

INDO RAMA SYNTHETICS (INDIA) LIMITED

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

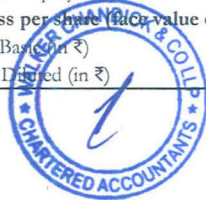
Corporate Office : 20th Floor, DLF Square, DLF City Phase II, Gurugram-122002, Haryana

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STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND FOR THE YEAR ENDED 31 MARCH 2019

(₹ in crores, unless otherwise stated)

Sr. No.	Particulars	3 months ended (31 March 2019)	Preceding 3 months ended (31 December 2018)	Corresponding 3 months ended in the previous year (31 March 2018)	Year to date figures for current year ended (31 March 2019)	Previous year ended (31 March 2018)
	(refer notes below)	(Audited) (refer note 11)	(Unaudited)	(Audited) (refer note 11)	(Audited)	(Audited)
1	Income from operations [refer note 6]	436.39	508.22	519.92	1,694.56	2,313.70
2	Other income	1.04	1.55	1.16	4.81	3.74
3	Total income (1+2)	437.43	509.77	521.08	1,699.37	2,317.44
4	Expenses					
	(a) Cost of materials consumed	343.13	382.73	349.19	1,325.17	1,572.89
	(b) Purchase of stock-in-trade	6.24	5.74	28.60	66.67	72.57
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(22.68)	47.19	12.11	(58.88)	44.36
	(d) Excise duty [refer note 6]	-	-	-	-	58.06
	(e) Employee benefits expense [refer note 9]	21.84	18.65	21.03	77.97	84.93
	(f) Other expenses [refer note 9]	174.71	71.48	101.31	377.02	424.41
	Total expenses before depreciation expense, finance costs and foreign exchange fluctuation loss/(gain) and exceptional items	523.24	525.79	512.24	1,787.95	2,257.22
5	Profit/(loss) from operations before depreciation expense, finance costs, foreign exchange fluctuation loss/(gain) and exceptional items (3-4)	(85.81)	(16.02)	8.84	(88.58)	60.22
6	Depreciation expense	19.90	20.48	21.56	83.04	83.20
7	Finance costs	40.45	33.95	24.30	131.32	94.37
8	Foreign exchange fluctuation loss/(gain)	(0.28)	(3.48)	0.44	3.53	0.15
9	Total expenses before exceptional items and tax (4+6+7+8)	583.31	576.74	558.54	2,005.84	2,434.94
10	Loss before exceptional items and tax (3-9)	(145.88)	(66.97)	(37.46)	(306.47)	(117.50)
11	Exceptional items [refer note 5]	115.19	-	7.36	115.19	7.36
12	Loss before tax (10-11)	(261.07)	(66.97)	(44.82)	(421.66)	(124.86)
13	Tax expense					
	Deferred tax credit	(91.74)	(27.06)	(14.53)	(150.60)	(42.17)
14	Net loss for the period (12-13)	(169.33)	(39.91)	(30.29)	(271.06)	(82.69)
15	Other comprehensive income					
	(i) Items that will not be reclassified to profit or loss	1.36	(0.08)	1.26	1.12	1.02
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.47)	0.03	(0.43)	(0.39)	(0.35)
16	Total comprehensive income for the period (14+15)	(168.44)	(39.96)	(29.46)	(270.33)	(82.02)
17	Paid-up equity share capital (face value of ₹ 10 each)	178.11	160.91	151.82	178.11	151.82
18	Other equity				63.10	267.86
19	Loss per share (face value of ₹ 10 each) (not annualised for the quarters)					
	(a) Basic (in ₹)	(10.07)	(2.48)	(2.00)	(17.01)	(5.45)
	(b) Diluted (in ₹)	(10.07)	(2.48)	(2.00)	(17.01)	(5.45)

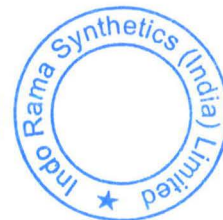


Notes:

1. Statement of assets and liabilities

(₹ in crores, unless otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018
	Audited	Audited
A. Assets		
(1) Non-current assets		
(a) Property, plant and equipment	759.25	839.72
(b) Capital work-in-progress	2.45	2.67
(c) Financial assets		
(i) Loans	3.24	2.09
(ii) Other financial assets	0.82	8.27
(d) Deferred tax assets (net)	246.11	95.90
(e) Non-current tax assets (net)	11.07	11.70
(f) Other non-current assets	14.84	15.79
Total non-current assets	1,037.78	976.14
(2) Current assets		
(a) Inventories	183.63	116.21
(b) Financial assets		
(i) Investments	0.38	0.90
(ii) Trade receivables	59.45	110.90
(iii) Cash and cash equivalents	4.97	13.64
(iv) Bank balances other than cash and cash equivalents	53.56	68.88
(v) Loans	-	1.11
(vi) Other financial assets	5.83	71.52
(c) Other current assets	244.63	137.97
Total current assets	552.45	521.13
TOTAL ASSETS	1,590.23	1,497.27
B. Equity and liabilities		
(1) Equity		
(a) Equity share capital [refer note 2]	178.11	151.82
(b) Other equity [refer note 2]	63.10	267.86
Total equity	241.21	419.68
(2) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	222.00	36.77
(b) Provisions	22.24	21.14
Total non-current liabilities	244.24	57.91
(3) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	292.34	253.39
(ii) Trade payables		
-total outstanding dues of micro enterprises and small enterprises	0.20	0.49
-total outstanding dues of creditors other than micro enterprises and small enterprises	578.65	623.32
(iii) Other financial liabilities	135.04	100.75
(b) Other current liabilities	11.66	38.59
(c) Provisions	86.89	3.14
Total current liabilities	1,104.78	1,019.68
TOTAL EQUITY AND LIABILITIES	1,590.23	1,497.27



Notes:

- 2) Pursuant to the decision of the Board of Directors and Shareholders to raise additional equity to the extent of Rs.360.72 crores by way of preferential allotment, the Company has received Rs.61.92 crores from Siam Stock Holdings Limited in February 2019 and Rs.298.80 crores from Indorama Netherlands BV ('IVL') in April 2019 at an issue price of Rs.36/- per share (including premium of Rs.26/- per share) and shares were allotted against the same. The amount received has been used to repay overdue bank payments, overdue liabilities and for long term working capital requirement.
- 3) The Company was facing working capital issues and was not able to operate the plant at full capacity. Due to financial issues, funds were being raised at a very high interest rate. As detailed in Note 2 above, with the infusion of additional capital, Company has prepared a detailed business plan which indicates that profitability and cash flows will improve significantly in coming years. Management has improved the plant utilization, started getting working capital facilities from banks and others at lower cost. With improved position, the Company is also able to procure material at lower prices. Management believes that additional equity infusion along with various other steps 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. The management remains confident about the achievement of projections. Accordingly the auditors have removed the separate para on uncertainty over Going Concern from the audit report for the year ended 31 March 2019.
- 4) Based on the developments and business plan as stated in note 2 and 3 above, the Company is confident that the deferred tax assets carried at the end of the period is fully recoverable and there will be sufficient future taxable profits to adjust unabsorbed depreciation and carried forward business loss. The auditors of the Company in their review report on the financial results for the quarters and year to date results for the period ended 30 June 2018, 30 September 2018 and 31 December 2018 and year ended 31 March 2018 had qualified their review/ audit reports in respect of recording of deferred tax assets. Considering the aforesaid positive developments and business plan, the auditors have removed the qualification from the audit report for the year ended 31 March 2019.
- 5) Management has taken overall view of financials and decided to make appropriate provision for certain long overdue receivables/advances and matters under litigation in view of uncertainty associated with these items. The Company has provided for insurance claims and interest thereon amounting to Rs.67.84 crores which was accounted for as income in earlier periods, doubtful debts and advance to vendor Rs.44.28 crores, other items Rs.3.07 crores. The items have been classified as exceptional items. Exceptional items during the previous year ended 31 March 2018 was Rs.7.36 crores which represented amount incurred towards fees as per provisions of foreign trade policy.



