bhandari**

Chief Financial Officer

Place : Mumbai

**Rajesh Muni**

Independent Director

DIN: 00193527

Place: Mumbai

**Sudhir R Singh**

Company Secretary

Place: Mumbai

## Statement of Changes in Equity

for the year ended 31<sup>st</sup> March, 2020

₹ in lakhs

Particulars	As at	As at
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
<b>(A) Equity Share Capital</b>		
Opening Balance	3,079.81	3,079.81
Changes in Equity Share Capital	-	-
Closing Balance	<b>3,079.81</b>	<b>3,079.81</b>

**(B) Other Equity**

Particulars	Reserves and Surplus				Other Comprehensive Income	Total Other Equity
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings		
<b>Balance at 1<sup>st</sup> April, 2018</b>	<b>116.25</b>	<b>2,275.00</b>	<b>5,000.00</b>	<b>42,366.51</b>	<b>(27.47)</b>	<b>49,730.29</b>
Profit for the Year	-	-	-	11,648.16	-	11,648.16
Other Comprehensive Income, net of tax	-	-	-	-	(100.07)	(100.07)
Transfer to General Reserve	-	-	2,000.00	(2,000.00)	-	-
Dividend Including Dividend -Distribution Tax	-	-	-	(1,484.99)	-	(1,484.99)
<b>Balance at 31<sup>st</sup> March, 2019</b>	<b>116.25</b>	<b>2,275.00</b>	<b>7,000.00</b>	<b>50,529.68</b>	<b>(127.54)</b>	<b>59,793.39</b>
Profit for the Year	-	-	-	2,104.40	-	2,104.40
Transaction Impact of Ind AS-116, net of Tax	-	-	-	(35.16)	-	(35.16)
Other Comprehensive Income, net of tax	-	-	-	-	(46.57)	(46.57)
Transfer to General Reserve	-	-	-	-	-	-
Dividend Including Dividend -Distribution Tax	-	-	-	(1,484.99)	-	(1,484.99)
<b>Balance at 31<sup>st</sup> March, 2020</b>	<b>116.25</b>	<b>2,275.00</b>	<b>7,000.00</b>	<b>51,113.93</b>	<b>(174.11)</b>	<b>60,331.07</b>

As per our report of even date

**For Uday & Co.**

Chartered Accountants

**K. Sathyanarayanan**

Partner

Place: Bangalore

Membership No: 203644

Firm's Registration No: 004440S

Date: 24<sup>th</sup> June, 2020**For ASA & Associates LLP.**

Chartered Accountants

**Prateet Mittal**

Partner

Place: Delhi

Membership No: 402631

Firm's Registration No: 009571N\N500006

For and on behalf of the Board of Directors of

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

Managing Director &amp; CEO

DIN: 00193499

Place: London

**Pramod Bhandari**

Chief Financial Officer

Place : Mumbai

**Rajesh Muni**

Independent Director

DIN: 00193527

Place: Mumbai

**Sudhir R Singh**

Company Secretary

Place: Mumbai

# Cash Flow Statement

for the year ended 31<sup>st</sup> March, 2020

₹ in lakhs

Particulars	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before tax and Extraordinary Items</b>	3,207.64	18,630.54
Non-cash Adjustment to reconcile profit before tax to net cash flow:		
Depreciation / Amortisation Expenses	2,990.01	2,646.41
Impairment in the value of Investment in Subsidiary	29.45	950.00
Loss / (Profit) on Sale / Write off of Fixed Assets	13.24	14.77
Loss / (Profit) on Sale of Investments	(205.76)	(38.87)
Profit on Fair Value of Investment through Profit & Loss	(106.00)	(421.54)
Foreign Exchange Translation Difference Loss (Net)	370.55	(344.48)
Sundry Balances / Excess Provision Written Back	(19.81)	9.32
Interest Expense	1,087.85	741.15
Interest Income	(259.11)	(157.72)
Dividend Income	(0.59)	(24.28)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>7,107.47</b>	<b>22,005.30</b>
<b>Movements in Working Capital</b>		
Increase / (decrease) in Trade Payables / Other Current liabilities	(3,669.26)	6,676.01
Decrease / (increase) in Trade receivables	3,851.16	(4,236.66)
Decrease / (increase) in Inventories	3,435.86	(3,506.16)
Decrease / (increase) in loans and advances	(1,570.03)	(1,234.67)
	<b>2,047.73</b>	<b>(2,301.48)</b>
<b>CASH GENERATED FROM/(USED IN) OPERATIONS</b>	<b>9,155.20</b>	<b>19,703.82</b>
Direct Taxes Paid ( Net of refunds)	(761.88)	(5,051.19)
<b>NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES</b>	<b>8,393.32</b>	<b>14,652.63</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets, including intangible assets, CWIP	(16,270.63)	(20,901.24)
Proceeds from Sale of Fixed Assets	43.23	139.93
Purchase of Investments	6,083.71	(2,836.35)
Interest Received	253.66	134.75
Dividend Received	0.59	24.28
<b>NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>	<b>(9,889.44)</b>	<b>(23,438.63)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds/(Repayments) of Long-term borrowings	6,035.82	8,053.02
Interest Paid	(1,045.75)	(767.30)
Dividend Paid	(1,457.28)	(1,451.30)
<b>NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>	<b>3,532.79</b>	<b>5,834.42</b>
<b>NET INCREASE / (DECREASE) (A+B+C)</b>	<b>2,036.67</b>	<b>(2,951.58)</b>
<b>Cash and Cash Equivalents (Opening Balance)</b>	<b>(2,503.94)</b>	<b>447.64</b>
<b>Cash and Cash Equivalents (Closing Balance)</b>	<b>(467.27)</b>	<b>(2,503.94)</b>

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

As per our report of even date

**For Uday & Co.**

Chartered Accountants

**K. Sathyanarayanan**

Partner

Place: Bangalore

Membership No: 203644

Firm's Registration No: 004440S

Date: 24<sup>th</sup> June, 2020**For ASA & Associates LLP.**

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Place: Delhi

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Chief Financial Officer

Place : Mumbai

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Independent Director

DIN: 00193527

Place: Mumbai

**Sudhir R Singh**

Company Secretary

Place: Mumbai

## Significant Accounting Policies

### Note A :

#### (A) GENERAL INFORMATION

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

#### (B) STATEMENT OF COMPLIANCE

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

#### (C) BASIS OF PREPARATION

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company had adopted Indian Accounting Standards (“Ind AS”), notified under the Companies (Indian Accounting Standards) Rules, 2015, with effect from 1<sup>st</sup> April, 2017.

The financial statements have been prepared under the historical cost convention, with the exception of certain financial instruments that are required to be carried at fair values or at amortised cost by Ind-AS.

#### (D) PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss during the period in which they are incurred.

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

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

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013 with the exception of the following:

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

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

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

Freehold land is not depreciated.

Leasehold land is amortized over the period of lease.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

#### (E) INTANGIBLE ASSETS AND GOODWILL :

Separately purchased intangible assets are initially measured at cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

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

Computer software : 4 years

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

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquiree's interest in the



## Significant Accounting Policies

net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any.

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

### (F) INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURE:

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

### (G) OTHER INCOME:

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

### (H) INVENTORIES:

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

### (I) BORROWING COST:

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

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

### (J) FINANCIAL INSTRUMENTS:

#### Financial Assets:

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

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

Financial assets are subsequently classified as measured at

- amortized cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

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

#### Trade Receivables and Loans:

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

#### Debt Instruments:

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

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

**(b) Measured at fair value through other comprehensive income:** Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows

## Significant Accounting Policies

that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

### (c) Cash and Cash Equivalents:

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

### (d) Measured at fair value through profit or loss:

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

### Equity Instruments:

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

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

### Derecognition

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

### Impairment of Financial Asset

Expected credit losses are recognized for all financial assets subsequent to initial recognition

other than financial assets in FVTPL category.

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

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

### Financial Liabilities:

#### Initial recognition and measurement

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

#### Subsequent measurement

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

#### Derecognition

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

### (K) PROVISIONS AND CONTINGENT LIABILITIES:

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

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

## Significant Accounting Policies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

### (L) REVENUE RECOGNITION:

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement

With the goods and the amount of revenue can be measured reliably. The Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales.

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

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

Interest income is recognized on accrual basis.

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

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

### (M) EMPLOYEE BENEFITS:

#### Defined contribution plans

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

Company's provident fund contribution, in respect of certain employees, is made to an

irrevocable trust set up by the company and contribution to pension fund deposited with the Regional Provident Fund Commissioner and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

#### Defined benefit plans

In respect of certain employee, provident fund contributions are made to a trust administered by the Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The liability in respect of the shortfall of interest earnings of the Fund is determined on the basis of an actuarial valuation. The Company also provides for retirement/post-retirement benefits in the form of gratuity and leave pay.

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

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

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

## Significant Accounting Policies

### Termination benefits

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

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

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

### (N) IMPAIRMENT OF NON FINANCIAL ASSETS:

The Company assess at each reporting date whether there is any indication that the carrying amount may not be recoverable. If any such indication exists, then the assets recoverable amount is estimated and an impairment loss is recognised if the carrying amount of an asset or CGV exceeds its estimated recoverable amount in the statement of profit and loss.

Goodwill is tested annually for impairment.

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

### (O) INCOME TAXES:

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

Current tax is the expected tax payable/receivable on the taxable income/ loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years. Interest income/ expenses and penalties, if any, related to income tax are included in current tax expense.

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

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

### (P) FOREIGN CURRENCIES:

The financial statements are presented in INR, the functional currency of the Company. In preparing the financial statement, transactions in currencies other than the entity's functional currencies (foreign currencies) are recognized at the rates of exchange prevailing at the dates of transactions. At the end of each reporting period, monetary items denominated in foreign currencies are restated at the rates prevailing at that date. Non monetary items that are measured in terms of historical cost in a foreign currency are not restated.

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

Exchange differences on translations or settlement of long term foreign currency monetary items in respect of loans borrowed before 1<sup>st</sup> April , 2016 at rates different from those at which they were initially recorded or reported in the previous financial statements, in so far as it relates to acquisition of depreciate assets, are adjusted to the cost of the assets and depreciated over remaining useful of such assets. In other cases of long term foreign currency monetary items, these are accumulated in "Foreign currency monetary item translation difference" and amortised by recognition as income or expense in each period over the balance term of such items till settlement occurs but not beyond 31<sup>st</sup> March, 2020.

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

## Significant Accounting Policies

### (Q) EARNINGS PER SHARE:

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

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

### (R) BUSINESS COMBINATION:

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

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

### (S) LEASES:

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

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

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

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding leases liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognizes the lease payments as on operating expense on a straight-line basis over the term of the lease.

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

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

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

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



# Notes

## to the financial statements for the year ended 31<sup>st</sup> March, 2020

### 1 PROPERTY, PLANT AND EQUIPMENT

Particulars	₹ in lakhs												
	Freehold Land	Leasehold Land	Buildings	Plant & Equipments	Office Equipments & Fixtures	Furniture & Fixtures	Vehicles	Catalyst	Total	Intangible Assets (Computer - Software)	Goodwill	Right to Use Assets (Buildings)	Capital work-in-progress (Refer Note-2)
<b>Gross Carrying Amount</b>													
At 1 <sup>st</sup> April, 2019	233.87	4,524.84	3,012.19	71,765.99	434.82	974.09	853.42	2,062.51	83,861.73	139.84	201.14	-	21,608.27
Additions	-	-	419.57	9,716.11	37.17	57.52	142.29	609.17	10,981.83	18.95	-	429.74	15,084.58
Disposal	-	-	-	(88.24)	(9.10)	(13.29)	(77.39)	(426.71)	(614.73)	-	-	-	(9,969.94)
At 31 <sup>st</sup> March, 2020	233.87	4,524.84	3,431.76	81,393.86	462.89	1,018.32	918.32	2,244.97	94,228.83	158.79	201.14	429.74	26,722.91
<b>Accumulated Depreciation</b>													
At 1 <sup>st</sup> April, 2019	-	239.02	1,427.28	41,539.41	336.91	485.18	251.29	925.36	45,204.45	76.08	-	-	-
Depreciation for the year	-	59.05	104.47	1,832.27	31.97	65.25	97.22	691.67	2,881.90	27.40	-	254.31	-
Disposal	-	-	-	(83.82)	(8.65)	(10.69)	(28.39)	(426.71)	(558.26)	-	-	-	-
At 31 <sup>st</sup> March, 2020	-	298.07	1,531.75	43,287.86	360.23	539.74	320.12	1,190.32	47,528.09	103.48	-	254.31	-
<b>Net Carrying Amount</b>													
At 1 <sup>st</sup> April, 2019	233.87	4,285.82	1,584.91	30,226.58	97.91	488.91	602.13	1,137.15	38,657.28	63.76	201.14	-	21,608.27
At 31 <sup>st</sup> March, 2020	233.87	4,226.77	1,900.01	38,106.00	102.66	478.58	598.20	1,054.65	46,700.74	55.31	201.14	175.43	26,722.91

#### Notes :

- Buildings include ₹ 250/- (Previous year ₹ 250/-) for shares in office premises in a co-operative society.
- Capital work in Progress & Addition to fixed Assets includes Property, Plant & Equipment under construction ₹23,553.68 lakhs ( Previous year - ₹ 15,887.09 lakhs ), Machinery Spares Stock ₹1,365.60 lakhs ( Previous year - ₹ 5,159.79 lakhs ) and preoperative expenses incurred during the year in the form of Employee Benefits expense of ₹368.96 lakhs ( Previous year - ₹ 181.42 lakhs ), Rates & Taxes - ₹11.40 lakhs ( Previous year - NIL ), Interest & Finance Expenses ₹1,167.85 lakhs ( Previous Year - ₹ 1,66.50 lakhs ), Insurance Premium ₹18.31 lakhs ( Previous Year - ₹25.98 lakhs ), Power, Fuel & Water Charges ₹ 182.98 Lakhs and Miscellaneous Expenses ₹54.14 lakhs ( Previous Year - ₹ 6.84 lakhs ).
- Goodwill  
The Company tests goodwill annually for impairment  
Goodwill was recognised from business combination during the year ended 31<sup>st</sup> March, 2018 and represents difference of purchase consideration paid & allocation to Identified Assets & Liabilities as per Valuer's Report on acquiring manufacturing unit of Maleic Anhydride. The estimated value-in-use of the Unit is based on the future cash flows using at 2% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 17%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the Unit would decrease below its carrying amount.  
Pursuant to the amendment to the Companies (Accounting Standards) Rules 2006 by notification dated 29<sup>th</sup> December, 2011 issued by the Ministry of Corporate Affairs and exemption allowed vide D133AA of Ind AS-101 first time adoption of Ind AS, the Company continues to exercise the option in terms of Para 46A inserted in the Standard for long term foreign currency monetary assets and liabilities. Consequently the loss of foreign exchange of ₹ 67.93 lakhs for the year and loss of foreign exchange ₹ 1,085.42 lakhs as on 31<sup>st</sup> March, 2020 has been capitalised.
- Depreciation on Right to Use Assets includes ₹ 173.60 lakhs for previous years.

