**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, Gurgaon -122002, Haryana
Tel.: 07104-663000 / 01 Fax: 07104-663200, Email: investor-relations@indorama-ind.com, Website: www.indoramaindia.com, CIN: L17124MH1986PLC166615

**STATEMENT OF STANDALONE IND AS FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2017**

*(Rs. in crores, unless otherwise indicated)*

| S.No. | Particulars | | Quarter ended | | | Year ended | |
|---|---|---|---|---|---|---|---|
| | | | 31.03.2017 | 31.12.2016 | 31.03.2016 | 31.03.2017 | 31.03.2016 |
| | | | Audited* | Un-audited | Audited (Refer note 2 and 8)* | Audited | Audited (Refer note 2 and 8) |
| 1 | Revenue from operations (refer note 4(b)) | | 601.25 | 623.92 | 720.23 | 2,701.05 | 2,785.60 |
| 2 | Other income | | 8.56 | 1.05 | 2.05 | 28.52 | 5.55 |
| 3 | **Total income** | (1+2) | **609.81** | **624.97** | **722.28** | **2,729.57** | **2,791.15** |
| 4 | **Expenses** | | | | | | |
| | (a) Cost of materials consumed | | 456.19 | 415.19 | 524.77 | 1,923.78 | 2,019.32 |
| | (b) Changes in inventories of finished goods and work-in-progress | | (20.86) | 46.46 | (26.55) | 27.49 | (52.90) |
| | (c) Excise duty on sales | | 51.10 | 52.24 | 62.55 | 233.01 | 249.94 |
| | (d) Employee benefits expense | | 23.97 | 26.90 | 25.58 | 104.53 | 105.74 |
| | (e) Other expenses | | 89.55 | 97.71 | 106.18 | 417.00 | 379.11 |
| | **Total expenses before depreciation and amortisation, finance costs, foreign exchange fluctuation and exceptional items** | | **599.95** | **638.50** | **692.53** | **2,705.81** | **2,701.21** |
| 5 | **Profit / (Loss) from operations before depreciation and amortisation, finance costs, foreign exchange fluctuation and exceptional items** | (3-4) | **9.86** | **(13.53)** | **29.75** | **23.76** | **89.94** |
| 6 | Depreciation and amortisation expense | | 19.90 | 20.17 | 19.59 | 79.48 | 77.74 |
| 7 | Finance costs | | 26.31 | 23.66 | 15.60 | 91.08 | 53.68 |
| 8 | Foreign exchange fluctuation gain / (loss) | | 8.85 | (0.73) | (14.60) | 13.52 | (23.62) |
| 9 | **Total expenses before exceptional items and tax** | (4+6+7-8) | **637.31** | **683.06** | **742.32** | **2,862.85** | **2,856.25** |
| 10 | **Profit / (Loss) before exceptional items and tax** | (3-9) | **(27.50)** | **(58.09)** | **(20.04)** | **(133.28)** | **(65.10)** |
| 11 | **Exceptional items (refer note 7)** | | | | | | |
| | - Inventory losses | | - | - | - | - | (26.68) |
| | - Others | | (4.73) | - | (4.23) | (4.73) | (4.23) |
| 12 | **Profit / (Loss) before tax** | (10+11) | **(32.23)** | **(58.09)** | **(24.27)** | **(138.01)** | **(96.01)** |
| 13 | **Income tax** | | | | | | |
| | - Deferred tax credit / (expense) (refer note 3 and 9) | | **17.40** | **20.14** | **111.51** | **53.98** | **131.65** |
| 14 | **Net Profit / (Loss) from continuing operations** | (12+13) | **(14.83)** | **(37.95)** | **87.24** | **(84.03)** | **35.64** |
| 15 | **Other comprehensive income** | | | | | | |
| | - Items that will not be reclassified to profit or (loss) | | | | | | |
| | Remeasurement of defined benefit plans | | (0.30) | - | 2.13 | (0.30) | 2.13 |
| | Deferred tax credit / (expense) on above (refer note 3) | | 0.10 | - | (0.74) | 0.10 | (0.74) |
| 16 | **Total comprehensive income / (expense) after tax** | (14+15) | **(15.03)** | **(37.95)** | **88.63** | **(84.23)** | **37.03** |
| 17 | Paid-up equity share capital (face value of Rs.10 per share) | | 151.82 | 151.82 | 151.82 | 151.82 | 151.82 |
| 18 | Reserves excluding revaluation reserves | | | | | 340.72 | 442.75 |
| 19 | Basic and diluted EPS for the period (Rs. per share of Rs. 10 each) | | (0.99) | (2.50) | 5.84 | (5.55) | 2.44 |

* Figures for the quarter ended 31 March 2017 and 31 March 2016 are the balancing figures between audited figures in respect of full financial year and the published year to date figures (after taking impact of Ind AS adjustments) 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.

