

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

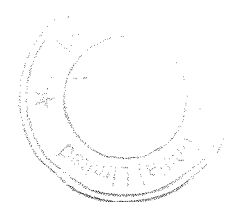
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STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2018

(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

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