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020**2** NON-CURRENT INVESTMENTS

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Investment at Cost</b>		
<b>Unquoted</b>		
<b>Investment in Equity Instruments (Fully Paid- up)</b>		
17,610 (Previous year - 1,000) shares of ₹ 100 each in Cosmos Co-operative Bank Ltd.	17.61	1.00
294,348 (Previous year - 294,348) Share of AED 100 each in IGPL International Limited (wholly owned subsidiary)	5,278.58	5,278.58
37 (Previous year - Nil) Share of AED 150,000 each in IGPL (FZE) (wholly owned subsidiary)	35.16	-
<b>Total Non-Current Investment at Cost</b>	<b>5,331.35</b>	<b>5,279.58</b>
<b>Investment measured at fair Value through Profit &amp; Loss</b>		
<b>Investment in Mutual Funds (Fully Paid up)</b>		
40,537.392 (Previous year - 40,537.392) units of ₹ 10 each in Principal Mutual Fund	7.25	9.46
<b>Total Non-Current Investment measured at Fair Value through Profit &amp; Loss</b>	<b>7.25</b>	<b>9.46</b>
<b>Total Non-Current Investments</b>	<b>5,338.60</b>	<b>5,289.04</b>
Aggregate amount of quoted Investments and market value thereof	-	-
Aggregate amount of unquoted Investments	5,338.60	5,289.04
Aggregate amount of impairment in the value of Investments	(979.45)	(950.00)
	<b>4,359.15</b>	<b>4,339.04</b>

**3** NON-CURRENT FINANCIAL ASSETS

<b>(Unsecured, Considered Good)</b>		
Loan to Wholly Owned Subsidiary	1,044.22	179.14
	<b>1,044.22</b>	<b>179.14</b>

**4** NON-CURRENT FINANCIAL ASSETS

<b>OTHER FINANCIAL ASSETS</b>		
Deposits – Others	117.03	154.50
Loans to Employees	128.72	114.61
Fixed Deposits with Banks with a maturity period of above 12 months	52.86	52.86
Security Deposit – Related Party (Refer Note No. 33)	70.23	70.23
	<b>368.84</b>	<b>392.20</b>



## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020**5 OTHER NON-CURRENT ASSETS**

₹ in lakhs

Particulars	As at	As at
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Capital Advances for Purchase of Property, Plant and Equipment	197.95	983.43
Other Advances (Deposit with Government Authorities, etc.)	810.11	846.54
	<b>1,008.06</b>	<b>1,829.97</b>

**6 INVENTORIES**

(at lower of cost and net realisable value)		
Raw Material	3,752.94	5,994.44
Raw Material in transit	284.09	1,384.62
Stores and Spares	3,093.19	2,924.99
Work - in- Progress	997.16	1,118.89
Finished Goods	1,380.80	1,521.10
	<b>9,508.18</b>	<b>12,944.04</b>

**7 CURRENT INVESTMENTS**

Unquoted		
<b>Investment measured at Fair Value through Profit &amp; Loss</b>		
<b>Investment in Mutual Funds - (Fully Paid -up)</b>		
Nil (Previous year - 18,409.446) Units of Aditya Birla Sunlife Cash Plus of ₹100 each	-	18.45
Nil (Previous year - 976) Units of Edelwise Finvest Private Limited of ₹1,00,000 each	-	1,100.41
Nil (Previous year - 1,00,000) Units of Edelweiss Alpha Fund of ₹1,000 each.	-	1,040.38
Nil (Previous year -1,00,000) Units of Aventus Absolute Return Fund ₹ 1,000 each	-	1,083.95
Nil (Previous year -5,00,000) Units of DSP Black Rock India of ₹100 each.	-	538.00
Nil (Previous year -100) Units of JM Financial Products of ₹1,00,000 each.	-	1,082.56
10,00,000 (Previous year- 10,00,000) Units of Indostar Capital Finance Ltd ₹ 100 each	1,155.51	1,047.30
Nil (Previous year- 10,00,000) Units of ECL Finance Ltd ₹ 100 each	-	1,065.96
<b>Total Current Investment measured at Fair Value through Profit &amp; Loss</b>	<b>1,155.51</b>	<b>6,977.01</b>
<b>Total Current Investment</b>	<b>1,155.51</b>	<b>6,977.01</b>
Aggregate amount of quoted Investments and market value thereof	-	-
Aggregate amount of unquoted Investments	1,155.51	6,977.01
Aggregate amount of impairment in the value of Investments	-	-

# Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020

## 8 TRADE RECEIVABLES

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Unsecured, Considered Good	14,338.33	18,287.86
Less: Provision for doubtful debts	(3.86)	(6.73)
	<b>14,334.47</b>	<b>18,281.13</b>

## 9 CASH AND CASH EQUIVALENTS

(a) Cash in hand	3.43	3.09
Balance with Scheduled Banks		
In Current Accounts	148.99	833.11
	<b>152.42</b>	<b>836.20</b>
(b) Other Bank Balances		
In Fixed Deposits (Held with Scheduled Banks as Margin)	1,071.35	1,547.85
In Deposits with Maturity of less than 12 Months	2,205.67	-
In Fixed Deposits (Provided to Government Department as Security)	1.04	1.04
In Margin Money Accounts	-	5.90
In Unpaid Dividend Account	149.55	121.85
	<b>3,427.61</b>	<b>1,676.64</b>
	<b>3,580.03</b>	<b>2,512.84</b>

## 10 CURRENT FINANCIAL ASSETS - LOANS

Loan to Employees	72.02	61.07
	<b>72.02</b>	<b>61.07</b>

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

Advances recoverable in cash or kind or for value to be received		
- Considered Good	33.94	41.21
Balance with GST Authorities	1,393.67	1,361.81
	<b>1,427.61</b>	<b>1,403.02</b>

## 11 (b) CURRENT ASSETS - OTHERS

Prepayment	632.34	542.33
Export Incentive Receivable	318.71	301.45
Advances to Suppliers	212.02	372.64
	<b>1,163.07</b>	<b>1,216.42</b>

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020**12 EQUITY SHARE CAPITAL**

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Authorised</b>		
4,00,00,000 (Previous year - 4,00,00,000) Equity Shares of ₹ 10/- each	4,000.00	4,000.00
10,00,000 (Previous year- 10,00,000) Preference Share of ₹ 100/- each	1,000.00	1,000.00
	<b>5,000.00</b>	<b>5,000.00</b>
<b>Issued</b>		
3,08,01,350 (Previous year- 3,08,01,350) Equity Shares of ₹ 10/- each	3,080.14	3,080.14
<b>Subscribed and Paid up</b>		
3,07,94,850 (Previous year - 3,07,94,850) Equity Shares of ₹ 10/- each	3,079.49	3,079.49
Add: Amount paid up on 6,500 shares forfeited	0.32	0.32
	<b>3,079.81</b>	<b>3,079.81</b>

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

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

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

Name of the Shareholders	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	No. of Shares	%	No. of Shares	%
Gembel Trade Enterprises Ltd.	26,66,491	8.66	27,17,491	8.82
Kamrup Enterprises Ltd.	33,21,401	10.79	33,21,401	10.79
Mysore Petrochemicals Ltd.	40,75,000	13.23	40,75,000	13.23
Savita Investment Co. Ltd.	19,33,414	6.28	19,33,414	6.28
Shekhawati Investment Co. Ltd.	31,00,425	10.07	31,00,425	10.07
Vincent ( India) Ltd.	48,89,927	15.88	48,89,927	15.88

**13 OTHER EQUITY**

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Capital Reserve</b>		
Balance as per last Balance Sheet	116.25	116.25
<b>Securities Premium Reserve</b>		
Balance as per last Balance Sheet	2,275.00	2,275.00
<b>General Reserve</b>		
Balance as per last Balance Sheet	7,000.00	5,000.00
Add : Transferred from Surplus in Profit & Loss	-	2,000.00

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020

### 13 OTHER EQUITY

₹ in lakhs

Particulars	As at	As at
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
<b>Retained Earning</b>		
Opening Balance at the beginning of the year	50,529.68	42,366.51
Transaction Impact of Ind AS-116 , net of Tax	(35.16)	-
Add : Profit for the year	2,104.40	11,648.16
	<b>52,598.92</b>	<b>54,014.67</b>
Less : Appropriation		
Transferred to General Reserve	-	2,000.00
Equity dividend	1,231.79	1,231.79
Tax on Dividend	253.20	253.20
	<b>51,113.93</b>	<b>50,529.68</b>
<b>Other Comprehensive Income (OCI)</b>		
As per Last Balance Sheet	(127.54)	(27.47)
Add : Movement in OCI (Net) during the year	(46.57)	(100.07)
	<b>(174.11)</b>	<b>(127.54)</b>
<b>Total Other Equity</b>	<b>60,331.07</b>	<b>59,793.39</b>

### 14 NON-CURRENT FINANCIAL LIABILITIES- BORROWING

<b>Secured Loans</b>		
Term Loan - Rupee Term Loan from a Bank	4,142.84	1,530.84
External Commercial Borrowing	10,597.27	8,584.16
	<b>14,740.11</b>	<b>10,115.00</b>

- i During the year, the Company has fully availed the External Commercial Borrowings (ECB) and the repayment commenced from 29<sup>th</sup> November, 2019 when the first installment was repaid. This is in addition to the already subsisting ECB, in respect of which the repayment has already started from 15<sup>th</sup> September, 2013. Both the ECB's are payable in 17 equal semi-annual instalments from their respective due dates and are secured by the first pari-passu charge on the fixed movable assets (other than current assets) and registered mortgage on immovable properties of the Company by way of first pari-passu charge.
- ii Term Loan which is secured by the first pari-passu charge by way of hypothecation of movable fixed assets of the Company including but not limited to plants, machinery, equipment, etc and second pari-passu charge by way of hypothecation on all current assets of the Company including but not limited to book debts, stocks and all other current assets of the Company. The loan is also secured by mortgage of immovable properties of the Company by way of first pari-passu charge and Personal Guarantee of two Directors of the Company.

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020**15 NON-CURRENT FINANCIAL LIABILITIES**

₹ in lakhs

Particulars	As at	As at
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Due to Related Party (Refer Note No. 33)	1,922.00	2,369.00
Right to Use Assets	121.90	-
	<b>2,043.90</b>	<b>2,369.00</b>

**16 LONG TERM PROVISIONS**

Provision for Leave Encashment	352.54	291.72
	<b>352.54</b>	<b>291.72</b>

**17 DEFERRED TAX LIABILITIES (NET)**

Deferred Tax Assets :		
Provision allowed under tax on payment basis	42.50	29.33
	<b>42.50</b>	<b>29.33</b>
Deferred Tax Liabilities :		
Property, Plant & Equipments	6,380.94	5,443.68
Financial Assets	(47.79)	147.30
	<b>6,333.15</b>	<b>5,590.98</b>
Net Deferred Tax Liability (Net)	<b>6,290.65</b>	<b>5,561.65</b>
The movement on the deferred Tax account is as under:		
At the beginning of the year	5,561.65	3,712.14
Charge to statement of Profit & Loss (Net)	729.00	640.76
Adjustment to MAT (Net)	-	1,208.75
At the end of the year	<b>6,290.65</b>	<b>5,561.65</b>

**18 CURRENT FINANCIAL LIABILITIES - BORROWINGS**

<b>Secured</b>		
Bank Borrowings	619.69	3,069.54
Bill Discounting Facility	-	270.60
	<b>619.69</b>	<b>3,340.14</b>

## Notes

### to the financial statements for the year ended 31<sup>st</sup> March, 2020

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

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

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Dues of Micro, Medium and Small Enterprises	49.15	39.23
Dues of creditors other than Micro, Medium and Small Enterprises	19,907.78	22,957.17
	<b>19,956.93</b>	<b>22,996.40</b>

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

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

Unpaid Dividend (shall be credited to Investor Education and Protection Fund as and when due)	149.55	121.84
Security Deposits	3.50	3.50
Current maturities of long term Secured debts		
- External Commercial Borrowing	2,647.00	1,040.28
- Loan Against Cars (Secured against Vehicles acquired from such Loan)	-	0.53
- Due to Related Party - Refer Note No. 33	1,662.23	1,599.38
Right to Use Assets	89.15	-
Interest Accrued But not Due on Loans	46.18	4.08
Book Overdraft	18.77	350.51
Other Liabilities	363.39	10.16
	<b>4,979.77</b>	<b>3,130.28</b>

#### 20 OTHER CURRENT LIABILITIES

Advance from Customers	33.36	150.40
Statutory Dues & Taxes payable	308.49	327.79
	<b>341.85</b>	<b>478.19</b>

#### 21 SHORT TERM PROVISIONS

Provision for Leave Encashment	84.60	64.51
Provision for Gratuity	131.87	91.17
	<b>216.47</b>	<b>155.68</b>

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020**22 REVENUE FROM OPERATIONS (GROSS)**

₹ in lakhs

Particulars	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
<b>Sale of products</b>		
Finished Goods	1,05,158.39	1,29,347.40
Traded Goods	-	557.31
Other Operating Revenues	699.63	465.60
	<b>1,05,858.02</b>	<b>1,30,370.31</b>

**23 OTHER INCOME**

<b>Interest</b>		
- Bank Deposits	121.94	102.75
- Others	137.17	54.97
Profit on Fair Value of Investment through Profit & Loss	106.00	421.54
Profit/(Loss) on Sale of Fixed Assets	(13.24)	(14.77)
Profit on Sale of Investments	205.76	38.87
Dividend Received	0.59	24.28
Insurance Claim Received	44.18	83.05
Other Non Operating Income	37.53	47.07
	<b>639.93</b>	<b>757.76</b>