Indo Rama Synthetics (India) Limited

Notes:

*(Rs. in crores)*

1. **Statement of assets and liabilities**

| Particulars | Standalone | |
|---|---|---|
| | As at 31.03.2017 | As at 31.03.2016 |
| | Audited | Audited (Refer note 8) |
| **A. Assets** | | |
| **(1) Non-current assets** | | |
| (a) Property, plant and equipment | 898.02 | 934.77 |
| (b) Capital work - in - progress | 10.88 | 16.50 |
| (c) Other intangible assets | - | - |
| (d) Financial assets | | |
| (i) Loans | 2.43 | 1.97 |
| (ii) Other financial asssets | 8.10 | 6.26 |
| (e) Deferred tax assets (net) | 54.08 | - |
| (f) Other tax assets (net) | 11.53 | 11.29 |
| (g) Other non-current assets | 11.42 | 10.23 |
| **Sub-total - Non-current assets** | **996.46** | **981.02** |
| **(2) Current assets** | | |
| (a) Inventories | 194.58 | 256.71 |
| (b) Financial assets | | |
| (i) Investments | 1.22 | 61.04 |
| (ii) Trade receivables | 133.20 | 198.09 |
| (iii) Cash and cash equivalents | 5.90 | 6.70 |
| (iv) Bank balances other than cash and cash equivalents | 64.08 | 76.56 |
| (v) Loans | - | 15.88 |
| (vi) Other financial assets | 75.60 | 84.89 |
| (c) Other current assets | 136.74 | 116.51 |
| **Sub-total - Current assets** | **611.32** | **816.38** |
| **Total assets** | **1,607.78** | **1,797.40** |
| **B. Equity and liabilities** | | |
| **(1) Equity** | | |
| (a) Equity share capital | 151.82 | 151.82 |
| (b) Other equity (Refer note 2) | 349.88 | 452.38 |
| **Sub-total - Equity** | **501.70** | **604.20** |
| **(2) Liabilities** | | |
| **Non-current liabilities** | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 80.94 | 98.65 |
| (ii) Other financial liabilities | 0.10 | 0.37 |
| (b) Provisions | 20.77 | 18.79 |
| **Sub-total - Non-current liabilities** | **101.81** | **117.81** |
| **Current liabilities** | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 167.78 | 177.72 |
| (ii) Trade payables | | |
| Total outstanding dues of micro enterprises and small enterprises | 0.70 | 0.03 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 703.38 | 734.86 |
| (iii) Other financial liabilities | 88.67 | 106.90 |
| (b) Other current liabilities | 40.89 | 52.92 |
| (c) Provisions | 2.85 | 2.96 |
| **Sub-total - Current liabilities** | **1,004.27** | **1,075.39** |
| **Total - Equity and liabilities** | **1,607.78** | **1,797.40** |



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2. **Transition to Ind-AS:** The audited standalone Ind-AS financial results for the quarter and year ended 31 March 2017 are in compliance with the Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Beginning 1 April 2016, the Company has, for the first time adopted Ind AS with a transition date of 1 April 2015. Consequently, erstwhile Indian Generally Accepted Accounting Principles (Previous GAAP) results for the quarter and year ended 31 March 2016 have been restated to make them comparable. The reconciliation of net profit /(loss) and other equity reported under Previous GAAP and as restated under Ind-AS is given below:

**(Rs.in crore)**

| **Particulars** | **Profit/ (loss)** | | **Other equity** |
|---|---|---|---|
| | **Quarter ended 31.03.2016** | **Year ended 31.03.2016** | **As at 31.03.2016** |
| Net Profit / (loss) after tax and Other equity as per previous GAAP (refer note 8) | 94.43 | 55.79 | 438.20 |
| Fair valuation of investments, classified as fair value through profit and loss (refer note (i) below) | (14.16) | (33.91) | - |
| Incremental borrowings cost (refer note (ii) below) | (0.05) | (0.18) | 0.37 |
| Others (refer note (iii) below) | 0.02 | 0.08 | 0.03 |
| Reversal of provision of proposed dividend and tax thereon (refer note (iv) below) | - | - | 18.27 |
| Reversal of revaluation on lease hold land (refer note (v) below) | - | - | (4.49) |
| Tax impact of above adjustments and creation of deferred tax asset on unabsorbed depreciation to the extent of deferred tax liability | 8.39 | 15.25 | - |
| **Total comprehensive income after tax and Other equity as per Ind AS** | **88.63** | **37.03** | **452.38** |

(i) Investments (other than investments in subsidiaries) have been classified as "fair value through profit or loss" under Ind-AS as against cost basis under erstwhile IGAAP and consequential adjustments has been considered in the period in which fair value has changed.

(ii) Represents additional borrowing cost pursuant to adjustment of processing fee paid at the time of disbursement of term loans against the carrying value of loans as on the date of transition to conform the effective interest rate method required under Ind-AS.

(iii) Others include adjustments for depreciation on reversal of revaluation reserve created on leasehold lands and fair value adjustments for security deposits given.

(iv) Under previous GAAP, dividends proposed by the board of directors after the reporting date but before the approval of financial statements were considered to be adjusting event and accordingly recognised (along with dividend distribution tax) as liabilities at the reporting date. Under Ind-AS, dividends so proposed by the board are considered to be non-adjusting event. Accordingly provision for proposed dividend and dividend distribution tax recognised under previous GAAP has been reversed.

