

INDO RAMA SYNTHETICS (INDIA) LIMITED

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

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

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

STANDALONE FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2014

PART I

(Rs. in Crores, unless otherwise indicated)

S.No.	Particulars	Quarter Ended			Year Ended	
		31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013
		Audited*	Un-audited	Audited*	Audited	
1	Income from operations					
	(a) Net sales/income from operations (Net of excise duty)	684.32	582.07	681.78	2,592.63	2,865.02
	(b) Other operating income	9.15	8.14	25.21	36.49	45.11
	Total income from operations (net)	693.47	590.21	706.99	2,629.12	2,910.13
2	Expenses					
	(a) Cost of materials consumed	541.06	511.20	635.83	2,125.07	2,426.62
	(b) Purchase of stock-in-trade	-	-	-	-	0.46
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	53.04	3.19	(13.71)	90.57	8.46
	(d) Employee benefits expense	21.09	21.07	19.04	84.41	81.24
	(e) Other expenses	80.51	81.89	70.64	328.49	351.68
	Total expenses before depreciation and amortisation, finance costs, exceptional item and tax	695.70	617.35	711.80	2,628.54	2,868.46
3	(Loss)/Profit from operations before depreciation and amortisation, other income, finance costs, exceptional item and tax	(1-2)	(2.23)	(4.81)	0.58	41.67
4	Depreciation and amortisation expense	32.28	33.74	38.48	135.12	157.99
5	Total expenses after depreciation and amortisation, before finance costs, exceptional item and tax	(2+4)	727.98	750.28	2,763.66	3,026.45
6	(Loss) from operations before other income, finance costs, exceptional item and tax	(1-5)	(34.51)	(43.29)	(134.54)	(116.32)
7	Other income	2.70	150.30	3.51	244.01	240.78
8	(Loss)/Profit from ordinary activities before finance costs, exceptional item and tax	(6+7)	(31.81)	(39.78)	109.47	124.46
9	Finance costs	12.70	10.40	13.86	35.23	44.51
10	(Loss)/Profit from ordinary activities before exceptional item and tax	(8-9)	(44.51)	(53.64)	74.24	79.95
11	Exceptional item-foreign exchange fluctuation gain / (loss) (refer to notes 5 and 6)	55.91	36.70	23.49	(99.51)	(39.26)
12	Profit / (Loss) from ordinary activities before tax	(10+11)	11.40	(30.15)	(25.27)	40.69
13	Income tax expense / (credit)	25.57	18.34	7.91	(17.09)	(0.57)
14	Net (Loss) / Profit for the period	(12-13)	(14.17)	(38.06)	(8.18)	41.26
15	Paid-up equity share capital (face value of Rs.10 per share)	151.82	151.82	151.82	151.82	151.82
16	Reserves excluding revaluation reserves as per balance sheet of previous accounting year				416.46	422.10
17	Basic and diluted EPS for the period (not annualised) (Rs. per share of Rs. 10 each)	(0.93)	6.41	(2.51)	(0.54)	2.72

* Figures for the 3 months ended 31 March 2014 and 31 March 2013 are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto the third quarter of the financial year. Also, the figures upto the end of the third quarter were only reviewed and not subjected to audit.

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STANDALONE FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2014

PART II

SELECT INFORMATION FOR THE YEAR ENDED 31 MARCH 2014

	Particulars	Quarter Ended			Year Ended	
		31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013
A	PARTICULARS OF SHAREHOLDING					
1	Total public shareholding (including Global Depository Receipts):					
	- Number of shares (Nos.)	5,03,18,409	5,44,57,303	5,45,70,835	5,03,18,409	5,45,70,835
	- Percentage of shareholding (%)	33.14	35.87	35.94	33.14	35.94
2	Promoters and promoter group shareholding :					
	a) Pledged/encumbered					
	- Number of shares	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-
	b) Non-encumbered					
	- Number of shares	10,15,03,833	9,73,64,939	9,72,51,407	10,15,03,833	9,72,51,407
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the company)	66.86	64.13	64.06	66.86	64.06

	Particulars	Quarter Ended 31.03.2014
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	-
	Received during the quarter	21
	Disposed off during the quarter	21
	Remaining unresolved at the end of the quarter	-

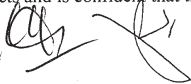
(Rs. in Crores, unless otherwise indicated)