**24 COST OF RAW MATERIAL CONSUMED**

Orthoxylene		
Opening Stock	5,994.44	4,163.40
Add: Purchases (Net)	79,212.52	93,805.96
	<b>85,206.96</b>	<b>97,969.36</b>
Less: Closing Stock	3,752.94	5,994.44
	<b>81,454.02</b>	<b>91,974.92</b>

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

Opening Inventories		
Work - in- Progress	1,118.89	397.21
Finished Goods	1,521.10	1,010.20
Closing Inventories		
Work - in- Progress	997.16	1,118.89
Finished Goods	1,380.80	1,521.10
	<b>262.03</b>	<b>(1,232.58)</b>



# Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020

## 26 EMPLOYEE BENEFITS EXPENSE

₹ in lakhs

Particulars	Year ended	Year ended
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Salaries, Wages and Bonus	4,999.35	5,116.45
Contribution to Provident and Other Funds	272.21	261.49
Gratuity Expenses	59.53	51.82
Staff Welfare Expenses	685.26	752.00
	<b>6,016.35</b>	<b>6,181.76</b>

## 27 FINANCE COST

Interest		
- on Term Loans	215.58	63.63
- on Others	872.27	677.52
Bills Discounting and Bank Charges	507.58	402.38
	<b>1,595.43</b>	<b>1,143.53</b>

## 28 OTHER EXPENSES

Consumption of Stores, Spares and Consumables	261.64	298.56
Consumption of Packing Materials	630.25	675.16
Power, Fuel and Water charges	2,530.12	2,365.28
Repairs and Maintenance		
Plant and Equipments	2,176.09	2,039.11
Buildings	31.38	38.15
Others	48.66	32.07
Insurance Premium	419.79	299.81
Rent	5.98	115.91
Rates and Taxes	268.54	212.51
Selling Expenses		
Brokerage and Commission	42.37	185.30
Freight outward	2,445.45	2,449.80
Port charges	99.26	95.64
Other selling expenses	127.36	98.81
Directors' Sitting Fees & Commission	47.05	208.48
Payment to Auditors (Refer Note 28.1)	20.45	16.35
Travelling & Conveyance	666.00	651.84
Legal & Professional fees	367.30	392.87
Foreign Exchange Translation Difference	370.55	(344.48)
Communication Cost	28.65	35.35
CSR Expenditure (Refer Note 41)	32.82	136.16
Provision for Doubtful Debtors	(2.87)	6.73
Miscellaneous Expenses	326.18	285.69
	<b>10,943.02</b>	<b>10,295.10</b>

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020**28.1 PAYMENTS TO AUDITORS**

₹ in lakhs

Particulars	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
Audit Fees (Including Fee for Limited review)	18.00	15.00
For other matters	0.50	-
Reimbursement of Expenses	1.95	1.35
	<b>20.45</b>	<b>16.35</b>

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

Profit after tax as per Statement of Profit & Loss	2,104.40	11,648.16
Weighted average No. of Shares in calculating basic and diluted EPS	3,07,94,850	3,07,94,850
<b>Earning per Share</b>		
Basic & Diluted - ₹	<b>6.83</b>	<b>37.82</b>

**30 CAPITAL COMMITMENT**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances.	1,203.85	7,845.55

**31 CONTINGENT LIABILITIES**

Contingent Liabilities not provided for		
a. Disputed Excise & Service tax matters		
i) Cases decided in favour of the Company which are taken further in appeal before the appellate authorities by the department. (Deposit under Protest ₹ NIL, (Previous year ₹36.32 lakhs).	750.87	447.98
ii) Other Matters for which the Company is in appeal. (Deposits paid under protest ₹794.57 lakhs (Previous year ₹794.57 lakhs)	794.57	794.57
iii) Show Cause Notices received (Deposits paid under protest ₹ 15.55 lakhs (Previous year ₹15.65 lakhs)	454.92	569.37
b. Claim against the Company not acknowledged as Debt .	29.63	29.63
c. Income Tax matters under dispute for various years due to additions/disallowances.	5,742.07	5,559.30
d. Electricity Duty Disputed, writ petition has been filed before the Mumbai High Court through Captive Power Producers Association and stay has been granted.	1,606.37	1,310.14

## Notes

### to the financial statements for the year ended 31<sup>st</sup> March, 2020

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

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

- e. The Board at its meeting held on 24<sup>th</sup> June, 2020 considered and recommended a dividend @ 20% i.e. ₹ 2/- per share of ₹ 10/ each for the financial year 2019-20 (Previous Year @ 40% i.e. ₹ 4/- per Share taken as deduction under Reserves & Surplus ) subject to approval of the members of the company.

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March, 2020
Proposed equity dividend	615.90

### 32 SEGMENT INFORMATION

#### Primary Business Segment

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

#### Geographical Segments

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

Information about Secondary Geographical Segments

Segment Information	Year ended 31 <sup>st</sup> March, 2020			Year ended 31 <sup>st</sup> March, 2019		
	India	Outside India	Total	India	Outside India	Total
Revenue	90,360.05	15,497.97	1,05,858.02	1,13,868.92	16,501.39	1,30,370.31
Carrying amount of segment assets	1,02,764.26	10,188.53	1,12,952.79	1,02,679.06	8,637.20	1,11,311.26
Carrying amount of segment liabilities	31,366.94	18,174.97	49,541.91	33,983.61	14,454.45	48,438.06
Additions to fixed assets	11,430.52	-	11,430.52	1,429.50	-	1,429.50

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020**33** RELATED PARTY DISCLOSURE

Names of other related parties with whom transactions have taken place during the year	
a. Key Management Personnel	Shri Nikunj Dhanuka - Managing Director & CEO Shri J K Saboo - Executive Director Shri Pramod Bhandari - Chief Financial Officer Shri Sudhir R Singh - Company Secretary
b. Relatives of key management personnel	Shri Mayank Dhanuka – Uncle’s Son of Managing Director & CEO Shri Umang Dhanuka – Brother of Managing Director & CEO Smt. Bina Devi Dhanuka – Uncle’s Wife of Managing Director & CEO Smt. Raj Kumari Dhanuka – Mother of Managing Director & CEO
c. Enterprises Over which Key Management personnel and their relatives can exercise control	Mysore Petro Chemicals Limited
d. Subsidiary Companies	IGPL International Limited (Wholly owned Subsidiary) IGPL - FZE (Wholly owned Subsidiary)

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

₹ in lakhs

Sr.	Nature of Transaction	Related parties referred to in			
		i(a) above	i(b) above	i(c) above	i(d) above
<b>1</b>	<b>Income</b>				
	Sale of Goods ( Including Taxes )	-	-	<b>1,433.24</b>	-
		(-)	(-)	(559.68)	(-)
	Interest Charged	-	-	-	<b>22.24</b>
		(-)	(-)	(-)	(10.17)
<b>2</b>	<b>Expenses</b>				
	Remuneration	<b>388.84</b>	<b>233.72</b>	-	-
		(481.88)	(97.25)	(-)	(-)
	Interest	-	-	<b>346.93</b>	-
		(-)	(-)	(426.70)	(-)
	Rent	-	<b>8.40</b>	<b>88.85</b>	-
		(-)	(5.40)	(88.85)	(-)
<b>3</b>	<b>Investment (Net of Impairment)</b>	-	-	-	<b>4,334.28</b>
		(-)	(-)	(-)	(4,328.58)

# Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020

₹ in lakhs

Sr.	Nature of Transaction	Related parties referred to in			
		i(a) above	i(b) above	i(c) above	i(d) above
4	<b>Amount Payable at year end</b>				
	Against Purchase of MA Unit	-	-	3,584.23	-
		(-)	(-)	(3,968.38)	(-)
5	<b>Amount Receivable at year end</b>				
	Security Deposit	-	1.20	69.03	-
		(-)	(1.20)	(69.03)	(-)
	Other Receivable	-	-	-	1,044.22
		(-)	(-)	(-)	(179.14)

Note: Amount in bracket represents figures for previous year.

## 34 EMPLOYEE BENEFITS

### i. General Description of defined benefit plan

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

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss account and the funded status and amounts recognised in the balance sheet.

₹ in lakhs

Particulars	Gratuity (funded) 31 <sup>st</sup> March, 2020	Gratuity (funded) 31 <sup>st</sup> March, 2019
<b>a Profit and Loss account</b>		
Net employee benefit expense (recognized in Personnel Expenses in Note 26)		
Current service cost	57.44	55.46
Net Interest cost on benefit obligation	2.09	(3.64)
Past service cost	-	-
Net Benefit / Cost	59.53	51.82
<b>b Net employee benefit expense (recognized in Profit &amp; Loss and other Comprehensive Income)</b>		
Amount recognised in Profit & Loss account	59.53	51.82
Amount recognised in Other Comprehensive Income	71.59	153.03
Total Expenses / (Income) Recognized for the year	131.12	204.85
<b>c Balance sheet</b>		
Details of Provision for gratuity		
Defined benefit obligation	1,343.39	1,171.48
Fair value of plan assets	1,211.52	1,080.31
Amount Recognised in the Balance Sheet	(131.87)	(91.17)

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020

₹ in lakhs

Particulars	Gratuity (funded) 31 <sup>st</sup> March, 2020	Gratuity (funded) 31 <sup>st</sup> March, 2019
<b>d Changes in the present value of the defined benefit obligation are as follows:</b>		
Opening defined benefit obligation	1,171.48	1028.78
Interest cost	86.03	75.43
Current service cost	57.44	55.46
Benefits paid	(39.62)	(136.45)
Actuarial (gains) / losses on obligation	68.06	148.26
Past service cost	-	-
Closing defined benefit obligation	1,343.39	1,171.48
<b>e Changes in the fair value of plan assets are as follows:</b>		
Opening fair value of plan assets	1,080.31	1,006.02
Contributions by employer	83.94	79.07
Benefits paid	50.80	-
Actuarial gains / (losses)	(3.53)	(4.78)
Closing fair value of plan assets	1,211.52	1,080.31
<b>f Maturity Profile of defined benefit Plan assets</b>		
Within next 12 months (next annual reporting period)	241.63	193.06
Between 2 and 5 years	358.34	481.47
Between 6 and 10 years	800.32	641.65
<b>g Quantitative sensitivity analysis for significant assumption is as below</b>		
<b>Increase / decrease on present value of defined benefits obligation at the end of the year</b>		
One percentage point increase in discount rate	(76.72)	(66.90)
One percentage point decrease in discount rate	82.53	71.97
One percentage point increase in rate of salary	60.16	52.46
One percentage point decrease in rate of salary	(55.05)	(48.01)
<b>h Sensitivity Analysis Method</b>		
Sensitivity analysis is determined based on the expected movement in liability, if the assumptions were not proved to be true on different count		

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020

Particulars	Gratuity (funded) 31 <sup>st</sup> March, 2020	Gratuity (funded) 31 <sup>st</sup> March, 2019
<b>i The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:</b>	%	%
Discount rate	6.75	7.77
Expected rate of return on assets	6.75	7.77
Employee turnover	5	5
Salary Escalation	4	4
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Retirement Age	60	60

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

### 35 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

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

Particulars	31 <sup>st</sup> March, 2020		31 <sup>st</sup> March, 2019	
	Amount in Foreign currency	₹ in lakhs	Amount in Foreign currency	₹ in lakhs
i. Forward Contracts of sale outstanding as at the balance sheet date				
Forward currency contract US\$	6,249,105	4,710.95	5,400,850	3,735.84
ii. Forward Contracts of purchases outstanding as at the balance sheet date				
Forward currency contract US\$	-	-	-	-
iii. Particulars of Unhedged foreign currency exposure as at the balance sheet date:				
<b>Amount Receivable</b>				
US \$	131,436	99.08	561,850	388.64
GBP	1,121,902	1,044.22	198,002	179.14
<b>Amount Payable</b>				
Advance against Supply - US \$	34,860	26.28	-	-
Import of Goods - US \$	-	-	-	-
Import of Goods - Euro	5,057,058	4,199.87	5,057,058	3,929.46
Loans Payable - US \$	-	-	-	-
Loans Payable - Euro	16,795,770	13,948.82	13,545,275	10,525.00



## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020

### 36 FINANCIAL INSTRUMENTS

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

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

#### (a) Financial assets and liabilities

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

₹ in lakhs

Particulars	Amortised Cost	Fair Value through Profit and Loss A/c	Total Carrying Value	Total Fair Value (Level 2)	Total Fair Value (Level 3)
<b>As at 31<sup>st</sup> March, 2020</b>					
<b>Financial Assets</b>					
Trade Receivable	14,334.47	-	14,334.47	14,334.47	-
Investment	4,351.90	1,162.76	5,514.66	5,514.66	-
Cash and bank	3,580.03	-	3,580.03	3,580.03	-
Other financial assets	2,912.69	-	2,912.69	-	2,912.69
<b>Total</b>	<b>25,179.09</b>	<b>1,162.76</b>	<b>26,341.85</b>	<b>23,429.16</b>	<b>2,912.69</b>
<b>Financial Liabilities</b>					
Borrowings	15,359.80	-	15,359.80	15,359.80	-
Trade Payable	19,956.93	-	19,956.93	19,956.93	-
Other financial Liabilities	7,023.67	-	7,023.67	-	7,023.67
<b>Total</b>	<b>42,340.40</b>	<b>-</b>	<b>42,340.40</b>	<b>35,316.73</b>	<b>7,023.67</b>
<b>As at 31<sup>st</sup> March, 2019</b>					
<b>Financial Assets</b>					
Trade Receivable	18,281.13	-	18,281.13	18,281.13	-
Investment	5,279.58	6,036.47	11,316.05	11,316.05	-
Cash and bank	2,512.84	-	2,512.84	2,512.84	-
Other financial assets	2,035.43	-	2,035.43	-	2,035.43
<b>Total</b>	<b>28,108.98</b>	<b>6,036.47</b>	<b>34,145.45</b>	<b>32,110.02</b>	<b>2,035.43</b>
<b>Financial Liabilities</b>					
Borrowings	13,455.14	-	13,455.14	13,455.14	-
Trade Payable	22,996.40	-	22,996.40	22,996.40	-
Other financial Liabilities	5,499.28	-	5,499.28	-	5,499.28
<b>Total</b>	<b>41,950.82</b>	<b>-</b>	<b>41,950.82</b>	<b>36,451.54</b>	<b>5,499.28</b>

# Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020

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

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

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

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

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

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

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

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

## **Interest rate risk**

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

## **Foreign currency risk**

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

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

## **Liquidity Risk**

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

## **Credit Risk**

Credit risk is the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Company. To manage this, the Company periodically assess the financial reliability of customers, taking into account the financial condition., current economic trends, analysis of historical bad debts and agreeing of accounts receivable. Individual risk limit are set accordingly.