(v) Under the previous GAAP leasehold land was treated as part of property, plant and equipment at revalued amount. As per Ind-AS 17, the leasehold land, being a finance lease in substance, is presented as part of property, plant and equipment and is valued at the present value of minimum lease rentals at the transition date.

The unamortised revaluation reserve at the transition date is adjusted with carrying value of leasehold land and consequential impact on depreciation and amortization is reflected in profit and loss for the year.

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3. The Company's business comprises of Polyester products, which is highly competitive and in the last few years there has been an over-supply in the industry. This has resulted in lower profit margins. However, the Company has taken several initiatives to improve its operational performance in terms of specialty products, higher capacity utilization, cost control initiatives, improved liquidity plans 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.

4. (a) The Company has carried forward insurance claim recoverable amounting to Rs.32.44 crore and interest receivable amounting to Rs.11.69 crore thereon recognised upto June 2012 awarded in favor of the Company by the Arbitral Tribunal. The insurance company had filed the appeal against the aforesaid order in Delhi High court. Currently, the case is pending with Delhi High Court (Double bench) as the Company has gone into appeal against the single bench order.

   (b) During the quarter and year ended 31 March 2017, the Company has recognised interest of Rs.0.73 crore and Rs.2.92 crore respectively (for the year ended 31 March 2016 – Rs.10.95 crore which include interest of Rs.0.73 crore for the quarter ended 31 March 2016) under 'revenue from operations' on the insurance claim recoverable referred to in 4(a) above, for the loss of certain assets and loss suffered due to business interruption under loss of profit policy relating to fire incidence 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 a single primary business segment viz. 'Polyester'.

6. The Audit Committee reviewed the above results. The Board of Directors, at their meeting held on 18 May 2017, has approved the above results.

7. Exceptional items :

   **Current year includes:**
   The Company has charged off Rs. 4.73 crore towards the net book value of fixed assets, capital work in progress and capital advance (to the extent not recoverable) acquired from subsidiaries under the scheme of amalgamation during the financial year.

   **Previous year includes:**
   i) Inventory losses amounting to Rs. 26.68 crore for the year ended 31 March 2016, which included loss of Rs. 4.62 crore on account of write down of closing inventories, calculated on month on month basis, incurred by the company due to crash in global crude oil prices and consequently impacting raw material prices i.e. PTA and MEG. The loss incurred had been primarily due to timing differences in the prices at which material had been purchased and sold.
   ii) 'Others' included differential excise duty (including interest thereon) amounting to Rs. 4.23 crore paid in compliance with the judgment of the Supreme Court.

8. During the current financial year, 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 has passed an order approving the merger effective from 1 April 2016 on 29 March 2017. Consequently, the assets and liabilities have 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 has been incorporated in the results for quarter and year ended 31 March 2017.



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Further, pursuant to requirements on Appendix C of Ind AS 103, the financial results of prior periods is required to be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. Accordingly previous period figures have been restated. Refer below the impact of restatement on account of merger.

The addition/ (deletion) the statement of assets and liabilities pursuant to the merger are as follows:

**(Rs. in crore)**

| **Particulars** | **As at 31 March 2017** | **As at 31 March 2016** |
|---|---|---|
| **Non–current assets** | | |
| Property, plant and equipment | 0.60 | 0.64 |
| Capital work in progress | 3.14 | 3.14 |
| Other non-current assets | 1.00 | 1.00 |
| | | |
| **Current assets** | | |
| Investments | - | 60.30 |
| Cash and cash equivalents | 1.26 | 0.84 |
| Loans | - | (27.66) |
| Other current assets | 0.01 | - |
| | | |
| **Liabilities and other equity** | | |
| Other equity | 4.76 | (1.62) |
| Trade payables - total outstanding dues of creditors other than micro enterprises and small enterprises | - | 0.03 |

The increase/ (decrease) on the statement of standalone Ind AS financial results, pursuant to the merger are as follows:

**(Rs. in crore)**

| **Particulars** | **Quarter and year ended 31 March 2017** | **Quarter and year ended 31 March 2016** |
|---|---|---|
| Other income | 7.11 | 0.01 |
| Other expenses | 1.97 | 0.17 |
| Depreciation and amortization | 0.04 | 0.05 |
| Finance costs | (1.28) | - |
| Profit / (Loss) before tax | 6.38 | (0.21) |

9. Deferred tax credit / (expense) also includes charge off of MAT credit entitlement in the previous year.

10. The Statutory Auditors of the Company have audited the standalone financial results for the year ended 31 March 2017, and report has been issued subject to item 3 and 4(b) above. The report of the Statutory Auditors is being filed with the BSE Ltd. and National Stock Exchange. 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.

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11. Previous period figures have been regrouped / recast, wherever necessary, to make them comparable.

