

IRSL:STEXCH:2015-16:  
10<sup>th</sup> February 2016

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

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

**ISIN: INE156A01020**

**Indo Rama Synthetics (India) Limited - CIN L17124MH1986PLC166615**

**Sub.: Outcome of the Board Meeting held on 10<sup>th</sup> February 2016**

Dear Sir,

This is further to our letter dated 21<sup>st</sup> January 2016, intimating the date of Board Meeting for consideration of Un-audited Financial Results of the Company, for the quarter ended 31<sup>st</sup> December 2015.

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that the Board of Directors in their meeting held today, i.e., 10<sup>th</sup> February 2016, have approved the Un-audited Financial Results for the quarter ended 31<sup>st</sup> December 2015.

We attach herewith a copy of the approved Un-audited Financial Results along with the Limited Review Report of the Auditors.

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) Ltd.**

  
**Jayantk Sood**  
**Head-Corporate & Company Secretary**  
(ICSI Membership No.: FCS 4482)



Encl.: As above.

INDO RAMA SYNTHETICS (INDIA) LTD.

Corporate Office : 20th Floor, DLF Square, DLF Phase-2, NH-8, Gurgaon - 122002, Haryana, India. Tel : 0124-4997000, Fax : 0124-4997070

Registered Office & Manufacturing Complex : A-31, MIDC Industrial Area, Butibori, Nagpur - 441122, Maharashtra, India. Tel : 07104-663000 / 01. Fax : 07104-663200

E-mail : [corp@indorama-ind.com](mailto:corp@indorama-ind.com) • Website : [www.indoramaindia.com](http://www.indoramaindia.com)

CIN : L17124MH1986PLC166615

# B S R and Associates

Chartered Accountants

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DLF Cyber City, Phase - II  
Gurgaon - 122 002 (India)

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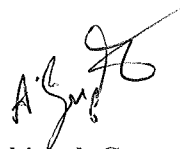
## Review Report to the Board of Directors of Indo Rama Synthetics (India) Limited

1. We have reviewed the accompanying Statement of Un-audited Financial Results ('the Statement') of Indo Rama Synthetics (India) Limited ('the Company') for the quarter and the nine months ended 31 December 2015, attached herewith, being submitted by the Company pursuant to the requirement 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 on 10 February 2016. Our responsibility is to issue a report on these financial results, 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 (ICAI). 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) Attention is invited to note 3 to the Statement relating to Minimum Alternate Tax credit amounting to Rs. 55.98 crores as at 31 December 2015 recognised by the Company on the basis of future projections taken on record by the Board of Directors confirming that sufficient future taxable income will be available against which these assets will be realised. We are unable to express any view at this stage in the matter because of recent volatility and unpredictability of prices of inventories and economic environment.  
  
b) Attention is drawn to note 5 to the Statement which sets out the position relating to non-accrual of foreign exchange fluctuation loss of Rs. 21.23 crores for the nine months ended 31 December 2015, in relation to accounting of forward exchange contracts taken for highly probable/forecast transactions, which are not covered by Accounting Standard 11 "The Effects of Changes in Foreign Exchange Rates". This is not in accordance with the principles under Accounting Standard 30 "Financial Instruments- Recognition and Measurement", issued by the ICAI and which was adopted by the Company since the year 2010-11. Had the above accrual been made, the net loss before tax and net loss after tax for the nine month would have been higher by Rs. 21.23 crores and Rs. 13.88 crores, respectively.

**B S R and Associates**

- c) Attention is drawn to note 6 to the Statement which enumerates, recognition of interest of Rs. 0.73 crores and Rs. 10.22 crores for the quarter and the nine month ended 31 December 2015 respectively on the insurance claim lodged by the Company with its insurance company for the loss of certain assets and loss suffered due to business interruption at its plant in 2007-08. The said recognition of asset, is not in accordance with accounting principle stated in Accounting Standard 29, 'Provisions, Contingent Liabilities and Contingent Assets'. Had such income not been recognised, the net profit before tax and the net profit after tax for the quarter would have been lower by Rs. 0.73 crores and Rs. 0.48 crores respectively, and the net loss before tax and the net loss after tax would have been higher by Rs 10.22 crore and Rs. 6.68 crores respectively.
4. Based on our review conducted as explained in paras 1 and 2 above, except for the matters referred to in paragraph 3 above and related disclosure of impact on the financial results, which has been explained in that para, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable Accounting Standards as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which is to be disclosed, or that it contains any material misstatement.