Financial instruments that are subject to Concentrations of credit risk principally consist of trade receivables, investments, derivatives, cash and cash equivalents, bank deposits and other financial assets.

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020(d) Foreign Currency exposure as at 31<sup>st</sup> March, 2020

₹ in lakhs

Particulars	USD	EUR	GBP	Total
Trade Receivables	4,810.03	-	-	4,810.03
Loans and advances	-	-	1,044.22	1,044.22
Trade Payable	(26.28)	(4,199.87)	-	(4,226.15)
Loan in Foreign Currency	-	(13,948.82)	-	(13,948.82)
Net Exposure	4,783.75	(18,148.69)	1,044.22	(12,320.72)

Foreign Currency exposure as at 31<sup>st</sup> March, 2019

Trade Receivables	4,124.48	-	-	4,124.48
Loans and advances	-	-	179.14	179.14
Trade Payable	-	(3,929.46)	-	(3,929.46)
Loan in Foreign Currency	-	(10,525.00)	-	(10,525.00)
Net Exposure	4,124.48	(14,454.46)	179.14	(10,150.84)

## (e) 1% increase or decrease in foreign currency exchange rates will have the following impact on profit before tax.

₹ in lakhs

Particulars	2019-20		2018-19	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	47.84	(47.84)	41.24	(41.24)
EUR	(181.49)	181.49	(144.54)	144.54
GBP	10.44	(10.44)	1.79	(1.79)
AED	-	-	-	-
Increase / (Decrease) in Profit	(123.21)	123.21	(101.51)	101.51

# Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020

## 37 INCOME TAXES (IND AS 12) :

Particulars	₹ in lakhs	
	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2020
Income tax recognised in Statement of Profit and Loss		
Current tax	374.24	6,341.62
Deferred tax	729.00	640.76
<b>Total income tax expenses recognised in the current year</b>	<b>1,103.24</b>	<b>6,982.38</b>
The Income tax expenses for the year can be reconciled to the accounting profit as follows:		
Profit before tax	3,207.64	18,630.54
Add: Exceptional Items	29.45	950.00
Profit before exceptional items & tax	3,237.09	19,580.54
Applicable Tax Rate	34.94%	34.94%
Computed Tax Expense	1,131.17	6,842.22
Tax effect of :		
Exempted income	(36.70)	(164.21)
Expenses disallowed	31.54	58.79
Additional allowances	(751.77)	(395.18)
Current Tax expense	374.24	6,341.62
Incremental Deferred Tax Liability on account Property, Plant & Equipments	776.79	493.46
Incremental Deferred Tax Asset on account of Financial Assets and Other items	(47.79)	147.30
Deferred tax provision (Net)	729.00	640.76
Tax Expenses recognised in Statement of Profit and Loss	1,103.24	6,982.38
Effective Tax Rate	34.08%	35.66%

## 38 BUSINESS COMBINATION

During the year ended 31<sup>st</sup> March, 2018 the Company has acquired the manufacturing unit of M/s Mysore Petro Chemicals Limited with effect from 1<sup>st</sup> April , 2017 for a consideration of ₹ 7,448.00 lakhs on slump sale basis, as per the valuation by Haribhakti & Co. LLP. The transaction was accounted under Ind AS 103 “Business Combination” as a business combination with the purchases price being allocated to identifiable assets and liabilities at fair value as determined by an approved valuer.

Following Table present the allocation of purchase price

Particulars	₹ in lakhs
Net Tangible Assets	7,246.86
Goodwill	201.14
<b>Total Purchase price</b>	<b>7,448.00</b>

## Notes

### to the financial statements for the year ended 31<sup>st</sup> March, 2020

Goodwill arose in the acquisition of above business because the cost of combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and assembled workforce of acquired business combination. These benefits are not recognised separately from goodwill as they do not meet the recognised criteria for identifiable intangible assets. The Goodwill is expected to be deductible for Income Tax purposes.

#### 39 RESEARCH & DEVELOPMENT

Research & Development Expenditure of ₹ 57.44 lakhs (Previous Year ₹ 58.84 lakhs) has been accounted for in the respective heads of the Statement of Profit and Loss.

40 The Company has assessed the impact of COVID-19 on the financial statements, business operations, liquidity position, cash flows and has concluded that no material adjustments are required in the financial results. The Company will continue to monitor the impact of COVID-19 and any material changes to future economic conditions.

#### 41 CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities.

Particulars	₹ in lakhs
(a) Gross amount required to be spent by the Company during the year is	366.30
(b) Amount spent during the year	32.82
i Construction / Acquisition of any assets	-
ii On Purposes other than (i) above.	32.82
<b>Total</b>	<b>32.82</b>

42 IGPL (FZE) wholly owned subsidiary of the Company has been liquidated on 12<sup>th</sup> April, 2020. Losses on account of the subsidiary amounting to ₹ 979.45 lakhs has been provided for by us.

#### 43 PREVIOUS YEAR COMPARATIVES

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date For Uday & Co. Chartered Accountants	For ASA & Associates LLP. Chartered Accountants	For and on behalf of the Board of Directors of I G Petrochemicals Limited	
<b>K. Sathyanarayanan</b> Partner Place: Bangalore	<b>Prateet Mittal</b> Partner Place: Delhi	<b>Nikunj Dhanuka</b> Managing Director & CEO DIN: 00193499 Place: London	<b>Rajesh Muni</b> Independent Director DIN: 00193527 Place: Mumbai
Membership No: 203644 Firm's Registration No: 004440S	Membership No: 402631 Firm's Registration No: 009571N\N500006	<b>Pramod Bhandari</b> Chief Financial Officer Place : Mumbai	<b>Sudhir R Singh</b> Company Secretary Place: Mumbai
Date: 24 <sup>th</sup> June, 2020			

# Independent Auditor's Report

To the Members of I G Petrochemicals Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of I G Petrochemicals Limited (hereinafter referred to as “the Holding Company”) and its subsidiaries (Holding Company and its subsidiaries together referred to as “the Group”), which comprise the consolidated balance sheet as at 31<sup>st</sup> March, 2020, and the consolidated statement of Profit and Loss (including other comprehensive income), and the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the “Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the group as at 31<sup>st</sup> March, 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (“the Act”). Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue Recognition (Ind AS 115)</b> Revenue from the sale of goods is recognized when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery. The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred. Refer Note A to the Consolidated Financial Statements - Significant Accounting Policies</p>	<p>Our audit approach was a combination of test of internal controls and substantive procedures including:</p> <ul style="list-style-type: none"> <li>Assessing the appropriateness of the Company’s revenue recognition accounting policies in line with Ind AS 115 (“Revenue from Contracts with Customers”) and testing thereof.</li> <li>Evaluating the design and implementation of Company’s controls in respect of revenue recognition.</li> <li>Testing the effectiveness of such controls over revenue cut off at year end.</li> <li>Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end.</li> <li>Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.</li> </ul>

Key audit matter	How our audit addressed the key audit matter
<p><b>Ind AS 116 – Leases</b></p> <p>The Company has adopted Ind AS 116 Leases (Ind AS 116) in the current year. The application and transition to this accounting standard is complex and is an area of focus in our audit since the Company has a large number of leases with different contractual terms.</p> <p>Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term. Additionally, the standard mandates detailed disclosures in respect of transition.</p> <p>Refer Note A and Note 1 to the Consolidated financial statements – Significant Accounting Policies.</p>	<p>Assessed and tested new processes and controls in respect of the lease accounting standard (Ind AS 116);</p> <ul style="list-style-type: none"> <li>• Assessed the Company’s evaluation on the identification of leases based on the contractual agreements and our knowledge of the business;</li> <li>• Evaluated the method of transition and related adjustments;</li> <li>• Assessed and tested the presentation and disclosures relating to Ind AS 116 including, disclosures relating to transition.</li> </ul>

**Emphasis of Matter**

We draw your attention to Note No. 39 to the consolidated financial statements, which explains the management’s assessment of the financial impact due to lockdown / restrictions related to the Covid-19 pandemic imposed by the Governments, for which a definitive assessment of the impact is dependent upon future economic conditions.

Our opinion is not modified in respect of this matter.

**Information other than the Consolidated Financial Statements and Auditor’s Report thereon**

The Holding Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Holding Company’s Annual Report, but does not include the consolidated financial statements and our auditor’s report thereon. This other information is expected to be made available to us after the date of this auditors’ report.

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

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

obtained in the audit, or otherwise appears to be materially misstated.

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

**Responsibilities of Management and those charged with governance for the Consolidated Financial Statements**

The Holding Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss, including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each entity and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were



operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entity included in the Group is responsible for overseeing the financial reporting process of each entity.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our

opinion on whether the entity has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
- We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding

independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

- a) We did not audit the financial statements of foreign subsidiary whose financial statements reflect total assets of ₹ 8,568.88 lakhs as at 31<sup>st</sup> March, 2020, total revenues of ₹ 5.87 lakhs and net cash flows amounting to ₹ (534.37) lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

#### Report on other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements

have been kept so far as it appears from our examination of those books and report of the other auditors;

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including the Other Comprehensive Income), the Consolidated Statement of Changes in Equity, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2020 and taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our audit report on standalone financial statements. The subsidiaries are incorporated outside India and hence the requirements of this clause are not applicable to those entities.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations as at 31<sup>st</sup> March, 2020 on the consolidated financial position of the Group– Refer Note 30 to the consolidated financial statements;

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to

the Investor Education and Protection Fund by the Holding Company.

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

**For ASA & Associates LLP**  
Chartered Accountants  
Firm's Registration No.  
009571N/N500006

**K Sathyanarayanan**  
Partner  
Membership No. 203644  
UDIN :20203644AAAAAJ3712  
**Place:** Bangalore  
**Date:** 24<sup>th</sup> June, 2020

**Prateet Mittal**  
Partner  
Membership No. 402631  
UDIN : 20402631AAAAHI2586  
**Place:** Delhi  
**Date:** 24<sup>th</sup> June, 2020

## Consolidated Balance Sheet

as at 31<sup>st</sup> March, 2020

₹ in lakhs

Particulars	Note	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>ASSETS</b>			
<b>Non Current assets</b>			
Property, Plant and Equipment	1	46,700.74	38,657.28
Right to Use Assets	1	175.43	-
Capital Work-In-Progress	1	33,945.27	28,259.20
Goodwill	1	201.14	201.14
Other Intangible Assets	1	55.31	63.76
Investment in a Joint Venture (Net of Impairment)		-	41.65
		<b>81,077.89</b>	<b>67,223.03</b>
<b>Financial Assets</b>			
(i) Investments	2	24.86	10.46
(ii) Other Financial Assets	3	368.84	392.20
Non-Current Tax Assets (Net)		1,076.10	644.93
Other Non-Current Assets	4	1,008.06	1,829.97
<b>Total Non-Current Assets</b>		<b>83,555.75</b>	<b>70,100.59</b>
<b>Current Assets</b>			
Inventories	5	9,508.18	12,944.04
<b>Financial Assets</b>			
(i) Investments	6	1,155.51	6,977.01
(ii) Trade Receivables	7	14,334.47	18,281.13
(iii) Cash and Cash Equivalents	8(a)	798.28	1,954.56
(iv) Bank balances other than (iii) above	8(b)	4,128.27	1,676.64
(v) Loans	9	72.02	61.07
(vi) Other Financial Assets	10(a)	1,427.61	1,403.02
Other Current Assets	10(b)	1,163.07	1,216.42
<b>Total Current Assets</b>		<b>32,587.41</b>	<b>44,513.89</b>
<b>TOTAL</b>		<b>1,16,143.16</b>	<b>1,14,614.48</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	11	3,079.81	3,079.81
Other Equity	12	60,191.80	59,827.75
<b>Total Equity</b>		<b>63,271.61</b>	<b>62,907.56</b>
<b>Non-Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	13	14,740.11	10,115.00
(ii) Other Financial Liabilities	14	2,043.90	2,369.00
Provisions	15	352.54	291.72
Deferred Tax Liabilities (Net)	16	6,290.65	5,561.65
<b>Total Non-Current Liabilities</b>		<b>23,427.20</b>	<b>18,337.37</b>
<b>Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	17	3,948.09	6,606.67
(ii) Trade Payables	18(a)	19,958.17	22,998.73
(iii) Other Financial Liabilities	18(b)	4,979.77	3,130.28
Other Current Liabilities	19	341.85	478.19
Provisions	20	216.47	155.68
<b>Total Current Liabilities</b>		<b>29,444.35</b>	<b>33,369.55</b>
<b>TOTAL</b>		<b>1,16,143.16</b>	<b>1,14,614.48</b>
<b>Significant Accounting Policies</b>	A		
<b>Notes on Financial Statements</b>	1-44		