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

**Om Prakash Lohia**
Chairman & Managing Director
Director Identification No.: 00206807

Place: Gurgaon
Date: 18 May 2017

B S R and Associates
Chartered Accountants

Building No.10, 8th Floor, Tower-B
DLF Cyber City, Phase - II
Gurgaon - 122 002 (India)

Telephone: + 91 124 2358 610
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**Independent Auditor's Report on Quarterly Financial Results and year to date Standalone Financial Results of the Company pursuant to Regulations 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 audited the standalone Ind AS financial results ('financial results') of Indo Rama Synthetics (India) Limited ('the Company') for the year ended 31 March 2017, attached herewith, being submitted by the Company pursuant to requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the quarter ended 31 March 2017 and the corresponding quarter ended in the previous year, 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 upto the end of third quarter. Also the figures upto the end of the third quarter had only been reviewed and not subjected to audit.

2. These financial results have been prepared by the Company on the basis of the standalone Ind AS financial statements and reviewed quarterly financial results upto the end of the third quarter, 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 standalone Ind AS financial statements which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013, read with applicable rules issued thereunder; as applicable and other accounting principles generally accepted in India.

3. 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 as to whether the financial results are free of material misstatement. 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 the management. We believe that our audit provides a reasonable basis for our qualified opinion.

4. (i) Attention is drawn to note 3 of the financial results relating to Deferred Tax Assets amounting to Rs. 54.08 crores as at 31 March 2017 recognised by the Company on the basis of future outlook of business confirming that sufficient future taxable income will be available against which these

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assets will be realised. In view of losses suffered in the current as well as preceding periods, and other unused tax losses available to the Company, we are not in agreement with the deferred tax assets recognized. Had such asset not been recognized, the net loss after tax for the year would have been higher by Rs 54.08 crores and other equity as at 31 March 2017 would have been lower by Rs. 54.08 crores.

(ii) Attention is drawn to note 4(b) of the financial results, which enumerates, recognition of interest of Rs. 13.87 crores in the books by the Company on the insurance claim recoverable from its insurance company for the loss of certain assets and loss suffered due to business interruption at its plant in 2007-08. The said recognition of asset being contingent in nature, is not in accordance with accounting principle stated in Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. Had such income not been recognised, the net loss before and after tax for the year ended 31 March 2017 would have been higher by Rs. 2.92 crores, and net loss before and after tax for the year ended 31 March 2016 would have been higher by Rs. 10.95 crores and other equity as at 31 March 2017 would have been lower by Rs. 13.87 crores.

5. Based on our audit conducted as above, in our opinion and to the best of our information and according to the explanations given to us, these financial results, except for the matter referred in paragraph 4 above:

   (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and SEBI circular dated 5 July 2016 in this regard; and

   (ii) give a true and fair view of the net loss (financial performance including other comprehensive income) and other financial information for the year ended 31 March 2017.

6. Emphasis of matter

   We draw attention to note 4(a) to the financial results which describes the uncertainty related to the outcome of the lawsuit filed by the Company against an insurance company. Our opinion is not modified in respect of this matter.

*For* **B S R and Associates**
*Chartered Accountants*
Firm's Registration number: 128901W

**Jiten Chopra**
*Partner*
Membership No. 092894
Gurgaon
Date: 18 May 2017

# FORM B

**[Pursuant to Clause 33(3)(d) of the SEBI (Listing Obligations and Disclosures) Regulations, 2015]**

| | | |
|---|---|---|
| 1. | Name of the Company | **Indo Rama Synthetics (India) Limited**<br>(CIN: L17124MH1986PLC166615) |
| 2. | Annual Financial Statements for the year ended | **31st March 2017** |
| 3. | Type of Audit Observation | Qualifications referred to in Paragraph 4 (i) and 4 (ii) of the Independent Auditors' Report dated 18th May 2017 to the members of Indo Rama Synthetics (India) Limited on the accounts for the year ended 31st March 2017.<br><br>(i) Attention is drawn to note 3 of the financial results relating to Deferred Tax Assets amounting to Rs. 54.08 crores as at 31st March 2017 recognised by the Company on the basis of future outlook of business confirming that sufficient future taxable income will be available against which these assets will be realized. In view of the losses suffered in the current as well as preceding periods, and other unused tax losses available to the Company, we are not in agreement with the deferred tax assets recognised. Had such income not been recognised, the net loss before tax for the year would have been higher by Rs. 54.08 crores, the net profit after tax for the year would have been lower by Rs. 54.08 crores and other equity as at 31st March 2017 would have been lower by Rs.54.08 crores.<br><br>(ii) Attention is drawn to Note 4 (b) of the Standalone Financial Results, which enumerates, recognition of interest of Rs. 13.87 crores for the year ended 31st March 2017 on the insurance claim lodged by the Company with its insurance company for the loss of certain assets and loss suffered due to business interruption at its plant in 2007-08. The said recognition of assets is not in accordance with accounting principle stated in Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets". Had such income not been recognised, the net loss before and after tax for the year ended 31 March 2017 would have been higher by Rs. 2.92 crores, the net loss before and after tax for the year ended 31 March 2016 would have been higher by Rs. 10.95 crores and Other equity as at 31st March 2017 would have been lower by Rs. 13.87 crores. |