- 6) Revenue from operations for the year ended 31 March 2019 is net of Goods and Service Tax (GST) which is applicable from 1 July 2017. However, revenue for the period upto 30 June 2017 (included in figures for the year ended 31 March 2018) was net of Value Added Tax (VAT) but inclusive of excise duty. Accordingly, the revenue from operations for the year ended 31 March 2019 is not strictly comparable with the figures for the year ended 31 March 2018. Similarly, excise duty expense is also not comparable.
- 7) The above financial results for the year ended 31 March 2019 have been audited by the statutory auditors of the Company and reviewed by the Audit Committee and taken on record by the Board of Directors in its meeting held on 15 May 2019.
- 8) 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.
- 9) Contractual manpower cost in quarter and year ended 31 March 2018 amounting to Rs.2.80 crores and Rs.14.63 crores respectively have been regrouped from employee benefits expense to other expense to provide more relevant information.



10)Details of Redeemable Non-Convertible Debentures (NCDs):

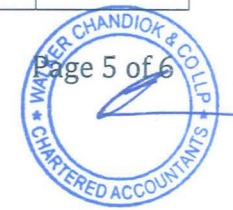
S.No.	Heading	As at and for the year ended 31 March 2019
1	Credit Rating	C
2	Asset Cover available	Refer Note (i) below
3	Debt Equity Ratio (Note ii)	2.38
4	Debt Service Coverage Ratio (Note iii)	(1.27)
5	Interest Service Coverage Ratio (Note iv)	(1.56)
6	Debenture Redemption Reserve (In Rs. Crores)	10.00
7	Net worth (In Rs. Crores)	241.21
8	Net profit after tax (In Rs. Crores)	(271.06)
9	Earnings per share (In Rs.) – Basic	(17.01)
10	Earnings per share (In Rs.) – Diluted	(17.01)

Note:

- (i) Listed NCDs are secured and asset coverage is more than hundred percent of the principal outstanding.
- (ii) Debt Equity Ratio = [Loans Funds/Shareholders Funds (Share Capital + Reserve & Surplus)].
- (iii) Debt Service Coverage Ratio = [Earnings before interest, depreciation, foreign exchange loss and tax/(Interest Charged + Net principal repayment)].
- (iv) Interest Service Coverage Ratio = [Earnings before interest, depreciation, foreign exchange loss and tax/Interest Charged].
- (v) There were no NCDs issued as on 31 March 2018.

(Rs.in crores)

S.No.	ISIN Nos.	Previous due date of			Next due date of			
		Interest payment	Principal payment	Interest / principal has been paid or not	Interest payment	Interest Amount Due	Principal payment	Principal Amount Due
1	INE156A07027	12 March 2019	-	Paid	12 April 2019	2.21	12 October 2019	10.00



- 11) Figures for the quarter ended 31 March 2019 and 31 March 2018 as reported in these financial results 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.
- 12) For more details on results, visit Investor Relations section of our website at www.indoramaindia.com and financial results under Corporate section of www.nseindia.com and www.bseindia.com.



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: 15 May 2019

Independent Auditor's Report on Financial Results of the Company Pursuant to the Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Indo Rama Synthetics (India) Limited

1. We have audited the financial results of Indo Rama Synthetics (India) Limited ('the Company') for the year ended 31 March 2019, being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to Note 11 to the financial results which states that the figures for the quarter ended 31 March 2019 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 up to the end of the third quarter of the financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit. These financial results are based on the financial statements for the year ended 31 March 2019 prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act') and published year to date figures up to the end of the third quarter of the financial year prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, Interim Financial Reporting, specified under Section 133 of the Act, and SEBI Circulars CIR/CFD/FAC/62/2016 dated 5 July 2016 and CIR/IMD/DF1/69/2016 dated 10 August 2016, 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 financial statements for the year ended 31 March 2019 and our review of financial results for the nine-month period ended 31 December 2018.
2. 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 misstatements. 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 opinion.



3. In our opinion and to the best of our information and according to the explanations given to us, the financial results:
- (i) are presented in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/FAC/62/2016 dated 5 July 2016 and CIR/IMD/DF1/69/2016 dated 10 August 2016 in this regard; and
 - (ii) give a true and fair view of the net loss (including other comprehensive income) and other financial information in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act for the year ended 31 March 2019.
4. The audit of financial results for the quarter and year ended 31 March 2018 included in the Statement was carried out and reported by BSR and Associates, Chartered Accountants vide their modified audit report dated 28 May 2018 and, whose audit report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the Statement. Our opinion 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: 15 May 2019