As per our report of even date

**For Uday & Co.**

Chartered Accountants

**K. Sathyanarayanan**

Partner

Place: Bangalore

Membership No: 203644

Firm's Registration No: 004440S

Date: 24<sup>th</sup> June, 2020**For ASA & Associates LLP.**

Chartered Accountants

**Prateet Mittal**

Partner

Place: Delhi

Membership No: 402631

Firm's Registration No: 009571N\N500006

For and on behalf of the Board of Directors of

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

Managing Director &amp; CEO

DIN: 00193499

Place: London

**Pramod Bhandari**

Chief Financial Officer

Place : Mumbai

**Rajesh Muni**

Independent Director

DIN: 00193527

Place: Mumbai

**Sudhir R Singh**

Company Secretary

Place: Mumbai

**Consolidated Statement of Profit & Loss**for the year ended 31<sup>st</sup> March, 2020

₹ in lakhs

Particulars	Note	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
<b>INCOME</b>			
Revenue from Operations	21	1,05,858.02	1,30,370.31
Other Income	22	623.57	768.37
<b>Total Income</b>		<b>1,06,481.59</b>	<b>1,31,138.68</b>
<b>EXPENSES</b>			
Cost of Raw Material Consumed	23	81,454.02	91,974.92
Purchases of Stock-in-Trade		-	538.39
Changes In Inventories of Finished Goods and Work-in-Progress	24	262.03	(1,232.58)
Employee Benefits Expense	25	6,016.35	6,181.76
Finance Cost	26	1,596.97	1,214.35
Depreciation and Amortisation Expenses	1	2,990.01	2,646.41
Other Expenses	27	10,943.02	10,316.80
<b>Total Expenses</b>		<b>1,03,262.40</b>	<b>1,11,640.05</b>
<b>Profit before Exceptional Items &amp; Tax</b>		<b>3,219.19</b>	<b>19,498.63</b>
Less: Exceptional Items			
Impairment in the value of Investment in Subsidiary		28.15	829.12
<b>Profit before Tax and Share of profit of Joint venture</b>		<b>3,191.04</b>	<b>18,669.51</b>
Share of profit/(Loss) of Joint Venture		-	(2.31)
<b>Profit before Tax</b>		<b>3,191.04</b>	<b>18,667.20</b>
<b>Tax Expenses</b>	36		
Current Tax		374.24	6,341.62
Deferred Tax		729.00	640.76
<b>Profit for the year</b>		<b>2,087.80</b>	<b>11,684.82</b>
<b>Other Comprehensive Income / (Expenses)</b>			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plan - Gratuity		(71.59)	(153.03)
(ii) Income Tax relating to items that will not be reclassified to profit or loss		25.02	52.96
<b>Other Comprehensive Income For the Year</b>		<b>(46.57)</b>	<b>(100.07)</b>
<b>Total Comprehensive Income For the Year</b>		<b>2,041.23</b>	<b>11,584.75</b>
Earning per Equity Share:	28		
Face value of shares ₹ 10 each (Previous Year: ₹ 10 each)			
Basic & Diluted - ₹		6.78	37.94
<b>Significant Accounting Policies</b>	A		
<b>Notes on Financial Statements</b>	1-44		

As per our report of even date

**For Uday & Co.**

Chartered Accountants

**For ASA & Associates LLP.**

Chartered Accountants

For and on behalf of the Board of Directors of

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

Partner

Place: Bangalore

**Prateet Mittal**

Partner

Place: Delhi

**Nikunj Dhanuka**

Managing Director &amp; CEO

DIN: 00193499

Place: London

**Rajesh Muni**

Independent Director

DIN: 00193527

Place: Mumbai

Membership No: 203644

Firm's Registration No: 004440S

Membership No: 402631

Firm's Registration No: 009571N\N500006

**Pramod Bhandari**

Chief Financial Officer

Place : Mumbai

**Sudhir R Singh**

Company Secretary

Place: Mumbai

Date: 24<sup>th</sup> June, 2020

# Statement of Changes in Equity

for the year ended 31<sup>st</sup> March, 2020

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>(A) Equity Share Capital</b>		
Opening Balance	3,079.81	3,079.81
Changes in Equity Share Capital	-	-
Closing Balance	3,079.81	3,079.81

Particulars	Reserves and Surplus					Other Comprehensive Income	Total Other Equity
	Capital Reserve	Securities Premium Reserve	General Reserve	Foreign Currency Translation reserve on consolidation	Retained Earnings		
<b>Balance at 1<sup>st</sup> April, 2018</b>	<b>116.25</b>	<b>2,275.00</b>	<b>5,000.00</b>	<b>73.58</b>	<b>42,260.47</b>	<b>(27.47)</b>	<b>49,697.83</b>
Profit for the Year	-	-	-	-	11,684.82	-	11,684.82
Other Comprehensive Income, net of tax	-	-	-	-	-	(100.07)	(100.07)
Foreign Currency Translation reserve on consolidation	-	-	-	30.16	-	-	30.16
Transfer to General Reserve	-	-	2,000.00	-	(2,000.00)	-	-
Dividend Including Dividend -Distribution Tax	-	-	-	-	(1,484.99)	-	(1,484.99)
<b>Balance at 31<sup>st</sup> March, 2019</b>	<b>116.25</b>	<b>2,275.00</b>	<b>7,000.00</b>	<b>103.74</b>	<b>50,460.30</b>	<b>(127.54)</b>	<b>59,827.75</b>
Profit for the Year	-	-	-	-	2,087.80	-	2,087.80
Other Comprehensive Income, net of tax	-	-	-	-	-	(46.57)	(46.57)
Transaction Impact of Ind AS-116, net of Tax	-	-	-	-	(35.16)	-	(35.16)
Foreign Currency Translation reserve on consolidation	-	-	-	(157.03)	-	-	(157.03)
Transfer to General Reserve	-	-	-	-	-	-	-
Dividend Including Dividend -Distribution Tax	-	-	-	-	(1,484.99)	-	(1,484.99)
<b>Balance at 31<sup>st</sup> March, 2020</b>	<b>116.25</b>	<b>2,275.00</b>	<b>7,000.00</b>	<b>(53.29)</b>	<b>51,027.95</b>	<b>(174.11)</b>	<b>60,191.80</b>

As per our report of even date

**For Uday & Co.**  
Chartered Accountants

**K. Sathyanarayanan**  
Partner  
Place: Bangalore

Membership No: 203644  
Firm's Registration No: 004440S

Date: 24<sup>th</sup> June, 2020

**For ASA & Associates LLP.**  
Chartered Accountants

**Prateet Mittal**  
Partner  
Place: Delhi

Membership No: 402631  
Firm's Registration No: 009571N\N500006

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

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

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

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

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

# Consolidated Cash Flow Statement

for the year ended 31<sup>st</sup> March, 2020

₹ in lakhs

Particulars	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before tax and Extraordinary Items</b>	3,191.04	18,667.20
Non -cash Adjustment to reconcile profit before tax to net cash flow:		
Depreciation / Amortisation Expenses	2,990.01	2,646.41
Loss / (Profit) on Sale / Write off of Fixed Assets	13.24	14.77
Foreign Currency Translation reserve on consolidation	(157.03)	30.16
Loss / (Profit) on Sale of Investments	(205.76)	(38.87)
Profit on Fair Value of Investment through Profit & Loss	(106.00)	(421.54)
Foreign Exchange Translation Difference Loss (Net)	370.55	(344.48)
Sundry Balances / Excess Provision Written Back	(19.81)	9.32
Interest Expense	1,087.85	741.15
Interest Income	(242.60)	(147.56)
Dividend Income	(0.59)	(24.28)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>6,920.90</b>	<b>21,132.28</b>
<b>Movements in Working Capital</b>		
Increase / (decrease) in Trade Payables / Other Current liabilities	(3,670.35)	6,678.15
Decrease / (increase) in Trade receivables	3,851.16	(4,236.66)
Decrease / (increase) in Inventories	3,435.86	(3,506.16)
Decrease / (increase) in loans and advances	(1,405.61)	(1,153.73)
	<b>2,211.06</b>	<b>(2,218.40)</b>
<b>CASH GENERATED FROM/(USED IN ) OPERATIONS</b>	<b>9,131.96</b>	<b>18,913.88</b>
Direct Taxes Paid ( Net of refunds)	(761.88)	(5,051.19)
<b>NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES</b>	<b>8,370.08</b>	<b>13,862.69</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets, including intangible assets, CWIP	(16,842.06)	(21,259.56)
Proceeds from Sale of Fixed Assets	43.23	139.93
Purchase of Investments	6,160.52	(612.86)
Interest Received	237.15	124.59
Dividend Received	0.59	24.28
<b>NET CASH FLOW FROM /(USED IN) INVESTING ACTIVITIES</b>	<b>(10,400.57)</b>	<b>(21,583.62)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds/(Repayments) of Long-term borrowings	6,035.82	8,053.02
Interest Paid	(1,045.75)	(767.30)
Dividend Paid	(1,457.28)	(1,451.30)
<b>NET CASH FLOW FROM /(USED IN) FINANCING ACTIVITIES</b>	<b>3,532.79</b>	<b>5,834.42</b>
<b>NET INCREASE / (DECREASE) ( A+B+C)</b>	<b>1,502.30</b>	<b>(1,886.51)</b>
<b>Cash and Cash Equivalents (Opening Balance)</b>	<b>(1,385.58)</b>	<b>500.93</b>
<b>Cash and Cash Equivalents (Closing Balance)</b>	<b>116.72</b>	<b>(1,385.58)</b>

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

As per our report of even date

**For Uday & Co.**

Chartered Accountants

**For ASA & Associates LLP.**

Chartered Accountants

For and on behalf of the Board of Directors of

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

Partner

Place: Bangalore

Membership No: 203644

Firm's Registration No: 004440S

Date: 24<sup>th</sup> June, 2020**Prateet Mittal**

Partner

Place: Delhi

Membership No: 402631

Firm's Registration No: 009571N\N500006

**Nikunj Dhanuka**

Managing Director &amp; CEO

DIN: 00193499

Place: London

**Pramod Bhandari**

Chief Financial Officer

Place : Mumbai

**Rajesh Muni**

Independent Director

DIN: 00193527

Place: Mumbai

**Sudhir R Singh**

Company Secretary

Place: Mumbai



## Significant Accounting Policies

### Note A :

#### (A) GENERAL INFORMATION

I G Petrochemicals Limited (“the Company”) together with its subsidiaries collectively the group is engaged in the manufacture of Phthalic Anhydride and Maleic Anhydride. The company is a public limited Company incorporated in India with its registered office at T-10, 3<sup>rd</sup> Floor, Jairam Complex, Mala, Neugi Nagar, Panaji, Goa - 403 001.

#### (B) STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) prescribed under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

#### (C) BASIS OF PREPARATION

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

The financial statements have been prepared under the historical cost convention, with the exception of certain financial instruments that are required to be carried at fair values or at amortised cost by Ind-AS.

#### (D) PRINCIPLES OF CONSOLIDATION

- i) The consolidated financial statements have been prepared under the historical cost convention, with the exception of certain assets and liabilities that are required to be carried at fair values by Ind-AS.
- ii) The financial statements of the Group are consolidated on line-by-line basis, intra-group transactions, balances and any unrealized gains arising from intra-group transactions are eliminated. Unrealised losses are eliminated, but only to the extent that there is no evidence of impairment. All temporary differences that arise from the elimination of profits and losses resulting from intra group transactions are recognized as per Ind AS 12, Income Taxes.
- iii) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transaction and other events in similar circumstances and are presented

to the extent possible in the same manner as the Company’s consolidated financial statements.

- iv) Translation of the financial statement of foreign operation is effected as under:
  - 1) Income and expenses are translated at the average exchange rate prevailing during the year.
  - 2) All assets and liabilities both monetary and non-monetary are translated at the exchange rate prevalent at the date of Balance Sheet.
  - 3) The resulting net exchange differences are recognized as foreign currency translation reserve as part of Reserve and Surplus.

#### (E) THE LIST OF SUBSIDIARIES COMPANIES, JOINTLY CONTROLLED ENTITY AND COMPANY’S HOLDINGS THERE UNDER:

Name of the Company	Country of incorporation	Ownership in % either Directly or through Subsidiaries	
		2019-20	2018-19
Foreign subsidiaries			
IGPL International Limited	UAE	100%	100%
IGPL (FZE)	UAE	100%	100%
Jointly Controlled Entity (through subsidiary)			
ENOC-IG Petrochemicals LLC	UAE	Nil	30%

#### (F) USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected

## Significant Accounting Policies

in the financial statements in the period in which changes are made and if material their effects are disclosed in the notes to the consolidated financial statements.

### (G) FUNCTIONAL AND PRESENTATION CURRENCY

These consolidated financial statements are presented in Indian rupees (INR), which is also the functional currency of the parent Company. All amounts have been rounded off to the nearest lakhs, unless otherwise indicated in respect of subsidiaries and associates whose functional currency has been determined to be currency of the primary economic environment in which the entity operates.

### (H) PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss during the period in which they are incurred.

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

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

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013 with the exception of the following:

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

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

Cost of catalyst has been amortized from the date, the same has been issued in the production process in 3 years as against 8 to 20 years defined in schedule II, so as to expense out the cost over its estimated useful life based on a technical evaluation.

Freehold land is not depreciated.

Leasehold land is amortized over the period of lease.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

### (I) INTANGIBLE ASSETS AND GOODWILL :

Separately purchased intangible assets are initially measured at cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

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

Computer software : 4 years

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

## Significant Accounting Policies

Indefinite life intangibles mainly consist of brands/trademarks. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues, if not, it is impaired or changed prospectively basis revised estimates.

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

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

### (J) INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURE:

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

### (K) OTHER INCOME:

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

### (L) INVENTORIES:

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

### (M) BORROWING COST:

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost, except in case of foreign currency borrowing which existed on the date of transition i.e. 1<sup>st</sup> April, 2016 from previous GAAP to Ind AS wherein company continues to exercise the option in terms of para 46A inserted in the AS-11

The Effects of Change in Foreign Exchange Rates. Consequently the loss/gain of foreign exchange on translation of foreign exchange borrowing continued to be capitalized.

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

### (N) FINANCIAL INSTRUMENTS:

#### Financial Assets:

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

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

Financial assets are subsequently classified as measured at

- amortized cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

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

#### Trade Receivables and Loans:

Trade receivables are held at realizable value net of expected credit loss.

#### Debt Instruments:

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

- (a) **Measured at amortised cost:** Financial assets that are held within a business model whose objective is to hold financial assets

## Significant Accounting Policies

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

- (b) **Measured at fair value through other comprehensive income:** Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.
- (c) **Cash and Cash Equivalents:**  
Cash and cash equivalents are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.
- (d) **Measured at fair value through profit or loss:** A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

### Equity Instruments:

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

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure

such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

### Derecognition

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

### Impairment of Financial Asset

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

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

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

### Financial Liabilities:

#### Initial recognition and measurement

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

#### Subsequent measurement

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

## Significant Accounting Policies

### Derecognition

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

### (O) PROVISIONS AND CONTINGENT LIABILITIES:

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

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

### (P) REVENUE RECOGNITION:

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement

With the goods and the amount of revenue can be measured reliably. The Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales.

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

Interest income is recognized on accrual basis.

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

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

### (Q) EMPLOYEE BENEFITS:

#### Defined contribution plans

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

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

#### Defined benefit plans

In respect of certain employees, provident fund contributions are made to a trust administered by the Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The liability in respect of the shortfall of interest earnings of the Fund is determined on the basis of an actuarial valuation. The Company also provides for retirement/post-retirement benefits in the form of gratuity and leave pay.