*For B S R and Associates*  
*Chartered Accountants*  
ICAI Firm registration no.: 128901W



**Abhishek Gupta**  
*Partner*  
Membership No.:095875

Place: Gurgaon  
Date: 10 February 2016

**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

**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / NINE MONTHS ENDED 31 DECEMBER 2015**

*(Rs. in crores, unless otherwise indicated)*

S.No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
		Un-audited			Un-audited		Audited
1	<b>Income from operations</b>						
	(a) Net sales/income from operations (Net of excise duty)	585.10	609.68	648.80	1,822.70	2,070.88	2,708.90
	(b) Other operating income (refer note 6 and note 7)	18.19	22.53	12.51	55.28	39.75	52.48
	<b>Total income from operations (net)</b>	<b>603.29</b>	<b>632.21</b>	<b>661.31</b>	<b>1,877.98</b>	<b>2,110.63</b>	<b>2,761.38</b>
2	<b>Expenses</b>						
	(a) Cost of materials consumed	435.61	504.00	520.95	1,494.55	1,712.64	2,192.84
	(b) Changes in inventories of finished goods and work-in-progress	36.19	9.79	28.55	(26.35)	(39.99)	(39.84)
	(c) Employee benefits expense	26.28	25.93	23.54	80.16	68.78	92.09
	(d) Other expenses	81.47	83.87	93.98	265.11	298.18	393.85
	<b>Total expenses before depreciation and amortisation, finance costs and exceptional items</b>	<b>579.55</b>	<b>623.59</b>	<b>667.02</b>	<b>1,813.47</b>	<b>2,039.61</b>	<b>2,638.94</b>
3	<b>Profit / (Loss) from operations before depreciation and amortisation, other income, finance costs and exceptional items</b>	<b>(1-2)</b>	<b>23.74</b>	<b>8.62</b>	<b>(5.71)</b>	<b>64.51</b>	<b>122.44</b>
4	Depreciation and amortisation expense	18.84	19.09	27.20	58.20	90.91	117.16
5	<b>Total expenses after depreciation and amortisation but before finance costs and exceptional items</b>	<b>(2+4)</b>	<b>598.39</b>	<b>642.68</b>	<b>694.22</b>	<b>1,871.67</b>	<b>2,756.10</b>
6	<b>Profit / (Loss) from operations before other income, finance costs and exceptional items</b>	<b>(1-5)</b>	<b>4.90</b>	<b>(10.47)</b>	<b>(32.91)</b>	<b>6.31</b>	<b>5.28</b>
7	Other income	12.62	1.28	1.42	15.42	8.19	9.81
8	<b>Profit / (Loss) from ordinary activities before finance costs and exceptional items</b>	<b>(6+7)</b>	<b>17.52</b>	<b>(9.19)</b>	<b>(31.49)</b>	<b>21.73</b>	<b>15.09</b>
9	Finance costs	13.59	13.78	11.46	37.95	33.08	43.38
10	<b>Profit / (Loss) from ordinary activities after finance costs but before exceptional items</b>	<b>(8-9)</b>	<b>3.93</b>	<b>(22.97)</b>	<b>(42.95)</b>	<b>(16.22)</b>	<b>(28.29)</b>
11	<b>Exceptional items (refer note 4)</b>						
	-Foreign exchange fluctuation (loss) / gain	(2.22)	(10.07)	(9.22)	(9.02)	(10.85)	15.02
	-Inventory losses	(0.72)	(25.96)	(20.75)	(26.68)	(20.75)	(20.75)
	-Employee benefits expense	(0.40)	-	-	-	-	-
12	<b>Profit / (Loss) from ordinary activities before tax</b>	<b>(10+11)</b>	<b>0.59</b>	<b>(59.00)</b>	<b>(72.92)</b>	<b>(51.92)</b>	<b>(34.02)</b>
13	Income tax expense / (credit)	0.24	(15.10)	(14.52)	(13.28)	(24.01)	(12.49)
14	<b>Net Profit / (Loss) for the period</b>	<b>(12-13)</b>	<b>0.35</b>	<b>(43.90)</b>	<b>(58.40)</b>	<b>(38.64)</b>	<b>(21.53)</b>
15	Paid-up equity share capital (face value of Rs. 10 per share)	151.82	151.82	151.82	151.82	151.82	151.82
16	Reserves excluding revaluation reserves as per balance sheet of previous accounting year						387.18
17	Basic and diluted EPS for the period (Rs. per share of Rs. 10 each)	0.02	(2.89)	(3.85)	(2.55)	(3.45)	(1.42)

