

IRSL:STEXCH:2018-19:
14th February 2019

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Bandra - Kurla Complex,
Bandra (E)
Mumbai - 400 051.
Thru.: **NEAPS**
Stock Code NSE: **INDORAMA**

BSE Limited
Floor 25,
P. J. Towers,
Dalal Street,
Mumbai - 400 001.
Thru.: **BSE Listing Centre**
Stock Code BSE: **500207**

ISIN: INE156A01020

Indo Rama Synthetics (India) Limited - CIN L17124MH1986PLC166615

Sub.: Outcome of the adjourned Board Meeting held on 14th February 2019

Dear Sir,

This is in continuation to our earlier letter dated 13th February 2019 and pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that the Board of Directors, in their adjourned meeting held today, i.e., 14th February 2019, have approved the Un-audited Financial Results of the Company for the quarter/nine months ended 31st December 2018 and enclosing herewith Un-audited Financial Results along with the Limited Review Report of Auditors, as **Annexure - A**.

The meeting of the Board of Directors commenced at 3:00 PM and concluded at 5:10 PM.

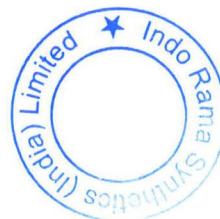
We are arranging to publish these results in the Newspapers as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for your kind information and record.

Thanking You.

Yours faithfully,
for **Indo Rama Synthetics (India) Limited**


Jayantk Sood
CHRO & Company Secretary
(ICSI Membership No.: FCS 4482)



Encl.: As above.

INDO RAMA SYNTHETICS (INDIA) LTD.

INDO RAMA SYNTHETICS (INDIA) LIMITED

Registered Office : A-31, MIDC Industrial Area, Bumbori-441122, District Nagpur, Maharashtra.

Corporate Office : 20th Floor, DLF Square, DLF City Phase II, Gurugram -122002, Haryana

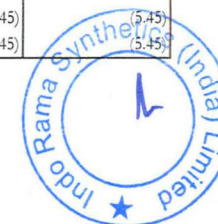
Tel.: 07104-663000 / 01 Fax: 07104-663200, Email: investor-relations@indorama-ind.com, Website: www.indoramaindia.com, CIN: L17124MH1986PLC166615

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2018

ANNEXURE - A

(₹ in crores, unless otherwise indicated)

Sr. No.	Particulars (refer notes below)	3 months ended (31 December 2018)	Preceding 3 months ended (30 September 2018)	Corresponding 3 months ended in the previous year (31 December 2017)	Year to date figures for current period ended (31 December 2018)	Year to date figures for previous period ended (31 December 2017)	Previous year ended (31 March 2018)
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from operations [refer note 2 and 5(b)]	508.22	394.41	524.27	1,258.17	1,793.78	2,313.70
2	Other income	1.55	1.18	0.82	3.77	2.69	3.74
3	Total income (1+2)	509.77	395.59	525.09	1,261.94	1,796.47	2,317.44
4	Expenses						
	(a) Cost of materials consumed	382.73	383.25	361.59	982.04	1,223.70	1,572.89
	(b) Purchases of stock-in-trade	5.74	27.64	25.34	60.43	43.97	72.57
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	47.19	(115.12)	7.71	(36.20)	32.25	44.36
	(d) Excise duty (refer note 2)	-	-	-	-	58.06	58.06
	(e) Employee benefits expense (refer note 7)	18.65	19.05	20.68	56.13	63.90	84.93
	(f) Other expenses (refer note 7)	71.48	69.89	97.76	202.31	323.21	424.41
	Total expenses before depreciation, finance costs, foreign exchange fluctuation and exceptional items	525.79	384.71	513.08	1,264.71	1,745.09	2,257.22
5	Profit/(Loss) from operations before depreciation, finance costs, foreign exchange fluctuation and exceptional items (3-4)	(16.02)	10.88	12.01	(2.77)	51.38	60.22
6	Depreciation expense	20.48	21.58	20.58	63.14	61.64	83.20
7	Finance costs	33.95	32.40	23.13	90.87	70.07	94.37
8	Foreign exchange fluctuation (gain)/loss	(3.48)	4.21	(2.33)	3.81	(0.29)	0.15
9	Total expenses before exceptional items and tax (4+6+7+8)	576.74	442.90	554.46	1,422.53	1,876.51	2,434.94
10	Loss before exceptional items and tax (3-9)	(66.97)	(47.31)	(29.37)	(160.59)	(80.04)	(117.50)
11	Exceptional items (refer note 6)	-	-	-	-	-	(7.36)
12	Loss before tax (10+11)	(66.97)	(47.31)	(29.37)	(160.59)	(80.04)	(124.86)
13	Tax expense						
	Deferred tax credit (refer note 1(a))	27.06	14.69	10.16	58.86	27.64	42.17
14	Net loss for the period (12+13)	(39.91)	(32.62)	(19.21)	(101.73)	(52.40)	(82.69)
15	Other comprehensive income						
	(i) Items that will not be reclassified to profit or loss	(0.08)	(0.08)	(0.08)	(0.24)	(0.24)	1.02
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.03	0.02	0.02	0.08	0.08	(0.35)
16	Total comprehensive income for the period (14+15)	(39.96)	(32.68)	(19.27)	(101.89)	(52.56)	(82.02)
17	Paid-up equity share capital (face value of ₹ 10 each)	160.91	159.31	151.82	160.91	151.82	151.82
18	Other equity	-	-	-	-	-	267.86
19	Loss per share (of ₹ 10 each) (not annualised)						
	(a) Basic	(2.48)	(2.08)	(1.27)	(6.50)	(3.45)	(5.45)
	(b) Diluted	(2.48)	(2.08)	(1.27)	(6.50)	(3.45)	(5.45)