Particulars	Statement of assets and liabilities	
	As at 31.03.2014	As at 31.03.2013
	Audited	
A. EQUITY AND LIABILITIES		
(1) Shareholders' funds		
(a) Share capital	151.82	151.82
(b) Reserves and surplus	441.89	456.63
(c) Money received against share warrants	20.30	20.30
Sub-total - Shareholders' funds	593.71	628.75
(2) Non-current liabilities		
(a) Long-term borrowings	172.84	147.57
(b) Deferred tax liabilities (Net)	186.03	207.09
(c) Other long-term liabilities	0.83	0.84
(d) Long-term provisions	18.14	14.93
Sub-total - Non-current liabilities	377.84	370.43
(3) Current liabilities		
(a) Short-term borrowings	245.85	342.72
(b) Trade payables	530.65	536.03
(c) Other current liabilities	148.14	134.12
(d) Short-term provisions	20.43	27.85
Sub-total - Current liabilities	945.07	1,040.72
TOTAL - EQUITY AND LIABILITIES	1,916.62	2,039.90
B. ASSETS		
(1) Non-current assets		
(a) Fixed assets	1,059.89	1,175.67
(b) Non-current investments	36.99	36.99
(c) Long-term loans and advances	119.82	80.51
(d) Other non-current assets	7.61	19.61
Sub-total - Non-current assets	1,224.31	1,312.78
(2) Current assets		
(a) Current investments	4.19	10.30
(b) Inventories	293.61	303.60
(c) Trade receivables	111.79	87.53
(d) Cash and bank balances	42.94	36.94
(e) Short-term loans and advances	80.78	139.96
(f) Other current assets	159.00	148.79
Sub-total - Current assets	692.31	727.12
TOTAL - ASSETS	1,916.62	2,039.90

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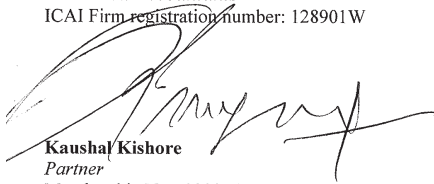
otes:-

- 2 The Audit Committee reviewed the above results. The Board of Directors, at their meeting held on 20 May 2014, have approved the above results.
- 3 The Statutory Auditors of the Company have audited the financial results for the year ended 31 March 2014. The figures for the quarter ended 31 March 2014, as reported in these financial results, are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year. An unqualified report has been issued and the same is being filed with the Bombay and National Stock Exchanges.
- 4 On 9 November 2010, the Company had allotted 20,000,000 Fully Convertible Preferential warrants (FCPs) at Rs. 40.60 per warrant (aggregating Rs. 81.20 Crores) as per Securities and Exchange Board of India (SEBI) and other guidelines, as applicable. As per the terms of the warrants, Rs. 10.15 per warrant (aggregating Rs. 20.30 Crores) had been received and balance amount of Rs. 30.45 per warrant (aggregating Rs. 60.90 Crores) was payable within 18 months of allotment of the warrants. The warrants were convertible into equity shares within a period of 18 months from the date of allotment of warrants at the option of the warrant holders. Upon conversion, one warrant would have been converted into one fully paid equity share of Rs.10 each and amount of Rs. 30.60 would have been adjusted towards share premium account. Subsequently, the Company had received request from warrant holders for extending period upto May 2014 for payment of balance amount of Rs. 60.90 Crores. The Company made an application to SEBI for the extension of the period which has not been approved by SEBI vide its letter dated 4 December 2013. Accordingly, the money received against share warrants has been forfeited and transferred to capital reserve in the current year.
- 5 The Company has made an early application, since the year 2010-11, of Accounting Standard 30 "Financial Instruments- Recognition and Measurement", issued by the Institute of Chartered Accountants of India for forward exchange contracts taken for highly probable/ forecast transactions, which are not covered by Accounting Standard -11. An amount of Rs. 10.40 Crores has been recognized as expense (previous year an income of Rs. 21.11 Crores) in the financial results for the year ended 31 March 2014 and included in exceptional items as an adjustment on the said application of Accounting Standard 30.
- 6 Due to significant volatility in the foreign currency vis-à-vis local currency, the Company has considered the foreign exchange fluctuation as an exceptional item.
- 7 The Company's business mainly comprises manufacture of polyester. During the past few years, there has been significant volatility in raw material prices of polyester which are linked with crude oil prices and is subject to foreign exchange fluctuations. The sales realisation in the industry has been low in comparison to the raw material price variations. In addition, stiff competition in certain products, low capacity utilisation, high inflation, high interest rates and weakened rupee has resulted in a temporary phase of low operating margins/losses in the recent past and also accumulation of significant unabsorbed depreciation as per tax laws. However, the Company's products command a premium in the market due to cost competitiveness and quality standards and its premium product lines are operating at full capacity. The Company has internally assessed its position and the future outlook and has also initiated various measures including strategic steps to ensure profitable operations. To achieve the projected level of profitability, the Company is in the process of finalizing plans to increase the capacity for its premium products by making further investment in the product line and is also confident of the market demand for the increased production. These actions would be coupled with other initiatives which include cost saving measures, exploration of new markets especially exports, streamlined utilisation of export benefits and developing backward integration facilities towards producing certain key input materials. The Company is also arranging for funds to meet the above plans. Accordingly, the Company believes that considering the expected investment and resultant profitability over the next year and in future years, no provision is required for impairment of assets and is confident that the MAT credit entitlement carried at the end of the year is fully recoverable.



