

IRSL:STEXCH:2018-19:
28th May 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 28th May 2018

Dear Sirs,

In continuation to our earlier letter dated 19th May 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., 28th May 2018, taken the following decisions:

1. The Board has approved the Audited Financial Statements of the Company for the year ended 31st March 2018.

The Audited Financial Results of the Company along with Auditors Report and Statement on impact of Audit Qualification, in the prescribed format, Annexure-I, for the quarter/year ended 31st March 2018, duly approved by the Board of Directors in conformity with the Listing Regulations are enclosed.

2. **Chief Financial Officer:**

Mr. Rajendra Kumar Gupta appointed as Chief Financial Officer of the Company, with effect from 28th May 2018.

3. **Annual General Meeting:**

The 32nd Annual General Meeting (AGM) of the Company will be held on Saturday, 28th July 2018 at A-31, MIDC Industrial Area, Butibori - 441122, Nagpur, Maharashtra.

4. **Book Closure:**

The Register of Members and Share Transfer books will remain closed from Saturday, 21st July 2018 to Saturday, 28th July 2018 (both days inclusive) for the purpose of 32nd AGM.

The meeting of the Board of Directors commenced at 12:30 PM and concluded at 2:55 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) Ltd.**


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

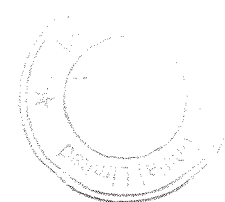
Tel.: 07104-663000 / 01 Fax: 07104-663200, Email: investor-relations@indorama-ind.com, Website: www.indoramaindia.com, CIN: L17124MH1986PLC166615

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2018

(Rs. in crores, unless otherwise stated)

S.No.	Particulars	Quarter ended			Year ended	
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
		Audited*	Un-audited	Audited*	Audited	
1	Revenue from operations [refer note 4(b)]	519.92	524.27	601.25	2,313.70	2,701.05
2	Other income	1.16	0.82	8.56	3.74	28.52
3	Total income (1+2)	521.08	525.09	609.81	2,317.44	2,729.57
4	Expenses					
	(a) Cost of materials consumed	349.19	361.59	456.19	1,572.89	1,923.78
	(b) Purchases of stock-in-trade	28.60	25.34	-	72.57	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	12.11	7.71	(20.86)	44.36	27.49
	(d) Excise duty on sales [refer note 3]	-	-	51.10	58.06	233.01
	(e) Employee benefits expense	23.83	23.81	23.97	99.56	104.53
	(f) Other expenses	98.51	94.63	89.55	409.78	417.00
	Total expenses before depreciation and amortisation, finance costs, foreign exchange fluctuation and exceptional items	512.24	513.08	599.95	2,257.22	2,705.81
5	Profit from operations before depreciation and amortisation, finance costs, foreign exchange fluctuation and exceptional items (3-4)	8.84	12.01	9.86	60.22	23.76
6	Depreciation and amortisation expense	21.56	20.58	19.90	83.20	79.48
7	Finance costs	24.30	23.13	26.31	94.37	91.08
8	Foreign exchange fluctuation gain / (loss)	(0.44)	2.33	8.85	(0.15)	13.52
9	Total expenses before exceptional items and tax (4+6+7-8)	558.54	554.46	637.31	2,434.94	2,862.85
10	Profit / (Loss) before exceptional items and tax (3-9)	(37.46)	(29.37)	(27.50)	(117.50)	(133.28)
11	Exceptional items					
	- Others [refer note 8]	(7.36)	-	(4.73)	(7.36)	(4.73)
12	Profit / (Loss) before tax (10+11)	(44.82)	(29.37)	(32.23)	(124.86)	(138.01)
13	Income tax					
	- Deferred tax credit / (expense) [refer note 2(a) and 6]	14.53	10.16	17.40	42.17	53.98
14	Net Profit / (Loss) (12+13)	(30.29)	(19.21)	(14.83)	(82.69)	(84.03)
15	Other comprehensive income					
	- items that will not be reclassified to profit or (loss)					
	Remeasurement of defined benefit plans	1.26	(0.08)	(0.30)	1.02	(0.30)
	Deferred tax credit / (expense) on above [refer note 2(a)]	(0.43)	0.02	0.10	(0.35)	0.10
16	Total comprehensive income / (expense) after tax (14+15)	(29.46)	(19.27)	(15.03)	(82.02)	(84.23)
17	Basic and diluted earnings per share (EPS) for the period (Rs. per share of Rs. 10 each)	(2.00)	(1.27)	(0.98)	(5.45)	(5.53)

* Figures for the quarter ended 31 March 2018 and 31 March 2017 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.