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| | | |
|---|---|---|
| 4. | Frequency of Qualification | (a) Fourth time in respect of item 3 (i) above.<br><br>(b) Seventh time in respect of item 3 (ii) above. |
| | Draw attention to relevant notes in the Annual Financial Statements and management response to the qualification in the Directors Report: | Refer Note 3 to the Standalone Financial Results: The company has taken several initiatives to improve its operational performance in terms of specialty products, higher capacity utilization, cost control initiatives, improved liquidity plans. The company is certain that all these initiatives will generate substantial taxable profits in future to recover the deferred tax assets so recognised.<br><br>Refer Note 4(b) to the Standalone Financial Results: The Company has been legally advised that the amounts recognised are fully recoverable. |
| | Additional comments from the Board / Audit Committee Chair | Nil |

| | |
|---|---|
| 5. Signed by:<br>**CEO / Managing Director** | For **Indo Rama Synthetics (India) Limited**<br><br>**Om Prakash Lohia**<br>Chairman and Managing Director<br>DIN: 00206807 |
| **CFO** | For **Indo Rama Synthetics (India) Limited**<br><br>**Sanjeev Aggarwal**<br>President & Chief Financial Officer<br>ICAI Membership No.: 089369 |
| **Auditor of the Company** | *For* **B S R and Associates**<br>*Chartered Accountants*<br>Firm Registration Number: 128901W<br><br>**Jiten Chopra**<br>Partner (Membership No.: 092894 ) |
| **Audit Committee Chairman** | For **Indo Rama Synthetics (India) Limited**<br><br>**Ashok Kumar Ladha**<br>Chairman - Audit Committee<br>DIN: 00089360 |

**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, Gurgaon -122002, Haryana
Tel.: 07104-663000 / 01 Fax: 07104-663200, Email: investor-relations@indorama-ind.com, Website: www.indoramaindia.com, CIN: L17124MH1986PLC166615

**STATEMENT OF CONSOLIDATED IND AS FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2017**

*(Rs. in crores, unless otherwise indicated)*

| S.No. | Particulars | | Year ended | |
|---|---|---|---|---|
| | | | 31.03.2017 | 31.03.2016 |
| | | | Audited | Audited (refer note 4) |
| A) | **Continuing operations** | | | |
| 1 | Revenue from operations (refer note 7(b)) | | 2,701.05 | 2,785.60 |
| 2 | Other income | | 32.30 | 5.55 |
| 3 | **Total income** | **(1+2)** | **2,733.35** | **2,791.15** |
| 4 | **Expenses** | | | |
| | (a) Cost of materials consumed | | 1,923.78 | 2,019.32 |
| | (b) Changes in inventories of finished goods and work-in-progress | | 27.49 | (52.90) |
| | (c) Excise duty on sales | | 233.01 | 249.94 |
| | (d) Employee benefits expense | | 104.53 | 105.74 |
| | (e) Other expenses | | 417.00 | 379.11 |
| | **Total expenses before depreciation and amortisation, finance costs, foreign exchange fluctuation and exceptional items** | | **2,705.81** | **2,701.21** |
| 5 | **Profit / (Loss) from operations before depreciation and amortisation, finance costs, foreign exchange fluctuation and exceptional items** | **(3-4)** | **27.54** | **89.94** |
| 6 | Depreciation and amortisation expense | | 79.48 | 77.74 |
| 7 | Finance costs | | 91.08 | 53.68 |
| 8 | Foreign exchange fluctuation gain / (loss) | | 13.52 | (23.62) |
| 9 | **Total expenses before exceptional items and tax** | **(4+6+7-8)** | **2,862.85** | **2,856.25** |
| 10 | **Profit / (Loss) before exceptional items and tax** | **(3-9)** | **(129.50)** | **(65.10)** |
| 11 | **Exceptional items (refer note 9)** | | | |
| | -Inventory losses | | - | (26.68) |
| | -Others | | (4.73) | (4.23) |
| 12 | **Profit / (Loss) before tax from continuing operations** | **(10+11)** | **(134.23)** | **(96.01)** |
| 13 | **Income tax** | | | |
| | - Deferred tax credit / (expense) (refer note 6 and 11) | | 53.98 | 131.65 |
| 14 | **Net Profit / (Loss) from continuing operations** | **(12+13)** | **(80.25)** | **35.64** |
| B) | **Discontinued operations (refer note 3)** | | | |
| 15 | Profit / (loss) from discontinued operations | | (1.81) | 1.89 |
| 16 | Tax credit / (expense) of discontinued operations | | 0.63 | 0.05 |
| | **Profit / (loss) from discontinued operations after tax** | | **(1.18)** | **1.94** |
| C) | **Total operations** | | | |
| 17 | **Profit / (Loss) for the year** | **(14+15-16)** | **(81.43)** | **37.58** |
| 18 | **Other comprehensive income** | | | |
| | - Items that will not be reclassified to profit or (loss) | | | |
| | Remeasurement of defined benefit plans | | (0.30) | 2.13 |
| | Income tax credit / (expense) on above (refer note 6) | | 0.10 | (0.74) |
| 19 | **Total comprehensive income / (expense) after tax** | **(17+18)** | **(81.63)** | **38.97** |
| 20 | Paid-up equity share capital (face value of Rs.10 per share) | | 151.82 | 151.82 |
| 21 | Reserves excluding revaluation reserves | | 340.72 | 440.15 |
| 22 | Basic and diluted EPS for the period (Rs. per share of Rs. 10 each) from Continuing operations | | (5.30) | 2.44 |
| 23 | Basic and diluted EPS for the period (Rs. per share of Rs. 10 each) from Total operations | | (5.38) | 2.57 |