- 8 The Board of Directors have recommended a dividend of Re. 1 per share of Rs. 10 each aggregating to Rs. 17.76 Crores (including dividend distribution tax), subject to the approval of lenders and shareholders.
- 9 The Company's business activity falls within a single primary business segment viz. 'Polyester'.
- 10 Previous period figures have been regrouped / recast, wherever necessary, to make them comparable.

Per our report attached
For **B S R and Associates**
Chartered Accountants
ICAI Firm registration number: 128901W



Kaushal Kishore
Partner
Membership No.: 090075

Place: Gurgaon
Date: 20 May 2014

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



Om Prakash Lohia
Chairman & Managing Director

Place: Gurgaon
Date: 20 May 2014



B S R and Associates

Chartered Accountants

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Independent Auditors' Report
To the Board of Directors
Indo Rama Synthetics (India) Limited

1. We have audited the accompanying consolidated financial results ('Statement') of Indo Rama Synthetics (India) Limited ('the Company') and its subsidiaries (collectively referred to as 'the Group') for the year ended 31 March 2014, attached herewith, being submitted by the Group pursuant to the requirements of clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding', which have been traced from disclosures made by the management pursuant to clause 35 of the listing agreement and have not been audited by us.
2. These consolidated financial results have been prepared by the Group on the basis of the annual consolidated financial statements, which are the responsibility of the Group's management. Our responsibility is to express an opinion on these financial results based on our audit of the annual consolidated financial statements which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards notified under the Companies Act, 1956, read with the General Circular 15/2003 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 (together referred to as the "Act") and other accounting principles generally accepted in India and in compliance with Clause 41 of the Listing Agreement.
3. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the consolidated financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
4. We report that the consolidated financial results have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements" and on the basis of the separate audited financial statements of the Company and its subsidiaries, included in the consolidated financial results.

5. In our opinion and to the best of our information and according to the explanations given to us, these consolidated financial results:
 - (i) are presented in accordance with the requirements of Clause 41 of the Listing Agreement in this regard; and
 - (ii) give a true and fair view of the consolidated net loss and other financial information for the year ended 31 March 2014.



6. Emphasis of matter

- a) Without qualifying our opinion, attention is drawn to note 6 to the financial results, which explains the early application, since the year 2010-11, of Accounting Standard 30 "Financial Instruments- Recognition and Measurement", issued by the Institute of Chartered Accountants of India for accounting for forward exchange contracts taken for highly probable / forecast transactions, which are not covered by Accounting Standard 11. An amount of Rs. 10.40 Crores has been recognized as expense (previous year an income of Rs. 21.11 Crores) in the financial results for the year ended 31 March 2014 and included in exceptional items as an adjustment on the said application of Accounting Standard 30.
- b) Without qualifying our opinion, attention is drawn to note 8 of the financial results, which explains the management's position regarding utilisation of Minimum Alternate Tax credit aggregating Rs. 57.91 crores as at 31 March 2014. Based on the management's assumptions and business plans, no provision has been considered in the books of account in respect of said credit.

Further, we report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholding in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of Clause 35 of the Listing Agreement, and found the same to be in accordance therewith.

