

IRSL:STEXCH:2017-18:
7th February 2018

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 Board Meeting held on 7th February 2018

Dear Sir,

In continuation to our earlier letter dated 29th January 2018 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 meeting held today, i.e., 7th February 2018, have approved the Un-audited Financial Results of the Company for the third quarter and nine months ended 31st December 2017 and enclosing herewith Un-audited Financial Results along with the Limited Review Report of Auditors.

The meeting of the Board of Directors commenced at 12:30 PM and concluded at 1:50 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.

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 • Website : www.indoramaindia.com

CIN : L17124MH1986PLC166615

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, Gurugram -122002, Haryana
Tel. : 07104-663000 / 01 Fax: 07104-663200, Email: investor-relations@indorama-ind.com, Website: www.indorama-india.com, CIN: L17124MH1986PLC166615
STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2017

| S.No. | Particulars | Quarter ended | | | | Nine months ended | | Year ended |
|-------|--|----------------|----------------|----------------|-----------------|-------------------|-----------------|------------|
| | | 31.12.2017 | 30.09.2017 | 31.12.2016 | 31.12.2017 | 31.12.2016 | 31.03.2017 | |
| | | Un-audited | | | | | | Audited |
| 1 | Revenue from operations (refer note 3(b)) | 524.27 | 618.01 | 623.92 | 1,793.78 | 2,099.80 | 2,701.05 | |
| 2 | Other income | 0.82 | 0.94 | 1.05 | 2.69 | 19.96 | 28.52 | |
| 3 | Total income | 525.09 | 618.95 | 624.97 | 1,796.47 | 2,119.76 | 2,729.57 | |
| 4 | Expenses | | | | | | | |
| | (a) Cost of materials consumed | 386.93 | 441.12 | 415.19 | 1,267.67 | 1,467.59 | 1,923.78 | |
| | (b) Changes in inventories of finished goods and work-in-progress | 7.71 | 6.84 | 46.46 | 32.25 | 48.55 | 27.49 | |
| | (c) Excise duty on sales (refer note 2) | - | - | 52.24 | 58.06 | 181.91 | 233.01 | |
| | (d) Employee benefits expense | 23.81 | 27.39 | 26.90 | 75.73 | 80.56 | 104.53 | |
| | (e) Other expenses | 94.63 | 126.39 | 97.71 | 311.38 | 327.45 | 417.00 | |
| | Total expenses before depreciation and amortisation, finance costs, foreign exchange fluctuation and exceptional items | 513.08 | 601.74 | 638.50 | 1,745.09 | 2,105.86 | 2,705.81 | |
| 5 | Profit / (loss) from operations before depreciation and amortisation, finance costs, foreign exchange fluctuation and exceptional items | 12.01 | 17.21 | (13.53) | 51.38 | 13.90 | 23.76 | |
| 6 | Depreciation and amortisation expense | 20.58 | 20.69 | 20.17 | 61.64 | 59.58 | 79.48 | |
| 7 | Finance costs | 23.13 | 23.17 | 23.66 | 70.07 | 64.77 | 91.08 | |
| 8 | Foreign exchange fluctuation gain / (loss) | 2.33 | (0.35) | (0.73) | 0.29 | 4.67 | 13.52 | |
| 9 | Total expenses before exceptional items and tax | 554.46 | 645.95 | 683.06 | 1,876.51 | 2,225.54 | 2,862.85 | |
| 10 | Profit / (loss) before exceptional items and tax | (29.37) | (27.00) | (58.09) | (80.04) | (105.78) | (133.28) | |
| 11 | Exceptional items | | | | | | | |
| | - Others (refer note 7) | - | - | - | - | - | (4.73) | |
| 12 | Profit / (loss) before tax | (29.37) | (27.00) | (58.09) | (80.04) | (105.78) | (138.01) | |
| 13 | Income tax | | | | | | | |
| | - Deferred tax credit / (expense) (refer note 1 and 5) | 10.16 | 9.38 | 20.14 | 27.64 | 36.58 | 53.98 | |
| 14 | Net profit / (loss) | (19.21) | (17.62) | (37.95) | (52.40) | (69.20) | (84.03) | |
| 15 | Other comprehensive income | | | | | | | |
| | - Items that will not be reclassified to profit or (loss) | (0.08) | (0.08) | - | (0.24) | - | (0.30) | |
| | Remeasurement of defined benefit plans | 0.02 | 0.03 | - | 0.08 | - | 0.10 | |
| | Deferred tax credit / (expense) on above (refer note 1) | | | | | | | |
| 16 | Total comprehensive income / (expense) after tax | (19.27) | (17.67) | (37.95) | (52.56) | (69.20) | (84.23) | |
| 17 | Basic and diluted earnings per share (EPS) for the period (Rs. per share of Rs. 10 each) | (1.27) | (1.16) | (2.50) | (3.45) | (4.56) | (5.53) | |



1. 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 speciality products, higher capacity utilisation, cost control initiatives, improved liquidity plans 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.

2. Consequent to implementation of Goods and Service Tax ('GST') regime effective July 2017, revenue is presented exclusive of GST. However, revenue for all other periods pertaining to Financial Year ended 31 March 2017 and for the quarter ended 30 June 2017 included in the nine months ended 31 December 2017 is presented inclusive of excise duty and the amount of such excise duty is presented as expense in line "Excise duty on sale of goods". Accordingly, the amounts are not comparable to that extent.

