

INDO RAMA SYNTHETICS (INDIA) LIMITED

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

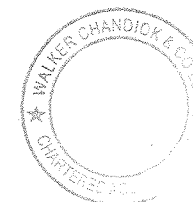
Corporate Office : 20th Floor, DLF Square, DLF City Phase II, Gurugram -122002, Haryana

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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	<b>Total income (1+2)</b>	<b>356.62</b>	<b>521.08</b>	<b>652.54</b>	<b>2,317.44</b>
4	<b>Expenses</b>				
	(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
	<b>Total expenses before depreciation and amortisation, finance costs and foreign exchange fluctuation and exceptional items</b>	<b>354.25</b>	<b>512.24</b>	<b>630.38</b>	<b>2,257.22</b>
5	<b>Profit from operations before depreciation and amortisation, finance costs, foreign exchange fluctuation and exceptional items (3-4)</b>	<b>2.37</b>	<b>8.84</b>	<b>22.16</b>	<b>60.22</b>
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	<b>Total expenses before exceptional items and tax (4+6+7+8)</b>	<b>402.93</b>	<b>558.54</b>	<b>676.21</b>	<b>2,434.94</b>
10	<b>(Loss) before exceptional items and tax (3-9)</b>	<b>(46.31)</b>	<b>(37.46)</b>	<b>(23.67)</b>	<b>(117.50)</b>
11	Exceptional items (refer note 6)	-	(7.36)	-	(7.36)
12	<b>(Loss) before tax (10+11)</b>	<b>(46.31)</b>	<b>(44.82)</b>	<b>(23.67)</b>	<b>(124.86)</b>
13	Tax expense				
	Deferred tax credit/ (expense) [refer note 1(a)]	17.11	14.53	8.10	42.17
14	<b>Net (loss) for the period (12+13)</b>	<b>(29.20)</b>	<b>(30.29)</b>	<b>(15.57)</b>	<b>(82.69)</b>
15	<b>Other comprehensive income</b>				
	(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	<b>Total comprehensive income for the period (14+15)</b>	<b>(29.25)</b>	<b>(29.46)</b>	<b>(15.62)</b>	<b>(82.02)</b>
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	<b>Earnings per share (of ₹ 10 each) (not annualised)</b>				
	(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.

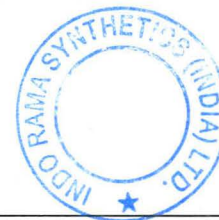
8. The auditors of the Company have carried out a limited review of the unaudited financial results for the quarter ended 30 June 2018 and have issued a modified review report. The report of the auditors is being filed with Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). For more details on reviewed results, visit Investor Relations section of our website at [www.indoramaindia.com](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).

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

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

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