Notes:

1(a) The Company's business comprises of Polyester products, which had been highly competitive resulting into losses in the current as well as previous period(s) but over the period the demand and supply in the industry has balanced, resulting in improved plant operating rate over the previous quarters. This has resulted in improved profit margins in the industry. The Company has also taken several initiatives to improve its operational performance in terms of specialty products, cost control initiatives and addition of new customers. Based on the above, the Company believes that the profitability will improve over the next few years. The Company is confident that the deferred tax assets carried at the end of the period is fully recoverable.

(b) The Company incurred a net loss before tax of ₹ 66.97 crores and ₹ 160.59 crores respectively during the quarter and nine months ended 31 December 2018 and, as of that date, the Company's current liabilities exceeded its current assets. The plant was underutilized and under utilisation of plant capacity was mainly due to paucity of working capital funds and due to change in the macro economic scenarios.

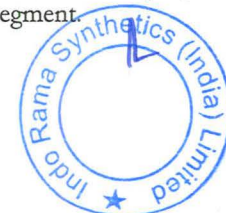
The Board of Directors in its meeting held on 15 January 2019 approved additional equity infusion to the extent of ₹ 360.72 crores by way of preferential allotment to Indorama Netherlands BV and Siam Stock Holdings Limited. This will enable the Company to clear its overdue bank payments and other liabilities besides increasing working capital to enhance production. Additional equity infusion along with various other actions taken by the Company including debt financing, focused reduction/control of inventory and receivables and overall cost control will facilitate turnaround of the Company's financial position.

As a result of the above matters, the management is of the view that the Company will continue as a going concern and, therefore, will realise its assets and liabilities and commitments in the normal course of business. The management remain confident about the successful achievement of projected targets and therefore no adjustments have been made to these financial results relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

2. Revenue from operations for the quarter and nine months ended 31 December 2018; quarter ended 31 December 2017, quarter ended 30 September 2018 and year ended 31 March 2018 is net of Goods and Service Tax (GST) which is applicable from 1 July 2017. However, revenue for the periods upto 30 June 2017 (included in figure of nine months ended 31 December 2017 and year ended 31 March 2018) was net of Value Added Tax (VAT) but inclusive of excise duty. Accordingly, the revenue from operations for the nine months ended 31 December 2018 are not strictly comparable with the nine months ended 31 December 2017 presented in those financial results. Similarly, excise duty expense is also not comparable.

3. The above financial results were reviewed by the Audit Committee and taken on record by the Board of Directors in its meeting held on 13 February 2019.

4. The Company's primary business segment is reflected based on principal business activities carried on by the Company. As per Indian Accounting Standard 108, Operating Segments, as notified under the Companies (Indian Accounting Standards) Rules, 2015, the Company operates in one reportable business segment i.e., manufacturing of Polyester goods and hence, considered as single geographical segment.



5(a) The Company has carried forward insurance claim recoverable amounting to ₹ 32.44 crores and interest receivable amounting to ₹ 11.69 crores thereon recognised upto June 2012 awarded in favor of the Company by the Arbitrator Tribunal. Currently, the case is pending with Delhi High Court.

(b) The Company has further recognised an interest of ₹ 18.98 crores from July 2012 onwards to 31 December 2018 on the insurance claim recoverable referred to in 5(a) above. Out of this, during the quarter and nine months ended 31 December 2018, the Company has recognised an interest of ₹ 0.73 crores and ₹ 2.19 crores respectively (for the quarter and nine months ended 31 December 2017: ₹ 0.73 crores and ₹ 2.19 crores respectively and year ended 31 March 2018: ₹ 2.92 crores) under 'revenue from operations', for the loss of certain assets and loss suffered due to business interruption under loss of profit policy relating to fire incidents at its plant in 2007-08. As legally advised, the Company is of the view that the amount recognised is fully recoverable. This is in line with accounting treatment adopted in the previous periods.

6. Exceptional items in the year ended 31 March 2018, ₹ 7.36 crores incurred towards fees as per provisions of foreign trade policy.

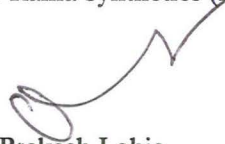
7. Contractual manpower cost in quarter and nine months ended 31 December 2017 and year ended 31 March 2018 amounting to ₹ 3.13 crores, ₹ 11.83 crores and ₹ 14.63 crores respectively have been regrouped from employee benefits expense to other expense to provide more relevant information.