3. (a) The Company has carried forward insurance claim recoverable amounting to Rs. 32.44 crores and interest receivable amounting to Rs. 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 Rs. 16.06 crores from July 2012 onwards to 31 December 2017 on the insurance claim recoverable referred to in 3(a) above. Out of this, during the quarter and nine months ended 31 December 2017, the Company has recognised an interest of Rs. 0.73 crores and Rs. 2.19 crores respectively (for the quarter and nine months ended 31 December 2016 - Rs. 0.73 crores and Rs. 2.19 crores respectively, and for the year ended 31 March 2017 - Rs. 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.

4. The Company's business activity falls within the single primary business segment viz. 'Polyester'.

5. Tax expense includes deferred tax charge / (credit).

6. The Audit Committee reviewed the above results. The Board of Directors, at their meeting held on 7 February 2018, has approved the above results.



7. Exceptional items:

In the previous year ended 31 March 2017, the Company had charged off Rs. 4.73 crores towards the net book value of fixed assets, capital work-in-progress and capital advances (to the extent not recoverable) acquired from subsidiaries under the scheme of amalgamation.

8. During the previous year ended 31 March 2017, the Board of Directors had approved the scheme for amalgamation of Indo Rama Renewables Limited, wholly owned subsidiary of the Company and its two step down subsidiaries viz. Indo Rama Renewables Ramgarh Limited and Indo Rama Renewables Porbandar Limited with the Company, in its meeting held on 31 August 2016. The National Company Law Tribunal (NCLT), Mumbai had passed an order approving the merger effective from 1 April 2016 on 29 March 2017. Consequently, the assets and liabilities had been merged with the Company by using pooling of interest method as per Ind AS 103, Business Combinations. As the order of NCLT was passed on 29 March 2017, the transactions of subsidiaries occurred during the period from 1 April 2016 to 29 March 2017 had been incorporated in the results for quarter and year ended 31 March 2017.

9. All the Global Depository Receipts (GDR's) have been duly converted into equity shares and the Depository Agreement entered into between the Company and the Bank of New York Mellon (the "Depository") has been terminated and accordingly the GDR's program/ facility, has been de-listed from the Luxembourg Stock Exchange with effect from 16th October 2017.

10. The Statutory Auditors of the Company have reviewed the Financial Results for the quarter and nine months ended 31 December 2017, and report has been issued subject to item 1 and 3(b) above. The report of the Statutory Auditors is being filed with Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). For more details on unaudited 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.

11. Previous quarter and nine months ended figures have been regrouped / recast, wherever necessary, to make them comparable.

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

Place: Gurugram
Date : 7 February 2018

B S R and Associates

Chartered Accountants

Building No.10, 8th Floor, Tower-B
DLF Cyber City, Phase - II
Gurugram - 122 002 (India)

Telephone: + 91 124 719 1000
Fax: + 91 124 235 8613

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

1. We have reviewed the accompanying Statement of Unaudited Financial Results ("the Statement") of Indo Rama Synthetics (India) Limited ("the Company") for the quarter and nine months ended 31 December 2017, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (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 this 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. Emphasis of matter

We draw attention to note 3(a) of the Statement which describes the uncertainty related to the outcome of the lawsuit filed by the Company against its insurance company. Our opinion is not modified in respect of this matter.
4. (a) Attention is drawn to note 1 of the Statement relating to Deferred Tax Assets amounting to Rs. 81.80 crores as at 31 December 2017 recognised by the Company on the basis of the future outlook of business confirming that sufficient future taxable income will be available against which these assets will be realised. In view of losses suffered in the current as well as preceding periods, and other unutilised tax losses available to the Company, we are not in agreement with the deferred tax assets recognised. Had such asset not been recognised, the net loss after tax for the quarter and nine months ended 31 December 2017 would have been higher by Rs. 10.18 crores and Rs. 27.72 crores respectively, the net loss after tax for the quarter ended 30 September 2017 would have been higher by Rs. 9.41 crores, the net loss after tax for the quarter and nine months ended 31 December 2016 would have been higher by Rs. 20.14 crores and Rs. 36.58 crores respectively and net loss after tax for the year ended 31 March 2017 would have been higher by Rs. 54.08 crores. The matter was subject to qualification in the previous periods as well.

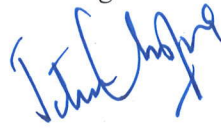


- (b) Attention is drawn to note 3(b) of the Statement, which enumerates recognition of interest of Rs. 16.06 crores (including Rs. 10.95 crores accrued upto year ended 31 March 2016) in the books on the insurance claim recoverable by the Company from its insurance company for the loss of certain assets and loss suffered due to business interruption at its plant in 2007-08. The said recognition of asset being contingent in nature, is not in accordance with accounting principle stated in Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. Had such asset not been recognised, the net loss before and after tax for the quarter and nine months ended 31 December 2017 would have been higher by Rs. 0.73 crores and Rs. 2.19 crores respectively, the net loss before and after tax for the quarter 30 September 2017 would have been higher by Rs. 0.73 crores, net loss before and after tax for the quarter and nine months ended 31 December 2016 would have been higher by Rs. 0.73 crores and Rs. 2.19 crores respectively and net loss before and after tax for the year ended 31 March 2017 would have been higher by Rs. 2.92 crores. The matter was subject to qualification in the previous periods as well.
5. Based on our review conducted as explained in paragraphs 1 and 2 above, except for the matters referred to in paragraph 4 above and related disclosure of impact on the financial results, which has been explained in that paragraph, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B S R and Associates

Chartered Accountants

ICAI Firm Registration No.: 128901W



Jiten Chopra

Partner

Membership No: 092894

Place: Gurugram

Date: 7 February 2018