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 AND NINE MONTHS ENDED 31 DECEMBER 2018

(₹ in crores, unless otherwise indicated)

Sr. No.	Particulars (refer notes below)	3 months ended (31 December 2018)	Preceeding 3 months ended (30 September 2018)	Corresponding 3 months ended in the previous year (31 December 2017)	Year to date figures for current period ended (31 December 2018)	Year to date figures for previous period ended (31 December 2017)	Previous year ended (31 March 2018)
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from operations [refer note 2 and 5(b)]	508.22	394.41	524.27	1,258.17	1,793.78	2,313.70
2	Other income	1.55	1.18	0.82	3.77	2.69	3.74
3	**Total income (1+2)**	**509.77**	**395.59**	**525.09**	**1,261.94**	**1,796.47**	**2,317.44**
4	**Expenses**						
	(a) Cost of materials consumed	382.73	383.25	361.59	982.04	1,223.70	1,572.89
	(b) Purchases of stock-in-trade	5.74	27.64	25.34	60.43	43.97	72.57
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	47.19	(115.12)	7.71	(36.20)	32.25	44.36
	(d) Excise duty (refer note 2)	-	-	-	-	58.06	58.06
	(e) Employee benefits expense (refer note 7)	18.65	19.05	20.68	56.13	63.90	84.93
	(f) Other expenses (refer note 7)	71.48	69.89	97.76	202.31	323.21	424.41
	Total expenses before depreciation, finance costs, foreign exchange fluctuation and exceptional items	**525.79**	**384.71**	**513.08**	**1,264.71**	**1,745.09**	**2,257.22**
5	**Profit/(Loss) from operations before depreciation, finance costs, foreign exchange fluctuation and exceptional items (3-4)**	**(16.02)**	**10.88**	**12.01**	**(2.77)**	**51.38**	**60.22**
6	Depreciation expense	20.48	21.58	20.58	63.14	61.64	83.20
7	Finance costs	33.95	32.40	23.13	90.87	70.07	94.37
8	Foreign exchange fluctuation (gain)/loss	(3.48)	4.21	(2.33)	3.81	(0.29)	0.15
9	**Total expenses before exceptional items and tax (4+6+7+8)**	**576.74**	**442.90**	**554.46**	**1,422.53**	**1,876.51**	**2,434.94**
10	**Loss before exceptional items and tax (3-9)**	**(66.97)**	**(47.31)**	**(29.37)**	**(160.59)**	**(80.04)**	**(117.50)**
11	Exceptional items (refer note 6)	-	-	-	-	-	(7.36)
12	**Loss before tax (10+11)**	**(66.97)**	**(47.31)**	**(29.37)**	**(160.59)**	**(80.04)**	**(124.86)**
13	Tax expense						
	Deferred tax credit (refer note 1(a))	27.06	14.69	10.16	58.86	27.64	42.17
14	**Net loss for the period (12+13)**	**(39.91)**	**(32.62)**	**(19.21)**	**(101.73)**	**(52.40)**	**(82.69)**
15	**Other comprehensive income**						
	(i) Items that will not be reclassified to profit or loss	(0.08)	(0.08)	(0.08)	(0.24)	(0.24)	1.02
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.03	0.02	0.02	0.08	0.08	(0.35)
16	**Total comprehensive income for the period (14+15)**	**(39.96)**	**(32.68)**	**(19.27)**	**(101.89)**	**(52.56)**	**(82.02)**
17	Paid-up equity share capital (face value of ₹ 10 each)	160.91	159.31	151.82	160.91	151.82	151.82
18	Other equity	-	-	-	-	-	267.86
19	**Loss per share (of ₹ 10 each) (not annualised)**						
	(a) Basic	(2.48)	(2.08)	(1.27)	(6.50)	(3.45)	(5.45)
	(b) Diluted	(2.48)	(2.08)	(1.27)	(6.50)	(3.45)	(5.45)

Indo Rama Synthetics (India) Limited

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 over the previous quarters. 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. 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 Company incurred a net loss before tax of ₹ 66.97 crores and ₹ 160.59 crores respectively during the quarter and nine months ended 31 December 2018 and, as of that date, the Company's current liabilities exceeded its current assets. 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.

The Board of Directors in its meeting held on 15 January 2019 approved additional equity infusion to the extent of ₹ 360.72 crores by way of preferential allotment to Indorama Netherlands BV and Siam Stock Holdings Limited. This will enable the Company to clear its overdue bank payments and other liabilities besides increasing working capital to enhance production. Additional equity infusion along with various other actions taken by the Company including debt financing, focused reduction/control of inventory and receivables and overall cost control will facilitate turnaround of the Company's financial position.

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 and nine months ended 31 December 2018; quarter ended 31 December 2017, quarter ended 30 September 2018 and year ended 31 March 2018 is net of Goods and Service Tax (GST) which is applicable from 1 July 2017. However, revenue for the periods upto 30 June 2017 (included in figure of nine months ended 31 December 2017 and year ended 31 March 2018) was net of Value Added Tax (VAT) but inclusive of excise duty. Accordingly, the revenue from operations for the nine months ended 31 December 2018 are not strictly comparable with the nine months ended 31 December 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 in its meeting held on 13 February 2019.

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 Polyster goods and hence, considered as single geographical segment.

Indo Rama Synthetics (India) Limited

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 Delhi High Court.

(b) The Company has further recognised an interest of ₹ 18.98 crores from July 2012 onwards to 31 December 2018 on the insurance claim recoverable referred to in 5(a) above. Out of this, during the quarter and nine months ended 31 December 2018, the Company has recognised an interest of ₹ 0.73 crores and ₹ 2.19 crores respectively (for the quarter and nine months ended 31 December 2017: ₹ 0.73 crores and ₹ 2.19 crores respectively 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 year ended 31 March 2018, ₹ 7.36 crores incurred towards fees as per provisions of foreign trade policy.

7. Contractual manpower cost in quarter and nine months ended 31 December 2017 and year ended 31 March 2018 amounting to ₹ 3.13 crores, ₹ 11.83 crores and ₹ 14.63 crores 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 and nine months ended 31 December 2018 and have issued a modified review report. The report of the auditors is being filed with BSE Limited (BSE) and National Stock Exchange of India Limited (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.

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

Indo Rama Synthetics (India) Limited

Om Prakash Lohia
Chairman and Managing Director
(Director Identification No.: 00206807)

Place: Gurugram
Date: 14 February 2019