Indo Rama Synthetics (India) Limited

Notes:

(Rs. in crores)

1. **Statement of assets and liabilities**

| Particulars | As at 31.03.2017 Audited | As at 31.03.2016 Audited (refer note 4) |
|---|---|---|
| **A. Assets** | | |
| **(1) Non-current assets** | | |
| (a) Property, plant and equipment | 898.02 | 934.77 |
| (b) Capital work - in - progress | 10.88 | 16.50 |
| (c) Other intangible assets | - | - |
| (d) Financial assets | | |
| (i) Loans | 2.43 | 1.97 |
| (ii) Other financial assets | 8.10 | 6.26 |
| (e) Deferred tax assets (net) | 54.08 | - |
| (f) Other tax assets (net) | 11.53 | 11.29 |
| (g) Other non-current assets | 11.42 | 10.23 |
| **Sub-total - Non-current assets** | **996.46** | **981.02** |
| **(2) Current assets** | | |
| (a) Inventories | 194.58 | 256.71 |
| (b) Financial assets | | |
| (i) Investments | 1.22 | 0.74 |
| (ii) Trade receivables | 133.20 | 198.09 |
| (iii) Cash and cash equivalents | 5.90 | 6.70 |
| (iv) Bank balances other than cash and cash equivalents | 64.08 | 76.56 |
| (v) Other financial assets | 75.60 | 84.89 |
| (c) Other current assets | 136.74 | 116.51 |
| Disposal group - assets held for sale | - | 207.60 |
| **Sub-total - Current assets** | **611.32** | **947.80** |
| **Total - assets** | **1,607.78** | **1,928.82** |
| **B. Equity and liabilities** | | |
| **(1) Equity** | | |
| (a) Equity share capital | 151.82 | 151.82 |
| (b) Other equity (Refer note 4) | 349.88 | 449.78 |
| **Sub-total - Equity** | **501.70** | **601.60** |
| **(2) Liabilities** | | |
| **Non-current liabilities** | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 80.94 | 98.65 |
| (ii) Other financial liabilities | 0.10 | 0.37 |
| (b) Provisions | 20.77 | 18.79 |
| **Sub-total - Non-current liabilities** | **101.81** | **117.81** |
| **Current liabilities** | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 167.78 | 177.72 |
| (ii) Trade payables | | |
| Total outstanding dues of micro enterprises and small enterprises | 0.70 | 0.03 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 703.38 | 734.86 |
| (iii) Other financial liabilities | 88.67 | 106.90 |
| (b) Other current liabilities | 40.89 | 52.92 |
| (c) Provisions | 2.85 | 2.96 |
| Disposal group - liabilities directly associated with assets held for sale | - | 134.02 |
| **Sub-total - Current liabilities** | **1,004.27** | **1,209.41** |
| **Total - Equity and liabilities** | **1,607.78** | **1,928.82** |

**2. Segment wise Revenue, Results and Capital Employed**

*(Rs.in Crores, unless otherwise indicated)*

| | Particulars | Continuing operations | | Discontinued operations | |
|---|---|---|---|---|---|
| | | Year Ended | | Period ended | Year Ended |
| | | 31.03.2017 | 31.03.2016 | 16 May 2016 | 31.03.2016 |
| | | Audited | | Audited | |
| 1 | **Segment Revenue** | | | | |
| | a) Segment - polyester | 2,701.05 | 2,785.60 | - | - |
| | b) Segment - renewable energy | - | - | 2.78 | 36.51 |
| | **Revenue from operations** | **2,701.05** | **2,785.60** | **2.78** | **36.51** |
| 2 | **Segment results [profit / (loss)] before interest and tax from each segment** | | | | |
| | a) Segment - polyester | (71.02) | (6.32) | - | - |
| | b) Segment - renewable energy | - | - | 0.22 | 19.74 |
| | **Total** | **(71.02)** | **(6.32)** | **0.22** | **19.74** |
| | **Less:** | | | | |
| | (i) Finance cost | (91.08) | (53.68) | (2.14) | (18.43) |
| | (iii) Other unallocable income/ (expense) (including interest income) | 32.30 | (2.97) | 0.11 | 0.58 |
| | **Profit / (Loss) from ordinary activities before exceptional items** | **(129.80)** | **(62.97)** | **(1.81)** | **1.89** |
| | Exceptional items | | | | |
| | -Loss on account of write down of inventories | - | (26.68) | - | - |
| | -Others | (4.73) | (4.23) | - | - |
| | **Profit /.(Loss) before tax** | **(134.53)** | **(93.88)** | **(1.81)** | **1.89** |
| 3 | **Segment assets** | | | | |
| | a) Segment - polyester | 1,540.95 | 1,709.19 | - | - |
| | b) Segment - renewable power | - | - | - | 196.48 |
| | c) Unallocated | 66.83 | 12.03 | - | 11.12 |
| | **Total segment assets** | **1,607.78** | **1,721.22** | **-** | **207.60** |
| 4 | **Segment liabilities** | | | | |
| | a) Segment - polyester | 797.53 | 871.09 | | |
| | b) Segment - renewable power | - | - | | 0.88 |
| | c) Unallocated | 308.55 | 322.09 | | 133.16 |
| | **Total segment liabilities** | **1,106.08** | **1,193.18** | **-** | **134.04** |
| | **Equity** | **501.70** | **528.04** | **-** | **73.56** |
| | **Total** | **1,607.78** | **1,721.22** | **-** | **207.60** |

