

IRSL:STEXCH:2018-19:
13th August 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 today, i.e., 13th August 2018

Dear Sir,

This is in continuation to our letter dated 7th August 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., 13th August 2018, have considered and approved following:

- i) **Un-Audited Financial Results:** The Un-audited Financial Results of the Company for the quarter ended 30th June 2018 and enclosing herewith the same along with the Limited Review Report of Statutory Auditors;
- ii) **Issuance of Equity Shares by way of Preferential Issue:** Issuance of Equity Shares to the investor other than Promoters by way of a Preferential Issue on private placement basis, aggregating 16,00,000 Equity Shares on preferential basis to EISAF II Onshore Fund, subject to requisite approvals;

The price of Equity Shares shall be determined as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. The Relevant Date for the purpose of Preferential Issue of Equity Shares shall be 21st August 2018; and

- iii) **Extra-ordinary General Meeting:** In view of the above, the 2nd Extra-ordinary General Meeting of Shareholders of the Company will be held on Thursday, 20th September 2018 at 1:30 PM, at the Registered Office of the Company, at A-31, MIDC Industrial Area, Butibori - 441122, Nagpur, Maharashtra.

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.

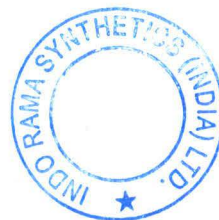
The meeting of the Board of Directors commenced at 12:30 PM and concluded at 6:35 PM.

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, Butibori-441122, District Nagpur, Maharashtra.

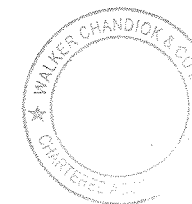
Corporate Office : 20th Floor, DLF Square, DLF City Phase II, Gurugram -122002, Haryana

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

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2018

(₹ in crores, unless otherwise stated)

| Sr. No. | Particulars (refer notes below) | 3 months ended 30 June 2018 | Preceding 3 months ended 31 March 2018 (refer note 9) | Corresponding 3 months ended in the previous year 30 June 2017 | Previous year ended 31 March 2018 |
|---------|---|--------------------------------|--|---|---|
| | | (Unaudited) | (Audited) | (Unaudited) | (Audited) |
| 1 | Income from operations [refer note 2 and note 5(b)] | 355.54 | 519.92 | 651.50 | 2,313.70 |
| 2 | Other income | 1.08 | 1.16 | 1.04 | 3.74 |
| 3 | Total income (1+2) | 356.62 | 521.08 | 652.54 | 2,317.44 |
| 4 | Expenses | | | | |
| | (a) Cost of materials consumed | 216.06 | 349.19 | 437.82 | 1,572.89 |
| | (b) Purchases of stock-in-trade | 27.05 | 28.60 | 1.80 | 72.57 |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 31.73 | 12.11 | 17.70 | 44.36 |
| | (d) Excise duty (refer note 2) | - | - | 58.06 | 58.06 |
| | (e) Employee benefits expense (refer note 7) | 18.43 | 21.03 | 20.03 | 84.93 |
| | (f) Other expenses (refer note 7) | 60.98 | 101.31 | 94.97 | 424.41 |
| | Total expenses before depreciation and amortisation, finance costs and foreign exchange fluctuation and exceptional items | 354.25 | 512.24 | 630.38 | 2,257.22 |
| 5 | Profit from operations before depreciation and amortisation, finance costs, foreign exchange fluctuation and exceptional items (3-4) | 2.37 | 8.84 | 22.16 | 60.22 |
| 6 | Depreciation and amortisation expense | 21.08 | 21.56 | 20.37 | 83.20 |
| 7 | Finance costs | 24.52 | 24.30 | 23.77 | 94.37 |
| 8 | Foreign exchange fluctuation loss | 3.08 | 0.44 | 1.69 | 0.15 |
| 9 | Total expenses before exceptional items and tax (4+6+7+8) | 402.93 | 558.54 | 676.21 | 2,434.94 |
| 10 | (Loss) before exceptional items and tax (3-9) | (46.31) | (37.46) | (23.67) | (117.50) |
| 11 | Exceptional items (refer note 6) | - | (7.36) | - | (7.36) |
| 12 | (Loss) before tax (10+11) | (46.31) | (44.82) | (23.67) | (124.86) |
| 13 | Tax expense | | | | |
| | Deferred tax credit/ (expense) [refer note 1(a)] | 17.11 | 14.53 | 8.10 | 42.17 |
| 14 | Net (loss) for the period (12+13) | (29.20) | (30.29) | (15.57) | (82.69) |
| 15 | Other comprehensive income | | | | |
| | (i) Items that will not be reclassified to profit or loss | (0.08) | 1.26 | (0.08) | 1.02 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | 0.03 | (0.43) | 0.03 | (0.35) |
| 16 | Total comprehensive income for the period (14+15) | (29.25) | (29.46) | (15.62) | (82.02) |
| 17 | Paid-up equity share capital (face value of ₹ 10 each) | 151.82 | 151.82 | 151.82 | 151.82 |
| 18 | Other equity | - | - | - | 267.86 |
| 19 | Earnings per share (of ₹ 10 each) (not annualised) | | | | |
| | (a) Basic | (1.92) | (2.00) | (1.03) | (5.45) |
| | (b) Diluted | (1.92) | (2.00) | (1.03) | (5.45) |