## Notes:-

1. The Audit Committee reviewed the above results. The Board of Directors, at their meeting held on 10 February 2016, have approved the above results.
2. The Company's business activity falls within a single primary business segment viz. 'Polyester'.
3. The Company's business comprises of Polyester products, which is highly competitive and in the last few years there has been an over-supply in the industry. This has resulted in lower profit margins. However, the Company has taken several initiatives to improve its operational performance in terms of specialty products, higher capacity utilization, 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 MAT credit entitlement carried at the end of the period is fully recoverable before it lapses between FY 2020-21 to FY 2022-23 and there are no indications of impairment of asset.
4. Exceptional items :
  - a) Inventory losses amounting to Rs.0.72 crore for the quarter and Rs.26.68 crore for the nine months ended 31 December 2015, which includes loss of Rs.4.62 crore (previous year Rs.20.75 crore) on account of write down of closing inventories, calculated on month to month basis, incurred by the Company due to crash in global crude oil prices and consequently impacting raw material prices, i.e., of PTA and MEG. The loss incurred has been primarily due to the timing difference in the prices at which material has been purchased and sold.
  - b) Due to significant volatility in the foreign currency vis-à-vis local currency, the Company has considered the foreign exchange fluctuation as an exceptional item in the financial results.
  - c) Employee benefit expense of Rs.0.40 crore due to retrospective amendment in the Payment of Bonus Act,1965 pertains to incremental liability for the six months ended 30 September, 2015, accounted for in the quarter ended 31 December 2015.
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 accounting of forward exchange contracts taken for highly probable/forecast transactions, which are not covered by Accounting Standard-11 "The Effects of Changes in Foreign Exchange Rates". However, for the nine months ended 31 December 2015, no provision has been made for loss of Rs.21.23 crore in relation to accounting of forward exchange contracts taken for highly probable/forecast transactions, which is not in line with the above policies, as the management believes that such fluctuation is temporary in nature.
6. During the quarter and nine months ended 31 December 2015, the Company has recognised interest of Rs. 0.73 crore and Rs.10.22 crore respectively on the insurance claim lodged by the Company with its insurance company for the loss of certain assets and loss suffered due to business interruption under loss of profit policy relating to a fire incidence at its plant in 2007-08 under 'other operating income'. As legally advised, the Company is of the view that the amounts recognised are fully recoverable.
7. The Company has considered it appropriate to include interest for the quarter and nine months ended 31 December 2015 of Rs.5.45 crore and Rs.11.40 crore respectively (corresponding quarter and nine months of previous year Rs.1.73 crore and Rs.7.92 crore respectively), received from customers as 'other operating income', which was considered as 'other income' earlier.
8. Tax expense includes current tax, minimum alternate tax and deferred tax charge / (credit) .
9. The Statutory Auditors of the Company have carried out a Limited review of the financial results for the quarter and nine months ended 31 December 2015 and the review report has been issued subject to items 3, 5 and 6 above. The review report of the Statutory Auditors is being filed with the Bombay Stock Exchange and National Stock Exchange. For more details on unaudited results, visit Investor Relations section of our website at [www.indoramaindia.com](http://www.indoramaindia.com) and Financial Results under Corporates section of [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com).
10. Previous period figures have been regrouped / recast, wherever necessary, to make them comparable.

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

**Om Prakash Lohia**  
Chairman & Managing Director (DIN 00206807)

Place: Gurgaon  
Date: 10 February 2016