For defined benefit plans, the amount recognised as 'Employee benefit expenses' in the Statement of Profit and Loss is the cost of accruing employee benefits promised to employees over the year and the costs of individual events such as past/future service benefit changes and settlements (such events are recognised immediately in the Statement of Profit and Loss). The amount

## Significant Accounting Policies

of net interest expense calculated by applying the liability discount rate to the net defined benefit liability or asset is charged or credited to 'Employee Benefit Expenses' in the Statement of Profit and Loss. Any differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

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

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

### Termination benefits

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

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

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

### (R) IMPAIRMENT OF NON FINANCIAL ASSETS :

The Company assess at each reporting date whether there is any indication that the carrying amount may not be recoverable if any such indication exists, then the assets recoverable amount is estimated and an impairment loss is recognised if the carrying amount of an asset or CGV exceeds its estimated recoverable amount in the statement of profit and loss.

Goodwill is tested annually for impairment. Goodwill from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Impairment loss recognised in respect of a CGUs is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of other assets of the CGU (or groups of CGUs) on a pro rata basis.

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

### (S) INCOME TAXES:

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

Current tax is the expected tax payable/receivable on the taxable income/ loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years. Interest income/ expenses and penalties, if any, related to income tax are included in current tax expense.

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

A deferred tax liability is recognised based on the expected manner of realisation or settlement



## Significant Accounting Policies

of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

### (T) FOREIGN CURRENCIES:

The financial statements are presented in INR, the functional currency of the Company. In preparing the financial statement, transactions in currencies other than the entity's functional currencies (foreign currencies) are recognized at the rates of exchange prevailing at the dates of transactions. At the end of each reporting period, monetary items denominated in foreign currencies are restated at the rates prevailing at that date. Non monetary items that are measured in terms of historical cost in a foreign currency are not restated.

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

Exchange differences on translations or settlement of long term foreign currency monetary items in respect of loans borrowed before 1<sup>st</sup> April, 2016 at rates different from those at which they were initially recorded or reported in the previous financial statements, in so far as it relates to acquisition of depreciate assets, are adjusted to the cost of the assets and depreciated over remaining useful of such assets. In other cases of long term foreign currency monetary items, these are accumulated in "Foreign currency monetary item translation difference" and amortised by recognition as income or expense in each period over the balance term of such items till settlement occurs but not beyond 31<sup>st</sup> March, 2020.

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

### (U) EARNINGS PER SHARE:

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

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

### (V) BUSINESS COMBINATION:

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

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



## Significant Accounting Policies

### (W) LEASES:

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

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

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

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding leases liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets,

the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

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

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

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

# Notes

## to the financial statements for the year ended 31<sup>st</sup> March, 2020

### 1 PROPERTY, PLANT AND EQUIPMENT

Particulars	₹ in lakhs												
	Freehold Land	Leasehold Land	Buildings	Plant & Equipments	Office Equipments & Fixtures	Furniture & Fixtures	Vehicles	Catalyst	Total	Intangible Assets (Computer - Software)	Goodwill	Right to Use Assets (Buildings)	Capital work-in-progress (Refer Note-2)
<b>Gross Carrying Amount</b>													
At 1 <sup>st</sup> April, 2019	233.87	4,524.84	3,012.19	71,765.99	434.82	974.09	853.42	2,062.51	83,861.73	139.84	201.14	-	28,259.20
Additions	-	-	419.57	9,716.11	37.17	57.52	142.29	609.17	10,981.83	18.95	-	429.74	15,656.01
Disposal	-	-	-	(88.24)	(9.10)	(13.59)	(77.39)	(426.71)	(614.73)	-	-	-	(9,969.94)
<b>At 31<sup>st</sup> March, 2020</b>	<b>233.87</b>	<b>4,524.84</b>	<b>3,431.76</b>	<b>81,393.86</b>	<b>462.89</b>	<b>1,018.32</b>	<b>918.32</b>	<b>2,244.97</b>	<b>94,228.83</b>	<b>158.79</b>	<b>201.14</b>	<b>429.74</b>	<b>33,945.27</b>
<b>Accumulated Depreciation</b>													
At 1 <sup>st</sup> April, 2019	-	239.02	1,427.28	41,539.41	336.91	485.18	251.29	925.36	45,204.45	76.08	-	-	-
Depreciation for the year	-	59.05	104.47	1,832.27	31.97	65.25	97.22	691.67	2,881.90	27.40	-	254.31	-
Disposal	-	-	-	(83.82)	(8.65)	(10.69)	(28.39)	(426.71)	(558.26)	-	-	-	-
<b>At 31<sup>st</sup> March, 2020</b>	<b>-</b>	<b>298.07</b>	<b>1,531.75</b>	<b>43,287.86</b>	<b>360.23</b>	<b>539.74</b>	<b>320.12</b>	<b>1,190.32</b>	<b>47,528.09</b>	<b>103.48</b>	<b>-</b>	<b>254.31</b>	<b>-</b>
<b>Net Carrying Amount</b>													
At 1 <sup>st</sup> April, 2019	233.87	4,285.82	1,584.91	30,226.58	97.91	488.91	602.13	1,137.15	38,657.28	63.76	201.14	-	28,259.20
<b>At 31<sup>st</sup> March, 2020</b>	<b>233.87</b>	<b>4,226.77</b>	<b>1,900.01</b>	<b>38,106.00</b>	<b>102.66</b>	<b>478.58</b>	<b>598.20</b>	<b>1,054.65</b>	<b>46,700.74</b>	<b>55.31</b>	<b>201.14</b>	<b>175.43</b>	<b>33,945.27</b>

#### Notes :

- Buildings include ₹ 250/- (Previous year - ₹ 250/-) for shares in office premises in a co-operative society.
- Capital work in Progress & Addition to fixed Assets includes Property, Plant & Equipment under construction ₹30,776.04 lakhs ( Previous year - ₹ 22,538.02 lakhs ), Machinery Spares Stock ₹1,365.60 lakhs (Previous year - ₹ 5,159.79 lakhs ) and preoperative expenses incurred during the year in the form of Employee Benefits expense of ₹368.96 lakhs (Previous year- ₹ 181.42 lakhs), Rates & Taxes- ₹11.40 lakhs (Previous year - ₹ Nil lakhs), Interest & Finance Expenses ₹1,167.85 lakhs ( Previous Year - ₹ 166.50 lakhs), Insurance Premium ₹18.31 lakhs ( Previous Year - ₹25.98 lakhs ), Power, Fuel & Water Charges ₹ 182.98 Lakhs and Miscellaneous Expenses ₹54.14 lakhs ( Previous Year - ₹ 6.84 lakhs ).
- Goodwill  
The Company tests goodwill annually for impairment  
Goodwill was recognised from business combination during the year ended 31<sup>st</sup> March, 2018 and represents difference of purchase consideration paid & allocation to Identified Assets & Liabilities as per Valuer's Report on acquiring manufacturing unit of Maleic Anhydride. The estimated value-in-use of the Unit is based on the future cash flows using at 2% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 17%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the Unit would decrease below its carrying amount.
- Pursuant to the amendment to the Companies (Accounting Standards) Rules, 2006 by notification dated 29<sup>th</sup> December, 2011 issued by the Ministry of Corporate Affairs and exemption allowed vide D133AA of Ind AS-101 first time adoption of Ind AS, the Company continues to exercise the option in terms of Para 46A inserted in the Standard for long term foreign currency monetary assets and liabilities. Consequently the loss of foreign exchange of ₹ 67.93 lakhs for the year and loss of foreign exchange ₹ 1,085.42 lakhs as on 31<sup>st</sup> March, 2020 has been capitalised.
- Depreciation on Right to Use Assets includes ₹ 173.60 lakhs for previous years.

# Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020

## 2 NON-CURRENT INVESTMENTS

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Investment at Cost</b>		
<b>Unquoted</b>		
<b>Investment in Equity Instruments (Fully Paid- up)</b>		
17,610 (Previous year - 1,000 ) shares of ₹ 100 each in Cosmos Cooperative Bank Ltd.	17.61	1.00
<b>Total Non Current Investment at Cost</b>	<b>17.61</b>	<b>1.00</b>
<b>Investment measured at fair Value through Profit &amp; Loss</b>		
<b>Investment in Mutual Funds (Fully Paid up)</b>		
40,537.392 (Previous year - 40,537.392) units of ₹ 10 each in Principal Mutual Fund	7.25	9.46
<b>Total Non Current Investment measured at Fair Value through Profit &amp; Loss</b>	<b>7.25</b>	<b>9.46</b>
<b>Total Non Current Investments</b>	<b>24.86</b>	<b>10.46</b>
Aggregate amount of quoted Investments and market value thereof	-	-
Aggregate amount of unquoted Investments	24.86	10.46
Aggregate amount of impairment in the value of Investments	-	-
	<b>24.86</b>	<b>10.46</b>

## 3 NON-CURRENT FINANCIAL ASSETS

<b>OTHER FINANCIAL ASSETS</b>		
Deposits – Others	117.03	154.50
Loans to Employees	128.72	114.61
Fixed Deposits with Banks with a maturity period of above 12 months	52.86	52.86
Security Deposit – Related Party (Refer Note No. 32)	70.23	70.23
	<b>368.84</b>	<b>392.20</b>

## 4 OTHER NON-CURRENT ASSETS

Capital Advances for Purchase of Property, Plant and Equipment	197.95	983.43
Other Advances (Deposit with Government Authorities, etc.)	810.11	846.54
	<b>1,008.06</b>	<b>1,829.97</b>

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020**5 INVENTORIES**

₹ in lakhs

Particulars	As at	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
<b>(at lower of cost and net realisable value)</b>		
Raw Material	3,752.94	5,994.44
Raw Material in transit	284.09	1,384.62
Stores and Spares	3,093.19	2,924.99
Work - in- Progress	997.16	1,118.89
Finished Goods	1,380.80	1,521.10
	<b>9,508.18</b>	<b>12,944.04</b>

**6 CURRENT INVESTMENTS**

<b>Unquoted</b>		
<b>Investment measured at Fair Value through Profit &amp; Loss</b>		
<b>Investment in Mutual Funds - (Fully Paid -up)</b>		
Nil (Previous year - 18,409.446) Units of Aditya Birla Sunlife Cash Plus of ₹100 each	-	18.45
Nil (Previous year - 976) Units of Edelwise Finvest Private Limited of ₹100,000 each	-	1,100.41
Nil (Previous year - 1,00,000) Units of Edelweiss Alpha Fund of ₹ 1,000 each.	-	1,040.38
Nil (Previous year -1,00,000) Units of Aventus Absolute Return Fund ₹1,000 each	-	1,083.95
Nil (Previous year -5,00,000) Units of DSP Black Rock India of ₹ 100 each.	-	538.00
Nil (Previous year -100) Units of JM Financial Products of ₹ 1,00,000 each.	-	1,082.56
10,00,000 (Previous year- 10,00,000) Units of Indostar Capital Finance Ltd ₹ 100 each	1,155.51	1,047.30
Nil (Previous year- 10,00,000) Units of ECL Finance Ltd ₹ 100 each	-	1,065.96
<b>Total Current Investment measured at Fair Value through Profit &amp; Loss</b>	<b>1,155.51</b>	<b>6,977.01</b>
<b>Total Current Investment</b>	<b>1,155.51</b>	<b>6,977.01</b>
Aggregate amount of quoted Investments and market value thereof	-	-
Aggregate amount of unquoted Investments	1,155.51	6,977.01
Aggregate amount of impairment in the value of Investments	-	-

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020**7 TRADE RECEIVABLES**

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Unsecured, Considered Good	14,338.33	18,287.86
Less: Provision for doubtful debts	(3.86)	(6.73)
	<b>14,334.47</b>	<b>18,281.13</b>

**8 CASH AND CASH EQUIVALENTS**

(a) Cash in hand	4.08	3.09
Balance with Scheduled Banks		
In Current Accounts	794.20	1,951.47
	<b>798.28</b>	<b>1,954.56</b>
(b) Other Bank Balances		
In Fixed Deposits (Held with Scheduled Banks as Margin)	1,071.35	1,547.85
In Deposits with Maturity of less than 12 Months	2,906.33	-
In Fixed Deposits (Provided to Government Department as Security)	1.04	1.04
In Margin Money Accounts	-	5.90
In Unpaid Dividend Account	149.55	121.85
	<b>4,128.27</b>	<b>1,676.64</b>
	<b>4,926.55</b>	<b>3,631.20</b>

**9 CURRENT FINANCIAL ASSETS - LOANS**

Loan to Employees	72.02	61.07
	<b>72.02</b>	<b>61.07</b>

**10 (a) CURRENT ASSETS - OTHERS FINANCIAL ASSETS**

Advances recoverable in cash or kind or for value to be received		
- Considered Good	33.94	41.21
Balance with GST Authorities	1,393.67	1,361.81
	<b>1,427.61</b>	<b>1,403.02</b>

**10 (b) CURRENT ASSETS - OTHERS**

Prepayment	632.34	542.33
Export Incentive Receivable	318.71	301.45
Advances to Suppliers	212.02	372.64
	<b>1,163.07</b>	<b>1,216.42</b>

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020**11 EQUITY SHARE CAPITAL**

₹ in lakhs

Particulars	As at	As at
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
<b>Authorised</b>		
4,00,00,000 (Previous year - 4,00,00,000) Equity Shares of ₹ 10/- each	4,000.00	4,000.00
10,00,000 (Previous year- 10,00,000) Preference Share of ₹ 100/- each	1,000.00	1,000.00
	<b>5,000.00</b>	<b>5,000.00</b>
<b>Issued</b>		
3,08,01,350 (Previous year- 3,08,01,350) Equity Shares of ₹ 10/- each	3,080.14	3,080.14
<b>Subscribed and Paid up</b>		
3,07,94,850 (Previous year - 3,07,94,850) Equity Shares of ₹ 10/- each	3,079.49	3,079.49
Add: Amount paid up on 6,500 shares forfeited	0.32	0.32
	<b>3,079.81</b>	<b>3,079.81</b>

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

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

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

Name of the Shareholder	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	No. of Shares	%	No. of Shares	%
Gembel Trade Enterprises Ltd.	26,66,491	8.66	27,17,491	8.82
Kamrup Enterprises Ltd.	33,21,401	10.79	33,21,401	10.79
Mysore Petrochemicals Ltd.	40,75,000	13.23	40,75,000	13.23
Savita Investment Co. Ltd.	19,33,414	6.28	19,33,414	6.28
Shekhawati Investment Co. Ltd.	31,00,425	10.07	31,00,425	10.07
Vincent ( India) Ltd.	48,89,927	15.88	48,89,927	15.88