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



Kavesh Kishore
Partner

Membership No: 090075



Place: Gurgaon
Date: 20 May 2014

(Rupee Crores, unless otherwise indicated)

PART I

S.No.	Particulars	Year Ended	
		31.03.2014	31.03.2013
1	Income from operations		
	(a) Net sales/income from operations (Net of excise duty)	2,611.89	2,465.02
	(b) Other operating income	38.15	45.11
	Total income from operations (net)	2,650.04	2,510.13
2	Expenses		
	(a) Cost of materials consumed	2,125.07	2,026.62
	(b) Purchase of stock-in-trade	0.46	0.46
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	99.57	87.46
	(d) Employee benefits expense	83.36	81.74
	(e) Other expenses	330.97	352.54
	Total expenses before depreciation and amortisation, finance costs, exceptional item and tax	2,631.97	2,869.44
3	Profit from operations before depreciation and amortisation, other income, finance costs, exceptional item and tax	18.07	40.69
4	Depreciation and amortisation expense	143.48	158.00
5	Total expenses after depreciation and amortisation, before finance costs, exceptional item and tax	2,775.45	3,027.44
6	(Loss) from operations before other income, finance costs, exceptional item and tax	(125.41)	(117.31)
7	Other income	244.01	240.78
8	Profit from ordinary activities before finance costs, exceptional item and tax	118.60	123.47
9	Finance costs	49.73	44.52
10	Profit from ordinary activities before exceptional item and tax	68.87	78.95
11	Exceptional item-foreign exchange fluctuation (loss) (refer to note 6 and 7)	(99.51)	(39.26)
12	(Loss) / Profit from ordinary activities before tax	(30.64)	39.69
13	Tax expense / (credit)	(17.09)	(0.57)
14	Net (Loss) / Profit for the year	(13.55)	40.26
15	Provision for equity share capital (face value of Rs. 10 per share)	151.82	151.82
16	Reserve excluding revaluation reserves as per balance sheet of previous accounting year	410.09	421.10
17	Basic and diluted EPS for the period (net annualised) (Rs. per share of Rs. 10 each)	(0.89)	2.65

PART II

S.No.	Particulars	Year ended	
		31.03.2014	31.03.2013
A	PARTICULARS OF SHAREHOLDING		
1	Total public shareholding (including Global Depository Receipts):		
	- Number of shares (Nos.)	5,03,18,409	5,45,70,835
	- Percentage of shareholding (%)	35.14	35.94
2	Promoters and promoter group shareholding:		
	(a) Pledged/unpledged		
	- Number of shares	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-
	(b) Non-pledged		
	- Number of shares (as a % of the total share capital of the company)	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	10,15,03,833	9,72,51,407
	- Percentage of shares (as a % of the total share capital of the company)	100.00	100.00
		66.86	64.06

B

Particulars	Quarter Ended	
	31.03.2014	31.03.2013
INVESTOR COMPLAINTS		
Pending at the beginning of the quarter		21
Received during the quarter		21
Disposed off during the quarter		21
Remaining unresolved at the end of the quarter		

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Statement of assets and liabilities

Particulars	As at	
	31.03.2014	31.03.2013
	As at	As at
	31.03.2014	31.03.2013
A. EQUITY AND LIABILITIES		
(1) Shareholders' funds		
(a) Share capital	151.82	151.82
(b) Reserves and surplus	433.52	435.63
(c) Money received against share warrants	20.30	20.30
Sub-total - Shareholders' funds	587.34	627.75
(2) Non-current liabilities		
(a) Long-term borrowings	310.91	287.66
(b) Deferred tax liabilities (Net)	186.03	207.09
(c) Other long-term liabilities	0.83	0.84
(d) Long-term provisions	13.13	13.01
Sub-total - Non-current liabilities	515.95	510.60
(3) Current liabilities		
(a) Short-term borrowings	245.85	342.72
(b) Trade payables	531.02	526.08
(c) Other current liabilities	168.58	142.09
(d) Short-term provisions	20.43	27.85
Sub-total - Current liabilities	965.88	1,048.74
TOTAL - EQUITY AND LIABILITIES	2,069.17	2,187.09
B. ASSETS		
(1) Non-current assets		
(a) Fixed assets	1,273.68	1,381.50
(b) Long-term loans and advances	80.06	86.40
(c) Other non-current assets	7.61	19.61
Sub-total - Non-current assets	1,361.35	1,487.51
(2) Current assets		
(a) Current investments	4.19	10.30
(b) Inventories	293.61	303.60
(c) Trade receivables	114.16	87.53
(d) Cash and bank balances	44.02	37.04
(e) Short-term loans and advances	81.04	112.32
(f) Other current assets	170.80	148.79
Sub-total - Current assets	707.82	699.58
TOTAL - ASSETS	2,069.17	2,187.09

(contd.)