Notes:

(Rs. in crores)

I. Statement of assets and liabilities

Particulars	As at	As at
	31.03.2018	31.03.2017
	Audited	
A. Assets		
(1) Non-current assets		
(a) Property, plant and equipment	839.72	898.02
(b) Capital work-in-progress	2.67	10.88
(c) Intangible assets	-	-
(d) Financial assets		
(i) Loans	2.09	2.43
(ii) Other financial assets	8.27	8.10
(e) Deferred tax assets (net) [refer note 2(a)]	95.90	54.08
(f) Other tax assets (net)	11.70	11.53
(g) Other non-current assets	15.79	11.42
Sub-total - Non-current assets	976.14	996.46
(2) Current assets		
(a) Inventories	116.21	194.58
(b) Financial assets		
(i) Investments	0.90	1.22
(ii) Trade receivables	110.90	133.20
(iii) Cash and cash equivalents	13.64	5.90
(iv) Bank balances other than cash and cash equivalents	68.88	64.08
(v) Loans	1.11	-
(vi) Other financial assets	71.52	75.60
(c) Other current assets	137.97	136.74
Sub-total - Current assets	521.13	611.32
Total assets	1,497.27	1,607.78
B. Equity and liabilities		
(1) Equity		
(a) Equity share capital	151.82	151.82
(b) Other equity	267.86	349.88
Sub-total - Equity	419.68	501.70
(2) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	36.77	80.94
(ii) Other financial liabilities	-	0.10
(b) Provisions	21.14	20.77
Sub-total - Non-current liabilities	57.91	101.81
(3) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	253.39	167.78
(ii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	0.49	0.70
Total outstanding dues of creditors other than micro enterprises and small enterprises	623.32	703.38
(iii) Other financial liabilities	100.75	88.67
(b) Other current liabilities	38.59	40.89
(c) Provisions	3.14	2.85
Sub-total - Current liabilities	1,019.68	1,004.27
Total - Equity and liabilities	1,497.27	1,607.78



2. (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 but over the period the demand and supply in the industry has balanced, resulting in improved plant operating rate. 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. The Company has plans to secure additional working capital funds to ease the liquidity position and improve the capacity utilization. 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 under utilisation of plant capacity in the Company is mainly due to paucity of working capital funds and due to change in the macro economic scenarios led by demonetisation and Goods and Service Tax ('GST') regime. To augment the additional fund requirement, the Company has taken following steps:
- Allotted 20 (Twenty) 12% Optionally Convertible Debentures (OCDs) to promoter on 24 January 2018 bearing face value of Rs. 10,000,000 each as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. The OCDs are unsecured and are convertible into equity at the option of OCD holder within a period of twelve months subject to maximum eighteen months from the date of allotment.
 - Subsequent to the 31 March 2018, the Company has entered into arrangements with a non-banking finance company to source/bridge the working capital gap subject to completion of certain conditions.

In view of the aforementioned steps taken, the management believes that normal operations of the Company shall be sustained for the foreseeable future. Accordingly, the assets and liabilities are recorded on the basis that the Company will be able to use or realise its asset at least at the recorded amounts and discharge its liabilities in the usual course of business.

3. Consequent to implementation of GST regime effective July 2017, revenue is presented exclusive of GST. However, revenue for the quarter and year ended 31 March 2017 included in the results 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.
4. (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 Hon'ble Delhi High Court.
- (b) The Company has further recognised an interest of Rs. 16.79 crores from July 2012 onwards to 31 March 2018 on the insurance claim recoverable referred to in 4(a) above. Out of this, during the quarter and year ended 31 March 2018, the Company has recognised an interest of Rs. 0.73 crores and Rs. 2.92 crores respectively (for the quarter ended 31 December 2017 – Rs. 0.73 crores; for the quarter and year ended 31 March 2017 - Rs. 0.73 crores and Rs. 2.92 crores respectively) 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.

5. The Company's business activity falls within the single primary business segment viz. 'Polyester'.
6. Tax expense includes deferred tax charge / (credit).
7. The Audit Committee reviewed the above results. The Board of Directors, at their meeting held on 28 May 2018, has approved the above results.
8. Exceptional items:

During the quarter and year ended 31 March 2018, Rs. 7.36 crores incurred towards fees as per provisions of foreign trade policy.

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

9. 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.
10. 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 16 October 2017.
11. The Statutory Auditors of the Company have audited the Financial Results for the year ended 31 March 2018, and report has been issued subject to item 2(a) and 4(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 audited 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.



12. Previous period 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 : 28 May 2018

B S R and Associates

Chartered Accountants

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

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INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF INDO RAMA SYNTHETICS (INDIA) LIMITED

1. We have audited the accompanying annual financial results ('financial results') of Indo Rama Synthetics (India) Limited for the year ended 31 March 2018, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Attention is drawn to the fact that the figures for the quarter ended 31 March 2018 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 the third quarter of the relevant financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit.
2. These financial results have been prepared 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 the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.
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 as 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 qualified opinion.
4. We draw attention to note 2 of the financial results, which indicates that the Company has incurred a net loss before tax of Rs. 124.86 crores during the year ended 31 March 2018 and, as of that date, the Company's current liabilities exceeded its current assets. Based on, and as fully explained by the management in note 2 of the financial results on the initiatives taken, we believe the Company shall be able to continue as a going concern.
5. Emphasis of matter
 - (a) We draw attention to note 4(a) of the financial results 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.