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020**12 OTHER EQUITY**

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Capital Reserve</b>		
Balance as per last Balance Sheet	116.25	116.25
<b>Securities Premium Reserve</b>		
Balance as per last Balance Sheet	2,275.00	2,275.00
<b>General Reserve</b>		
Balance as per last Balance Sheet	7,000.00	5,000.00
Add : Transferred from Surplus in Profit & Loss	-	2,000.00
Foreign Currency Translation reserve on consolidation	(53.29)	103.74
<b>Retained Earning</b>		
Opening Balance at the beginning of the year	50,460.30	42,260.47
Add : Profit for the year	2,087.80	11,684.82
	<b>52,548.10</b>	<b>53,945.29</b>
Transaction Impact of Ind AS-116, net of Tax	(35.16)	-
Less : Appropriation		
Transferred to General Reserve	-	2,000.00
Equity dividend	1,231.79	1,231.79
Tax on Dividend	253.20	253.20
	<b>51,027.95</b>	<b>50,460.30</b>
<b>Other Comprehensive Income (OCI)</b>		
As per Last Balance Sheet	(127.54)	(27.47)
Add : Movement in OCI (Net) during the year	(46.57)	(100.07)
	<b>(174.11)</b>	<b>(127.54)</b>
<b>Total Other Equity</b>	<b>60,191.80</b>	<b>59,827.75</b>

**13 NON-CURRENT FINANCIAL LIABILITIES- BORROWING**

<b>Secured Loans</b>		
Term Loan - Rupee Term Loan from a Bank	4,142.84	1,530.84
External Commercial Borrowing	10,597.27	8,584.16
	<b>14,740.11</b>	<b>10,115.00</b>



## Notes

### to the financial statements for the year ended 31<sup>st</sup> March, 2020

- i During the year, the Company has fully availed the External Commercial Borrowings (ECB) and the repayment commenced from 29<sup>th</sup> November, 2019 when the first installment was repaid. This is in addition to the already subsisting ECB, in respect of which the repayment has already started from 15<sup>th</sup> September, 2013. Both the ECB's are payable in 17 equal semi-annual instalments from their respective due dates and are secured by the first pari-pasu charge on the fixed movable assets (other than current assets) and registered mortgage on immovable properties of the Company by way of first pari-passu charge.
- ii Term Loan which is secured by the first pari-passu charge by way of hypothecation of movable fixed assets of the Company including but not limited to plants, machinery, equipment, etc and second pari-passu charge by way of hypothecation on all current assets of the Company including but not limited to book debts, stocks and all other current assets of the Company. The loan is also secured by mortgage of immovable properties of the Company by way of first pari-passu charge and Personal Guarantee of two Directors of the Company.

#### 14 NON CURRENT FINANCIAL LIABILITIES

₹ in lakhs

Particulars	As at	As at
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Due to Related Party (Refer Note No. 32)	1,922.00	2,369.00
Right to Use Assets	121.90	-
	<b>2,043.90</b>	<b>2,369.00</b>

#### 15 LONG TERM PROVISIONS

Provision for Leave Encashment	352.54	291.72
	<b>352.54</b>	<b>291.72</b>

#### 16 DEFERED TAX LIABILITIES (NET)

Deferred Tax Assets :		
Provision allowed under tax on payment basis	42.50	29.33
	<b>42.50</b>	<b>29.33</b>
Deferred Tax Liabilities :		
Property, Plant & Equipments	6,380.94	5,443.68
Financial Assets	(47.79)	147.30
	<b>6,333.15</b>	<b>5,590.98</b>
Net Deferred Tax Liability (Net)	<b>6,290.65</b>	<b>5,561.65</b>
The movement on the deferred Tax account is as under:		
At the beginning of the year	5,561.65	3,712.14
Charge to statement of Profit & Loss (Net)	729.00	640.76
Adjustment to MAT (Net)	-	1,208.75
At the end of the year	<b>6,290.65</b>	<b>5,561.65</b>

# Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020

## 17 CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Secured</b>		
Bank Borrowings	3,948.09	6,336.07
Bill Discounting Facility	-	270.60
	<b>3,948.09</b>	<b>6,606.67</b>

- i Bank borrowings are secured by first pari passu charge on the entire current assets of the Company and second pari passu charge on the entire movable fixed assets of the Company amongst Working Capital lenders under consortium banking arrangement. The loan is also secured by mortgage of immovable properties of the Company by way of second charge basis and Personal Guarantee of two Directors of the Company.
- ii Bill discounting facility is secured by respective book debts & personal Guarantee of two Directors of the Company
- iii Bank borrowings of ₹ 3,328.40 lakhs (Previous Year ₹ 3,266.53 lakhs) of Subsidiary is secured by mortgage of residential property of the Subsidiary.

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

Dues of Micro, Medium and Small Enterprises	49.15	39.23
Dues of creditors other than Micro, Medium and Small Enterprises	19,909.02	22,959.50
	<b>19,958.17</b>	<b>22,998.73</b>

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

## 18 (b) CURRENT FINANCIAL LIABILITIES - OTHER

Unpaid Dividend (shall be credited to Investor Education and Protection Fund as and when due)	149.55	121.84
Security Deposits	3.50	3.50
Current maturities of long term Secured debts		
- External Commercial Borrowing	2,647.00	1,040.28
- Loan Against Cars (Secured against Vehicles acquired from such Loan)	-	0.53
- Due to Related Party - Refer Note No. 32	1,662.23	1,599.38
Right to Use Assets	89.15	-
Interest Accrued But not Due on Loans	46.18	4.08
Book Overdraft	18.77	350.51
Other Liabilities	363.39	10.16
	<b>4,979.77</b>	<b>3,130.28</b>

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020**19 OTHER CURRENT LIABILITIES**

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Advance from Customers	33.36	150.40
Statutory Dues & Taxes payable	308.49	327.79
	<b>341.85</b>	<b>478.19</b>

**20 SHORT TERM PROVISIONS**

Provision for Leave Encashment	84.60	64.51
Provision for Gratuity	131.87	91.17
	<b>216.47</b>	<b>155.68</b>

**21 REVENUE FROM OPERATIONS (GROSS)**

Particulars	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
<b>Sale of products</b>		
Finished Goods	1,05,158.39	1,29,347.40
Traded Goods	-	557.31
Other Operating Revenues	699.63	465.60
	<b>1,05,858.02</b>	<b>1,30,370.31</b>

**22 OTHER INCOME**

<b>Interest</b>		
- Bank Deposits	127.67	102.75
- Others	114.93	44.80
Profit on Fair Value of Investment through Profit & Loss	106.00	421.54
Profit/(Loss) on Sale of Fixed Assets	(13.24)	(14.77)
Profit on Sale of Investments	205.76	38.87
Dividend Received	0.59	24.28
Insurance Claim Received	44.18	83.05
Other Non Operating Income	37.68	67.85
	<b>623.57</b>	<b>768.37</b>

# Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020

## 23 COST OF RAW MATERIAL CONSUMED

₹ in lakhs

Particulars	Year ended	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Orthoxylene		
Opening Stock	5,994.44	4,163.40
Add: Purchases (Net)	79,212.52	93,805.96
	<b>85,206.96</b>	<b>97,969.36</b>
Less: Closing Stock	3,752.94	5,994.44
	<b>81,454.02</b>	<b>91,974.92</b>

## 24 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK -IN-PROGRESS

<b>Opening Inventories</b>		
Work - in- Progress	1,118.89	397.21
Finished Goods	1,521.10	1,010.20
<b>Closing Inventories</b>		
Work - in- Progress	997.16	1,118.89
Finished Goods	1,380.80	1,521.10
	<b>262.03</b>	<b>(1,232.58)</b>

## 25 EMPLOYEE BENEFITS EXPENSE

Salaries , Wages and Bonus	4,999.35	5,116.45
Contribution to Provident and Other Funds	272.21	261.49
Gratuity Expenses	59.53	51.82
Staff Welfare Expenses	685.26	752.00
	<b>6,016.35</b>	<b>6,181.76</b>

## 26 FINANCE COST

Interest		
- on Term Loans	215.58	63.63
- on Others	872.27	677.52
Bills Discounting and Bank Charges	509.12	473.20
	<b>1,596.97</b>	<b>1,214.35</b>

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020**27 OTHER EXPENSES**

₹ in lakhs

Particulars	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
Consumption of Stores, Spares and Consumables	261.64	298.56
Consumption of Packing Materials	630.25	675.16
Power, Fuel and Water charges	2,530.12	2,365.28
Repairs and Maintenance		
Plant and Equipments	2,176.09	2,039.11
Buildings	31.38	38.15
Others	48.66	32.07
Insurance Premium	419.79	299.81
Rent	5.98	115.91
Rates and Taxes	268.54	212.51
Selling Expenses		
Brokerage and Commission	42.37	185.30
Freight outward	2,445.45	2,449.80
Port charges	99.26	95.64
Other selling expenses	127.36	98.81
Directors' Sitting Fees & Commission	47.05	208.48
Payment to Auditors (Refer Note 27.1)	20.45	16.44
Travelling & Conveyance	666.00	651.84
Legal & Professional fees	367.30	414.28
Foreign Exchange Translation Difference	370.55	(344.48)
Communication Cost	28.65	35.35
CSR Expenditure (Refer Note 40)	32.82	136.16
Provision for Doubtful Debtors	(2.87)	6.73
Miscellaneous Expenses	326.18	285.89
	<b>10,943.02</b>	<b>10,316.80</b>

**27.1 PAYMENTS TO AUDITORS**

Audit Fees (Including Fee for Limited review)	18.00	15.09
For other matters	0.50	-
Reimbursement of Expenses	1.95	1.35
	<b>20.45</b>	<b>16.44</b>

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020

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

₹ in lakhs

Particulars	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
Profit after tax as per Statement of Profit & Loss	2,087.80	11,684.82
Weighted average No. of Shares in calculating basic and diluted EPS	3,07,94,850	3,07,94,850
<b>Earning per Share</b>		
Basic & Diluted - ₹	<b>6.78</b>	<b>37.94</b>

### 29 CAPITAL COMMITMENT

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances.	1,203.85	7,845.55

### 30 CONTINGENT LIABILITIES

Contingent Liabilities not provided for		
a. Disputed Excise & Service tax matters		
i) Cases decided in favour of the Company which are taken further in appeal before the appellate authorities by the department. (Deposit under Protest ₹ NIL, (Previous year ₹ 36.32 lakhs).	750.87	447.98
ii) Other Matters for which the Company is in appeal. (Deposits paid under protest ₹ 794.57 lakhs (Previous year ₹794.57 lakhs)	794.57	794.57
iii) Show Cause Notices received (Deposits paid under protest ₹ 15.55 lakhs (Previous year ₹15.65 lakhs)	454.92	569.37
b. Claim against the Company not acknowledged as Debt.	29.63	29.63
c. Income Tax matters under dispute for various years due to additions/disallowances.	5,742.07	5,559.30
d. Electricity Duty Disputed, writ petition has been filed before the Mumbai High Court through Captive Power Producers Association and stay has been granted.	1,606.37	1,310.14

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

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

- e. The Board at its meeting held on 24<sup>th</sup> June, 2020 considered and recommended a dividend @ 20% i.e. ₹ 2/ per share of ₹ 10/ each for the financial year 2019-20 (Previous Year @ 40% i.e. ₹ 4/ per Share taken as deduction under Reserves & Surplus ) subject to approval of the members of the company.

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March, 2020
Proposed equity dividend	<b>615.90</b>

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020

### 31 SEGMENT INFORMATION

#### Primary Business Segment

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

#### Geographical Segments

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

Information about Secondary Geographical Segments

₹ in lakhs

Segment Information	Year ended 31 <sup>st</sup> March, 2020			Year ended 31 <sup>st</sup> March, 2019		
	India	Outside India	Total	India	Outside India	Total
Revenue (Including Excise duty)	90,360.05	15,497.97	1,05,858.02	1,13,868.92	16,501.39	1,30,370.31
Carrying amount of segment assets	1,02,764.26	13,378.90	1,16,143.16	1,02,679.06	11,935.42	1,14,614.48
Carrying amount of segment liabilities	31,368.18	21,503.37	52,871.55	33,983.60	17,723.32	51,706.92
Additions to fixed assets	11,430.52	-	11,430.52	1,429.50	-	1,429.50

### 32 RELATED PARTY DISCLOSURE

i Names of other related parties with whom transactions have taken place during the year

a. Key Management Personnel	Shri Nikunj Dhanuka - Managing Director & CEO Shri J K Saboo- Executive Director Shri Pramod Bhandari- Chief Financial Officer Shri Sudhir R Singh - Company Secretary
b. Relatives of key management personnel	Shri Mayank Dhanuka – Uncle's Son of Managing Director & CEO Shri Umang Dhanuka – Brother of Managing Director & CEO Smt. Bina Devi Dhanuka – Uncle's Wife of Managing Director & CEO Smt. Raj Kumari Dhanuka – Mother of Managing Director & CEO
c. Enterprises Over which Key Management personnel and their relatives can exercise control	Mysore Petro Chemicals Limited



## Notes

### to the financial statements for the year ended 31<sup>st</sup> March, 2020

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

₹ in lakhs

Sr.	Nature of Transaction	Related parties referred to in		
		i(a) above	i(b) above	i(c) above
<b>1</b>	<b>Income</b>			
	Sale of Goods (Including Taxes)	-	-	<b>1,433.24</b>
		-	-	(559.68)
<b>2</b>	<b>Expenses</b>			
	Remuneration	<b>388.84</b>	<b>233.72</b>	-
		(481.88)	(97.25)	-
	Interest	-	-	<b>346.93</b>
		-	-	(426.70)
	Rent	-	<b>8.40</b>	<b>88.85</b>
		-	(5.40)	(88.85)
<b>3</b>	<b>Amount Payable at year end</b>			
	Against Purchase of MA Unit	-	-	<b>3,584.23</b>
		-	-	(3,968.38)
<b>4</b>	<b>Amount Receivable at year end</b>			
	Security Deposit	-	<b>1.20</b>	<b>69.03</b>
		-	(1.20)	(69.03)

Note: Amount in bracket represents figures for previous year.