For identification only

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. 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 secured 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

(b) The Company incurred a net loss of Rs. 29.25 crores during the quarter ended 30 June 2018 and, as of that date, the Company's current liabilities exceeded its current assets. Also, there were certain delays in discharging obligations at the relevant repayment dates. 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.

To improve working capital position and improve its operational performance, the Company has taken the following steps:

- (i) subsequent to quarter ended 30 June 2018, the Company has obtained funds from non-banking finance company.
- (ii) continued focus on debtors invoice collections, keeping inventory levels at a minimum.
- (iii) continued focus on cost containment in all areas of business.
- (iv) undertaken a programme to continue to monitor the Company's ongoing working capital requirements and minimum expenditure commitments.

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 ended 30 June 2018 and quarter ended 31 March 2018 is net of Goods and Service Tax (GST) which is applicable from 1 July 2017. However, revenue for the period upto 30 June 2017 is net of Value Added Tax (VAT) but gross of excise duty. Accordingly, the revenue from operations for the quarter ended 30 June 2018 and quarter and year ended 31 March 2018 are not comparable with the quarter ended 30 June 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 at its meeting held on 13 August 2018.

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.

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 Hon'ble Delhi High Court.

(b) The Company has further recognised an interest of ₹ 17.52 crores from July 2012 onwards to 30 June 2018 on the insurance claim recoverable referred to in 5(a) above. Out of this, during the quarter ended 30 June 2018, the Company has recognised an interest of ₹ 0.73 crores (for the quarter ended 30 June 2017 ₹ 0.73 crores, for the quarter ended 31 March 2018 ₹ 0.73 crores 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 previous quarter and year ended 31 March 2018, ₹ 7.36 crores incurred towards fees as per provisions of foreign trade policy.

7. Contractual manpower cost in quarters ended 30 June 2017, 31 March 2018 and year ended 31 March 2018 amounting to ₹ 4.50 crore, ₹ 2.80 crore and ₹ 14.63 crore respectively have been regrouped from employee benefits expense to other expense to provide more relevant information.

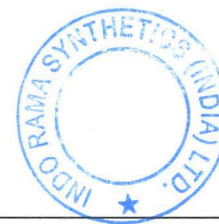
8. The auditors of the Company have carried out a limited review of the unaudited financial results for the quarter ended 30 June 2018 and have issued a modified review report. The report of the auditors is being filed with Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). For more details 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.

9. Figures for the quarter ended 31 March 2018 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.

Place: Gurugram

Date: 13 August 2018

For identification only



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

Om Prakash Lohia
Chairman and Managing Director
(DIN: 00206807)

Walker Chandiook & Co LLP

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(Formerly Walker, Chandiook & Co)
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Independent Auditor's Review Report on Quarterly Financial 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 30 June 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. 17.11 crores during the quarter ended 30 June 2018 and deferred tax asset (net) of Rs. 113.01 crores as at 30 June 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 30 June 2018 would have been lower by Rs. 17.11 crores, the net loss after tax for the quarter ended 30 June 2018 would have been higher by Rs. 17.11 crores and other equity as at 30 June 2018 would have been lower by Rs. 113.01 crores.



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

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 during the quarter ended 30 June 2018 and Rs. 16.79 crores in the earlier 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 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 30 June 2018 would have been higher by Rs. 0.73 crores and other equity as at 30 June 2018 would have been lower by Rs. 17.52 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. 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. 46.31 crores during the quarter ended 30 June 2018 and, as of that date, the Company's current liabilities exceeded its current assets. On the basis of the initiatives taken by the management as detailed in note 1(b) of the accompanying Statement, 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.
6. 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.



Walker Chandiook & Co LLP

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

7. The review of unaudited financial results for the three months period ended 30 June 2017 and audited financial results for the three months period and 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 14 August 2017 and 28 May 2018 respectively, whose review reports 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 : 13 August 2018