Notes (continued) :

2. Segment wise Revenue, Results and Capital Employed

(Rs.in Crores, unless otherwise indicated)

Particulars	Year Ended	
	31.03.2014	31.03.2013
1	Audited	
Segment revenue (net sales and other operating income)	2,629.12	2,910.13
a) Segment - polyester	20.92	
b) Segment - renewable energy		
Net sales from operations	2,650.04	2,910.13
2		
Segment results (profit / (loss) before interest and tax from each segment		
a) Segment - polyester	(134.54)	(116.32)
b) Segment - renewable energy	9.13	(0.99)
Total	(125.41)	(117.31)
Less:		
(i) Finance cost	(49.73)	(44.52)
(ii) Other unallocable income (including interest income)	244.01	240.78
Profit from ordinary activities before exceptional item and tax	68.87	78.95
Exceptional item foreign exchange fluctuation (loss)		
(Loss) / Profit before tax	(90.51)	(39.26)
3		
Capital employed (segment assets - segment liabilities)		
a) Segment - polyester	1,156.40	1,278.41
b) Segment - renewable power	223.88	211.41
c) Unallocated	(792.94)	(862.07)
Total	587.34	627.75

Footnotes:

- Segment revenue, segment results and capital employed include the respective amounts identifiable to each of the segments.
- Other unallocable items in segment results include income from investments, capital creditors written back and other unallocable income.
- Unallocated capital employed includes repayments, borrowings and corresponding interest accrued, advance tax and MAT credit entitlement.

(contd.)

Notes (continued):-

3. The Audit Committee reviewed the above results. The Board of Directors, at their meeting held on 20 May 2014, have approved the above results.
4. The Statutory Auditors have audited the consolidated financial results for the year ended 31 March 2014. An unqualified report has been issued and the same is being filed with Bombay and National Stock Exchanges.
5. On 9 November 2010, the Group had allotted 20,000,000 Fully Convertible Preferential warrants (FCPs) at Rs. 40.60 per warrant (aggregating Rs. 81.20 Crores) as per Securities and Exchange Board of India (SEBI) and other guidelines, as applicable. As per the terms of the warrants, Rs. 10.15 per warrant (aggregating Rs. 20.30 Crores) had been received and balance amount of Rs. 30.45 per warrant (aggregating Rs. 60.90 Crores) was payable within 18 months of allotment of the warrants. The warrants were convertible into equity shares within a period of 18 months from the date of allotment of warrants at the option of the warrant holders. Upon conversion, one warrant would have been converted into one fully paid equity share of Rs.10 each and amount of Rs. 30.60 would have been adjusted towards share premium account. Subsequently, the Group had received request from warrant holders for extending period upto May 2014 for payment of balance amount of Rs. 60.90 Crores. The Group made an application to SEBI for the extension of the period which has not been approved by SBI vide its letter dated 4 December 2013. Accordingly, the money received against share warrants has been forfeited and transferred to capital reserve in the current year.
6. The Group had made an early application, since the year 2010-11, of Accounting Standard 30 "Financial Instruments- Recognition and Measurement", issued by the Institute of Chartered Accountants of India for accounting for forward exchange contracts taken for highly probable / forecast transactions, which are not covered by Accounting Standard 11. An amount of Rs. 10.40 Crores has been recognized as expense (previous year an income of Rs. 21.11 Crores) in the financial results for the year ended 31 March 2014 and included in exceptional items as an adjustment on the said application of Accounting Standard 30.
7. Due to significant volatility in the foreign currency vis-à-vis local currency, the Group has considered the foreign exchange fluctuation as an exceptional item.
8. The Group's business mainly comprises manufacture of polyester and generation of renewable energy. During the past few years, there has been significant volatility in raw material prices of polyester which are linked with crude oil prices and is subject to foreign exchange fluctuations. The sales realisation in the industry has been low in comparison to the raw material price variations. In addition, stiff competition in certain products, low capacity utilisation, high inflation, high interest rates and weakened rupee has resulted in a temporary phase of low operating margins/losses in the recent past and also accumulation of significant unabsorbed depreciation as per tax laws. However, the Group's products command a premium in the market due to cost competitiveness and quality standards and its premium product lines are operating at full capacity. The Group has internally assessed its position and the future outlook and has also initiated various measures including strategic steps to ensure profitable operations. To achieve the projected level of profitability, the Group is in the process of finalizing plans to increase the capacity for its premium products by making further investment in the product line and is also confident of the market demand for the increased production. These actions would be coupled with other initiatives which include cost saving measures, exploration of new markets especially exports, streamlined utilisation of export benefits and developing backward integration facilities towards producing certain key input materials. The Group is also arranging for funds to meet the above plans. Accordingly, the Group believes that considering the expected investment and resultant profitability over the next year and in future years, no provision is required for impairment of assets and is confident that the MAT credit entitlement carried at the end of the year is fully recoverable.