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020**33 EMPLOYEE BENEFITS****i. General Description of defined benefit plan**

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

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss account and the funded status and amounts recognized in the balance sheet.

Particulars	₹ in lakhs	
	Gratuity (funded) 31 <sup>st</sup> March, 2020	Gratuity (funded) 31 <sup>st</sup> March, 2019
<b>a. Profit and Loss account</b>		
Net employee benefit expense (recognized in Personnel Expenses in Note 25)		
Current service cost	57.44	55.46
Net Interest cost on benefit obligation	2.09	(3.64)
Past service cost	-	-
Net Benefit / Cost	59.53	51.82
<b>b. Net employee benefit expense (recognized in Profit &amp; Loss and other Comprehensive Income)</b>		
Amount recognised in Profit & Loss account	59.53	51.82
Amount recognised in Other Comprehensive Income	71.59	153.03
Total Expenses / (Income) Recognized for the year	131.12	204.85
<b>c. Balance sheet</b>		
Details of Provision for gratuity		
Defined benefit obligation	1,343.39	1,171.48
Fair value of plan assets	1,211.52	1,080.31
Amount Recognised in the Balance Sheet	(131.87)	(91.17)
<b>d. Changes in the present value of the defined benefit obligation are as follows:</b>		
Opening defined benefit obligation	1,171.48	1,028.78
Interest cost	86.03	75.43
Current service cost	57.44	55.46
Benefits paid	(39.62)	(136.45)
Actuarial (gains) / losses on obligation	68.06	148.26
Past service cost	-	-
Closing defined benefit obligation	1,343.39	1,171.48

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020

₹ in lakhs

Particulars	Gratuity (funded) 31 <sup>st</sup> March, 2020	Gratuity (funded) 31 <sup>st</sup> March, 2019
<b>e Changes in the fair value of plan assets are as follows:</b>		
Opening fair value of plan assets	1,080.31	1,006.02
Contributions by employer	83.94	79.07
Benefits paid	50.80	-
Actuarial gains / (losses)	(3.53)	(4.78)
Closing fair value of plan assets	1,211.52	1,080.31
<b>f Maturity Profile of defined benefit obligation</b>		
Within next 12 months (next annual reporting period)	241.63	193.06
Between 2 and 5 years	358.34	481.47
Between 6 and 10 years	800.32	641.65
<b>g Quantitative sensitivity analysis for significant assumption is as below</b>		
<b>Increase / decrease on present value of defined benefits obligation at the end of the year</b>		
One percentage point increase in discount rate	(76.72)	(66.90)
One percentage point decrease in discount rate	82.53	71.97
One percentage point increase in rate of salary	60.16	52.46
One percentage point decrease in rate of salary	(55.05)	(48.01)
<b>h Sensitivity Analysis Method</b>		
Sensitivity analysis is determined based on the expected movement in liability, if the assumptions were not proved to be true on different count		
<b>i The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:</b>	%	%
Discount rate	6.75	7.77
Expected rate of return on assets	6.75	7.77
Employee turnover	5	5
Salary Escalation	4	4
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Retirement Age	60	60

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

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020

### 34 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

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

Particulars	31 <sup>st</sup> March, 2020		31 <sup>st</sup> March, 2019	
	Amount in Foreign currency	₹ in lakhs	Amount in Foreign currency	₹ in lakhs
i. Forward Contracts of sale outstanding as at the balance sheet date				
Forward currency contract US\$	6,249,105	4,710.95	5,400,850	3,735.84
ii. Forward Contracts of purchases outstanding as at the balance sheet date				
Forward currency contract US\$	-	-	-	-
iii. Particulars of Unhedged foreign currency exposure as at the balance sheet date:				
<b>Amount Receivable</b>				
US \$	131,436	99.08	561,850	388.64
<b>Amount Payable</b>				
Advance against Supply - US \$	34,860	26.28	-	-
Import of Goods - US \$	-	-	-	-
Import of Goods - Euro	5,057,058	4,199.87	5,057,058	3,929.46
Loans Payable - US \$	-	-	-	-
Loans Payable - Euro	16,795,770	13,948.82	13,545,275	10,525.00
Loans Payable - GBP	3,576,000	3,328.40	3,576,000	3,266.53

### 35 FINANCIAL INSTRUMENTS

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

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

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020

### (a) Financial assets and liabilities

The following table presents carrying amount and fair value of each category of financial assets and liabilities.

					₹ in lakhs
Particulars	Amortised Cost	Fair Value through Profit and Loss A/c	Total Carrying Value	Total Fair Value (Level 2)	Total Fair Value (Level 3)
<b>As at 31<sup>st</sup> March, 2020</b>					
<b>Financial Assets</b>					
Trade Receivable	14,334.47	-	14,334.47	14,334.47	-
Investment	-	1,180.37	1,180.37	1,180.37	-
Cash and bank	4,926.55	-	4,926.55	4,926.55	-
Other financial assets	1,868.47	-	1,868.47	-	1,868.47
<b>Total</b>	<b>21,129.49</b>	<b>1,180.37</b>	<b>22,309.86</b>	<b>20,441.39</b>	<b>1,868.47</b>
<b>Financial Liabilities</b>					
Borrowings	18,688.20	-	18,688.20	18,688.20	-
Trade Payable	19,958.17	-	19,958.17	19,958.17	-
Other financial Liabilities	7,023.67	-	7,023.67	-	7,023.67
<b>Total</b>	<b>45,670.04</b>	<b>-</b>	<b>45,670.04</b>	<b>38,646.37</b>	<b>7,023.67</b>
<b>As at 31<sup>st</sup> March, 2019</b>					
<b>Financial Assets</b>					
Trade Receivable	18,281.13	-	18,281.13	18,281.13	-
Investment	10.46	6,977.01	6,987.47	6,987.47	-
Cash and bank	3,631.20	-	3,631.20	3,631.20	-
Other financial assets	1,856.29	-	1,856.29	-	1,856.29
<b>Total</b>	<b>23,779.08</b>	<b>6,977.01</b>	<b>30,756.09</b>	<b>28,899.80</b>	<b>1,856.29</b>
<b>Financial Liabilities</b>					
Borrowings	16,721.67	-	16,721.67	16,721.67	-
Trade Payable	22,998.73	-	22,998.73	22,998.73	-
Other financial Liabilities	5,499.28	-	5,499.28	-	5,499.28
<b>Total</b>	<b>45,219.68</b>	<b>-</b>	<b>45,219.68</b>	<b>39,720.40</b>	<b>5,499.28</b>

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

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

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

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

## Notes

### to the financial statements for the year ended 31<sup>st</sup> March, 2020

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

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

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

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

#### Interest rate risk

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

#### Foreign currency risk

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

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

#### Liquidity Risk

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

#### Credit Risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Company. To manage this, the Company periodically assess the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and agreeing of accounts receivable. Individual risk limit are set accordingly.

Financial instruments that are subject to Concentrations of credit risk principally consist of trade receivables, investments, derivatives, cash and cash equivalents, bank deposits and other financial assets.

#### (d) Foreign Currency exposure as at 31<sup>st</sup> March, 2020

₹ in lakhs

Particulars	USD	EUR	GBP	Total
Trade Receivables	4,810.03	-	-	4,810.03
Trade Payable	(26.28)	(4,199.87)	-	(4,226.15)
Loan in Foreign Currency	-	(13,948.82)	-	(13,948.82)
Loan in Foreign Currency	-	-	(3,328.40)	(3,328.40)
<b>Net Exposure</b>	<b>4,783.75</b>	<b>(18,148.69)</b>	<b>(3,328.40)</b>	<b>(16,693.34)</b>

# Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020

## Foreign Currency exposure as at 31<sup>st</sup> March, 2019

₹ in lakhs

Particulars	USD	EUR	GBP	Total
Trade Receivables	4,124.48	-	-	4,124.48
Trade Payable	-	(3,929.46)	-	(3,929.46)
Loan in Foreign Currency	-	(10,525.00)	-	(10,525.00)
Loan in Foreign Currency	-	-	(3,266.53)	(3,266.53)
<b>Net Exposure</b>	<b>4,124.48</b>	<b>(14,454.46)</b>	<b>(3,266.53)</b>	<b>(13,596.51)</b>

(e) 1% increase or decrease in foreign currency exchange rates will have the following impact on profit before tax.

₹ in lakhs

Particulars	2019-20		2018-19	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	47.84	(47.84)	41.24	(41.24)
EUR	(181.49)	181.49	(144.54)	144.54
GBP	(33.28)	33.28	(32.67)	32.67
AED	-	-	-	-
Increase / (Decrease) in Profit	<b>(166.93)</b>	<b>166.93</b>	<b>(135.97)</b>	<b>135.97</b>



## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020**36 INCOME TAXES (IND AS 12) :**

Particulars	₹ in lakhs	
	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
Income tax recognised in Statement of Profit and Loss		
Current tax	374.24	6341.62
Deferred tax	729.00	640.76
<b>Total income tax expenses recognised in the current year</b>	<b>1,103.24</b>	<b>6,982.38</b>
The Income tax expenses for the year can be reconciled to the accounting profit as follows:		
Profit before tax	3,207.64	18,630.54
Add: Exceptional Items	29.45	950.00
Profit before exceptional items & tax	3,237.09	19,580.54
Applicable Tax Rate	34.94%	34.61%
Computed Tax Expense	1,131.17	6,842.22
Tax effect of :		
Exempted income	(36.70)	(164.21)
Expenses disallowed	31.54	58.79
Additional allowances net of MAT Credit	(751.77)	(395.18)
Current Tax Provision	374.24	6,341.62
Incremental Deferred Tax Liability on account Property, Plant & Equipments	776.79	493.46
Incremental Deferred Tax Asset on account of Financial Assets and Other items	(47.79)	147.30
Deferred tax provision (Net)	729.00	640.76
Tax Expenses recognised in Statement of Profit and Loss	1,103.24	6,982.38
Effective Tax Rate	34.08%	35.66%

**37 BUSINESS COMBINATION**

During the year ended 31<sup>st</sup> March, 2018 the Company has acquired the manufacturing unit of M/s Mysore Petro Chemicals Limited with effect from 1<sup>st</sup> April, 2017 for a consideration of ₹ 7,448.00 lakhs on slump sale basis, as per the valuation by Haribhakti & Co. LLP. The transaction was accounted under Ind AS 103 "Business Combination as a business combination with the purchases price being allocated to identifiable assets and liabilities at fair value as determined by an approved valuer.

Following Table present the allocation of purchase price

Particulars	₹ in lakhs
Net Tangible Assets	7,246.86
Goodwill	201.14
<b>Total Purchase price</b>	<b>7,448.00</b>

# Notes

## to the financial statements for the year ended 31<sup>st</sup> March, 2020

Goodwill arose in the acquisition of above business because the cost of combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and assembled workforce of acquired business combination. These benefits are not recognised separately from goodwill as they do not meet the recognised criteria for identifiable intangible assets. The Goodwill is expected to be deductible for Income Tax purposes.

### **38 RESEARCH & DEVELOPMENT**

Research & Development Expenditure of ₹ 57.44 lakhs (Previous Year ₹ 58.84 lakhs) has been accounted for in the respective heads of the Statement of Profit and Loss.

**39** The Company has assessed the impact of COVID-19 on the financial statements, business operations, liquidity position, cash flows and has concluded that no material adjustments are required in the financial results. The Company will continue to monitor the impact of COVID-19 and any material changes to future economic conditions.

### **40 CORPORATE SOCIAL RESPONSIBILITY**

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities.

Particulars	₹ in lakhs
(a) Gross amount required to be spent by the Company during the year is	366.30
(b) Amount spent during the year :	32.82
i Construction / Acquisition of any assets	-
ii On Purposes other than (i) above.	32.82
<b>Total</b>	<b>32.82</b>

### **41 CONSOLIDATION OF JOINT VENTURE**

The Consolidated Financial Statement also includes the unaudited account of one jointly control entity through its step down subsidiary and financial impact of which are not material for the group.

**42** IGPL (FZE) wholly owned subsidiary of the Company has been liquidated from 12<sup>th</sup> April, 2020.

## Notes

to the financial statements for the year ended 31<sup>st</sup> March, 2020**43** ADDITIONAL INFORMATION AS PER PART II OF SCHEDULE III, OF COMPANIES ACT, 2013

Name of the Entity	Net Assets		Share of Profit or Loss	
	As % of Consolidated Net Assets	Amount ₹ in lakhs	As % of Consolidated Profit & Loss	Amount ₹ in lakhs
I G Petrochemicals Limited - Parent	100.22	63,410.88	100.80	2,104.40
IGPL International Ltd. - Subsidiary	(0.22)	(139.27)	(0.80)	(16.60)
<b>Total</b>	<b>100.00</b>	<b>63,271.61</b>	<b>100.00</b>	<b>2,087.80</b>

Name of the Entity	Share in other Comprehensive Income		Share in total Comprehensive Income	
	As % of Consolidated Comprehensive Income	Amount ₹ in lakhs	As % of Total Comprehensive Income	Amount ₹ in lakhs
I G Petrochemicals Limited - Parent	100.00	(46.57)	100.81	2,057.83
IGPL International Ltd. - Subsidiary	0.00	0.00	(0.81)	(16.60)
<b>Total</b>	<b>100.00</b>	<b>(46.57)</b>	<b>100.00</b>	<b>2,041.23</b>

**44** PREVIOUS YEAR COMPARATIVES

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date <b>For Uday &amp; Co.</b> Chartered Accountants	<b>For ASA &amp; Associates LLP.</b> Chartered Accountants	For and on behalf of the Board of Directors of <b>I G Petrochemicals Limited</b>	
<b>K. Sathyanarayanan</b> Partner Place: Bangalore	<b>Prateet Mittal</b> Partner Place: Delhi	<b>Nikunj Dhanuka</b> Managing Director & CEO DIN: 00193499 Place: London	<b>Rajesh Muni</b> Independent Director DIN: 00193527 Place: Mumbai
Membership No: 203644 Firm's Registration No: 004440S	Membership No: 402631 Firm's Registration No: 009571N\N500006	<b>Pramod Bhandari</b> Chief Financial Officer Place : Mumbai	<b>Sudhir R Singh</b> Company Secretary Place: Mumbai
Date: 24 <sup>th</sup> June, 2020			



### Corporate Office

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**CIN:** L51496GA1988PLC000915

### Registered Office

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