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6. (a) Attention is drawn to note 2(a) of the financial results relating to Deferred Tax Assets amounting to Rs. 95.90 crores as at 31 March 2018 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 year ended 31 March 2018 would have been higher by Rs. 14.10 crores and Rs. 41.82 crores respectively, the net loss after tax for the quarter ended 31 December 2017 would have been higher by Rs. 10.18 crores, the net loss after tax for the quarter and year ended 31 March 2017 would have been higher by Rs. 17.50 crores and Rs. 54.08 crores respectively. The matter was subject to qualification in the previous periods as well.
- (b) Attention is drawn to note 4(b) of the financial results, which enumerates recognition of interest of Rs. 16.79 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 year ended 31 March 2018 would have been higher by Rs. 0.73 crores and Rs. 2.92 crores respectively, the net loss before and after tax for the quarter 31 December 2017 would have been higher by Rs. 0.73 crores, net loss before and after tax for the quarter and year 31 March 2017 would have been higher by Rs. 0.73 crores and Rs. 2.92 crores respectively. The matter was subject to qualification in the previous periods as well.
7. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in paragraph 6 above, the aforesaid financial results:
- (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (ii) give a true and fair view of the net loss and other comprehensive income and other financial information for the year ended 31 March 2018.

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

Jiten Chopra

Jiten Chopra
Partner
Membership No: 092894

Place: Gurugram
Date: 28 May 2018

ANNEXURE - I**Statement on impact of Audit Qualifications (for audit report with modified opinion)
submitted along-with Annual Audited Financial Results****Statement on Impact of Audit Qualification for the Financial Year ended March 31, 2018**

(See Regulation 33/52 of the SEBI (LODR) Amendment) Regulations, 2016)

(Rs. in Crores)

I. Sl. No.	Particulars	Standalone	
		Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1	Turnover / Total income	2,317.44	2,314.52
2	Total Expenditure	2,399.46	2,398.45
3	Net Profit / (Loss) after tax	(82.02)	(83.93)
4	Earnings Per Share (Rs.)	(5.45)	(5.48)
5	Total Assets	1,497.27	1,384.58
6	Total Liabilities	1,077.59	1,077.59
7	Net Worth	419.68	306.99
8	Any other financial item (s) (as felt appropriate by the Management)		

II. Audit Qualification (each audit qualification separately):**a. Details of Audit Qualification:**

Qualifications referred to in paragraph 6(a) and 6(b) of the Standalone Independent Auditors' Report dated 28 May 2018 to the members of Indo Rama Synthetics (India) Limited on the accounts for the year ended 31 March 2018:

(a) Attention is drawn to note 2(a) of the financial results relating to Deferred Tax Assets amounting to Rs. 95.90 crores as at 31 March 2018 recognised by the Company on the basis of future outlook of business confirming that sufficient future taxable income will be available against which these assets will be realized. In view of the 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 year ended 31 March 2018 would have been higher by Rs.14.10 crores and Rs.41.82 crores respectively, the net loss after tax for the quarter ended 31 December 2017 would have been higher by Rs.10.18 crores, the net loss after tax for the quarter and year ended 31 March 2017 would have been higher by Rs.17.50 crores and Rs.54.08 crores respectively.

(b) Attention is drawn to Note 4(b) of the financial results, which enumerates, recognition of interest of Rs. 16.79 crores (including Rs.10.95 crores accrued upto the 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 assets being contingent in nature, is not in accordance with accounting principle stated in Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets". Had such income not been recognised, the net loss before and after tax for the quarter and year ended 31 March 2018 would have been higher by Rs.0.73 crores and Rs. 2.92 crores respectively, the net loss before and after tax for the quarter ended 31 December 2017 would have been higher by Rs.0.73 crores, net loss before and after tax for the quarter and year ended 31 March 2017 would have been higher by Rs.0.73 crores and Rs. 2.92 crores respectively.

b. **Type of Audit Qualification** : Qualified opinion.

c. **Frequency of Audit Qualification** : Appeared in the Auditors Review Report since the quarter ended 30 June 2016 and 30 September 2015, respectively.

d. **For Audit Qualification(s) where the impact is qualified by the Auditor, Management's views**: The Company is of the view on the basis of legal advise that the amounts recognised are fully recoverable.

e. **For Audit Qualification(s) where the impact is not quantified by the Auditor**: Not Applicable.

III. Signatory:

Chief Financial Officer

Place: Gurugram
Date: 28th May 2018