9. The Board of Directors have recommended a dividend of Re. 1 per share of Rs. 10 each aggregating to Rs. 17.76 Crores (including dividend distribution tax), subject to the approval of lenders and shareholders.
10. Previous period figures have been regrouped / recast, wherever necessary, to make them comparable.

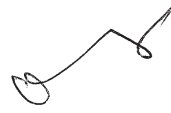
Per our report attached
For **B S R and Associates**
Chartered Accountants
Firm registration number: 128901W



Kaushal Kishore
Partner
Membership No.: 090075

Place: Gurgaon
Date: 20 May 2014

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



Om Prakash Lohia
Chairman & Managing Director
DIN Number: 00206807

Place: Gurgaon
Date: 20 May 2014



B S R and Associates

Chartered Accountants

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Independent Auditors' Report
To the Board of Directors

Indo Rama Synthetics (India) Limited

1. We have audited the accompanying statement of annual Financial Results ('Statement') of Indo Rama Synthetics (India) Limited ('the Company') for the year ended 31 March 2014, attached herewith, being submitted by the Company pursuant to the requirements of clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding', and 'Promoter and Promoter Group Shareholding', which have been traced from disclosures made by the management pursuant to clause 35 of the listing agreement and have not been audited by us. Attention is drawn to the fact that the figures for the quarter ended 31 March 2014 and the corresponding quarter ended in the previous year, as reported in these financial results, are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of third quarter of the relevant financial year. Also the figures upto the end of the third quarter had only been reviewed and not subjected to audit.

2. These financial results have been prepared by the Company on the basis of the annual financial statements and reviewed quarterly financial results upto the end of the third quarter, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of the annual financial statements which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards notified under the Companies Act, 1956, read with the General Circular 15/2003 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 (together referred to as the "Act") and other accounting principles generally accepted in India and in compliance with Clause 41 of the Listing Agreement.

3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the financial results. An audit includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



B S R and Associates

4. In our opinion and to the best of our information and according to the explanations given to us, these financial results:

- (i) are presented in accordance with the requirements of Clause 41 of the Listing Agreement in this regard; and
- (ii) give a true and fair view of the net loss and other financial information for the year ended 31 March 2014.

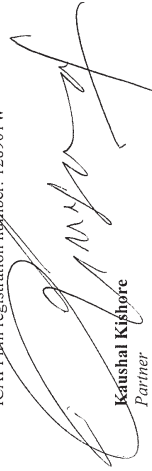
5. Emphasis of matter

a) Without qualifying our opinion, attention is drawn to note 5 of the financial results, which explains the early application, since the year 2010-11, of Accounting Standard 30 "Financial Instruments- Recognition and Measurement", issued by the Institute of Chartered Accountants of India for accounting for forward exchange contracts taken for highly probable / forecast transactions, which are not covered by Accounting Standard 11. An amount of Rs. 10.40 Crores has been recognized as expense (previous year an income of Rs. 21.11 Crores) in the financial results for the year ended 31 March 2014 and included in exceptional items as an adjustment on the said application of Accounting Standard 30.

b) Without qualifying our opinion, attention is drawn to note 7 of the financial results, which explains the management's position regarding utilisation of Minimum Alternate Tax credit aggregating Rs. 57.91 crores as at 31 March 2014. Based on the management's assumptions and business plans, no provision has been considered in the books of accounts in respect of the said credit.

Further, we report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholding in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of Clause 35 of the Listing Agreement, and found the same to be in accordance therewith.

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



Kaushal Kishore
Partner

Membership No.: 090075

Place: Gurgaon
Date: 20 May 2014