8. The auditors of the Company have carried out a limited review of the unaudited financial results for the quarter and nine months ended 31 December 2018 and have issued a modified review report. The report of the auditors is being filed with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). For more details on reviewed results, visit Investor Relations section of our website at www.indoramaindia.com and financial results under Corporates section of www.nseindia.com and www.bseindia.com.

Place: Gurugram
Date: 14 February 2019



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


Om Prakash Lohia
Chairman and Managing Director
(Director Identification No.: 00206807)

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co)
21st Floor, DLF Square
Jacaranda Marg, DLF Phase II
Gurgaon 122002
India

T +91 124 462 8000
F +91 124 462 8001

Independent Auditor's Review Report on Quarterly Financial Results and Year to date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

1. We have reviewed the accompanying statement of unaudited financial results ("Statement") of Indo Rama Synthetics (India) Limited (the 'Company') for the quarter ended 31 December 2018 and the year to date results for the period 1 April 2018 to 31 December 2018, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. (a) As detailed in note 1(a) of the accompanying Statement, the Company has recognized deferred tax credit of Rs. 27.06 crores during the quarter ended 31 December 2018 and Rs. 58.86 crores during the period 1 April 2018 to 31 December 2018 and deferred tax asset (net) of Rs. 154.76 crores as at 31 December 2018 on the basis of future outlook of business confirming that sufficient future taxable income will be available against which these assets will be realised. In view of the losses suffered by the Company in the current as well as preceding periods, and other unused tax losses available to the Company, we are of the view that the said recognition of deferred tax assets is not in accordance with the principles of Ind AS 12, Income Taxes. Had such asset not been recognised, the deferred tax credit for the quarter ended 31 December 2018 and for the period 1 April 2018 to 31 December 2018 would have been lower by Rs. 27.06 crores and by Rs. 58.86 crores respectively, the net loss after tax for the quarter ended 31 December 2018 and for the period 1 April 2018 to 31 December 2018 would have been higher by Rs. 27.06 crores and Rs. 58.86 crores respectively and other equity as at 31 December 2018 would have been lower by Rs. 154.76 crores.

The predecessor auditor's report on the financial results for the previous periods was also qualified in respect of this matter.

(b) As detailed in the note 5(b) of the accompanying Statement, the Company has recognized interest income of Rs. 0.73 crores and Rs 2.19 crores during the quarter ended 31 December 2018 and during the period 1 April 2018 to 31 December 2018 respectively and Rs. 16.79 crores in the prior periods in the books of accounts of the Company on the insurance claim recoverable by the Company from an insurance company for the loss of certain assets and



Walker Chandiook & Co LLP

Independent Auditor's Review Report on Quarterly Financial Results and Year to date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (contd.)

loss suffered due to its business interruption at its plant in the year 2007-08. The recognition of this asset which is contingent in nature, is not in accordance with the accounting principles stated in Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets. Had such asset not been recognised, the net loss after tax for the quarter ended 31 December 2018 and for the period 1 April 2018 to 31 December 2018 would have been higher by Rs. 0.73 crores and Rs. 2.19 crores respectively and other equity as at 31 December 2018 would have been lower by Rs. 18.98 crores.

The predecessor auditor's report on the financial results for the previous periods was also qualified in respect of this matter.

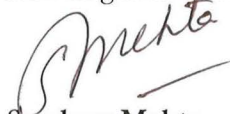
4. Based on our review conducted as above, except for the possible effects of the matters described in previous paragraphs, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. (a) We draw attention to note 1(b) of the accompanying Statement, which indicates that the Company has incurred a net loss before tax of Rs. 66.97 crores and Rs. 160.59 crores during the quarter ended 31 December 2018 and period 1 April 2018 to 31 December 2018 respectively and, as of that date, the Company's current liabilities exceeded its current assets. However, based on the additional equity infusion approved by the Board of Directors of the Company as detailed in note 1(b) of the accompanying Statement and other factors mentioned in the aforesaid note, the management is of the view that the going concern basis of accounting is appropriate. Our report is not modified in respect of this matter.

(b) We draw attention to note 5(a) of the accompanying Statement which describes the uncertainty related to the outcome of the lawsuit filed by the Company against an insurance company regarding certain insurance claims made by the Company. Basis legal advice received and the previous judgments which were in favour of the Company, the management is of the view that no adjustments are required to the amounts recognised as recoverable in these financial results. Our opinion is not modified in respect of this matter.
6. The review of unaudited financial results for the quarter and nine months period ended 31 December 2017 and audit of financial results for the year ended 31 March 2018, included in the Statement was carried out and reported by B S R and Associates vide their modified review report dated 7 February 2018 and modified report dated 28 May 2018 respectively, whose review report and audit report have been furnished to us and which have been relied upon by us for the purpose of our review of the Statement. Our review report is not modified in respect of this matter.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013



Sandeep Mehta

Partner

Membership No. 099410



Place : Gurugram

Date : 14 February 2019