Footnotes:
- Segment revenue, segment results and capital employed include the respective amounts identifiable to each of the segments.
- Other unallocable items in segment results include income from investments and other unallocable income.
- Unallocated capital employed includes investments, borrowings and corresponding interest accrued, advance tax and MAT credit entitlement.

Indo Rama Synthetics (India) Limited

**3 Discontinued Operation**

Pursuant to the approval accorded by Board of Directors by its resolution dated 10 February 2016, the Group has entered into an agreement with Tata Power Renewable Energy Limited (TPREL) to sell 100% shares of its subsidiary Indo Rama Renewables Jath Limited. Indo Rama Renewables Jath Limited operates 30 MW Wind Farm at Jath, in Maharashtra. The Group completed the process of complying with the conditions stipulated in the agreement on 16 May 2016. The share transfer effected on 16 May 2016.

The results of the discontinued operation till the date of transfer were as under:-

| a) | **Details of Profit/(Loss) from ordinary activities** | | | |
|---|---|---|---|---|
| | | | | *(Rs.in crores, unless otherwise indicated)* |
| **S.No.** | **Particulars** | | **Period upto 16 May 2016** | **Year ended 31.03.2016** |
| | | | **Audited (refer note 4)** | |
| 1 | Revenue from operations | | 2.78 | 36.51 |
| 2 | Other income | | 0.11 | 0.58 |
| 3 | **Total income** | | **2.89** | **37.09** |
| 4 | **Expenses** | | | |
| | (a) Employee benefits expense | | 0.01 | 0.07 |
| | (b) Other expenses | | 0.64 | 1.54 |
| | **Total expenses before depreciation and finance costs** | | **0.65** | **1.61** |
| 5 | **Profit from operations before depreciation and finance costs** | **(3-4)** | **2.24** | **35.48** |
| 6 | Depreciation expense | | 1.91 | 15.16 |
| 7 | Finance costs | | 2.14 | 18.43 |
| 8 | **Profit / (loss) before tax** | **(5-6-7)** | **(1.81)** | **1.89** |
| 9 | Tax credit / (expense) | | 0.63 | 0.05 |
| 10 | **Net Profit / (loss) for the year from discontinued operations** | **(8+9)** | **(1.18)** | **1.94** |
| **b)** | **Assets and liabilities** (relating to the discontinued business) | | **As at 31 March 2017 *** | **As at 31 March 2016** |
| | Carrying amount of assets | | - | 207.60 |
| | Carrying amount of liabilities # | | - | 149.92 |

# Includes Rs.Nil (previous year Rs.15.90 crore) to be repaid to the holding Company, which has been eliminated on consolidation being within the group as at 31 March 2016. As a part of transaction same has been recovered from TPREL in the current year.

* Pursuant to the aforesaid transactions, assets and liabilities has been transferred to TPREL.



Indo Rama Synthetics (India) Limited

4. **Transition to Ind-AS:** The audited consolidated Ind-AS Financial results for the year ended 31 March 2017 of Indo Rama Synthetics (India) Limited ("the Company") and its subsidiaries (collectively known as "the Group") are in compliance with the Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Beginning 1 April 2016, the Group has, for the first time adopted Ind AS with a transition date of 1 April 2015. Consequently, erstwhile Indian Generally Accepted Accounting Principles (Previous GAAP) results for the year ended 31 March 2016 have been restated to make them comparable. The reconciliation of net profit /(loss) and other equity reported under Previous GAAP and as restated under Ind-AS is given below:

**(Rs.in crore)**

| **Particulars** | **Profit/ (loss) reconciliation of continuing operations** | **Profit/ (loss) reconciliation of discontinued operations** | **Other equity** |
|---|---|---|---|
| | **Year ended 31.03.2016** | **Year ended 31.03.2016** | **As at 31.03.2016** |
| Net Profit / (loss) after tax and Other equity as per previous GAAP | 55.80 | 0.36 | 434.43 |
| Fair valuation of investments, classified as fair value through profit and loss (refer note (i) below) | (33.91) | (0.37) | - |
| Incremental borrowings cost (refer note (ii) below) | (0.18) | 1.77 | 2.14 |
| Others (refer note (iii) below) | 0.07 | - | 0.03 |
| Reversal of provision of proposed dividend (refer note (iv) below) | - | - | 18.27 |
| Reversal of revaluation on lease hold land (refer note (v) below) | - | - | (4.49) |
| Tax impact of above adjustments and creation of deferred tax asset on unabsorbed depreciation to the extent of deferred tax liability | 15.25 | 0.18 | (0.60) |
| **Total comprehensive income after tax and Other equity as per Ind AS** | **37.03** | **1.94** | **449.78** |

(i) Investments (other than investments in subsidiaries) have been classified as "fair value through profit or loss" under Ind-AS as against cost basis under erstwhile IGAAP and consequential adjustments has been considered in the period in which fair value has changed.

(ii) Represents additional borrowing cost pursuant to adjustment of processing fee paid at the time of disbursement of term loans against the carrying value of loans as on the date of transition to conform the effective interest rate method required under Ind-AS.

(iii) Others include adjustments for depreciation on reversal of revaluation reserve created on leasehold lands and fair value adjustments for security deposits given.

(iv) Under previous GAAP, dividends proposed by the board of directors after the reporting date but before the approval of financial statements were considered to be adjusting event and accordingly recognised (along with dividend distribution tax) as liabilities at the reporting date. Under Ind-AS, dividends so proposed by the board are considered to be non-adjusting event. Accordingly provision for proposed dividend and dividend distribution tax recognised under previous GAAP has been reversed.

(v) Under the previous GAAP leasehold land was treated as part of property, plant and equipment at revalued amount. As per Ind-AS 17, the leasehold land, being a finance lease in substance, is presented as part of property, plant and equipment and is valued at the present value of minimum lease rentals at the transition date.
The unamortised revaluation reserve at the transition date is adjusted with carrying value of leasehold land and consequential impact on depreciation and amortization is reflected in profit and loss for the year.

Indo Rama Synthetics (India) Limited

5. The consolidated financial results of the Group are prepared in accordance with the requirements of Ind AS 110 "Consolidated Financial Statements".

6. The Company's business comprises of Polyester products, which is highly competitive and in the last few years there has been an over-supply in the industry. This has resulted in lower profit margins. However, the Company has taken several initiatives to improve its operational performance in terms of specialty products, higher capacity utilization, cost control initiatives, improved liquidity plans and addition of new customers. Based on the above the Group 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.

7. (a) The Company has carried forward insurance claim recoverable amounting to Rs.32.44 crore and interest receivable amounting to Rs.11.69 crore thereon recognised upto July 2012 awarded in favor of the Company by the Arbitral Tribunal. The insurance company had filed the appeal against the aforesaid order in Delhi High court. Currently, the case is pending with Delhi High Court (Double bench) as the Company has gone into appeal against the single bench order.

   (b) During the year ended 31 March 2017, the Company has recognised interest of Rs.2.92 crore (for the year ended 31 March 2016 – Rs.10.95 crore) under 'revenue from operations' on the insurance claim recoverable referred to in 7(a) above, for the loss of certain assets and loss suffered due to business interruption under loss of profit policy relating to fire incidence 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.

8. The Audit Committee reviewed the above results. The Board of Directors, at their meeting held on 18 May 2017, has approved the above results.

9. Exceptional items :

   **Current year includes:**
   The Company has charged off Rs. 4.73 crore towards the net book value of fixed assets, capital work in progress and capital advance (to the extent not recoverable) acquired from subsidiaries under the scheme of amalgamation during the financial year.

   **Previous year includes:**
   i) Inventory losses amounting to Rs. 26.68 crore for the year ended 31 March 2016, which included loss of Rs. 4.62 crore on account of write down of closing inventories, calculated on month on month basis, incurred by the company due to crash in global crude oil prices and consequently impacting raw material prices i.e. PTA and MEG. The loss incurred had been primarily due to timing differences in the prices at which material had been purchased and sold.
   ii) 'Others' includes differential excise duty (including interest thereon) amounting to Rs. 4.23 crore paid in compliance with the judgment of the Supreme Court.

10. During the current financial year, 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 has passed an order approving the merger effective from 1 April 2016 on 29 March 2017. Consequently, the assets and liabilities have 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 has been incorporated in the results for the year ended 31 March 2017.

Indo Rama Synthetics (India) Limited

11. Deferred tax credit / (expense) also includes charge off of MAT credit entitlement in the previous year.

12. The Statutory Auditors of the Group have audited the financial results for the year ended 31 March 2017, and report has been issued subject to item 6 and 7(b) above. The report of the Statutory Auditors is being filed with the BSE and 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.

13. Previous period figures have been regrouped / recast, wherever necessary, to make them comparable.

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

Indo Rama Synthetics (India) Limited

**Om Prakash Lohia**
Chairman & Managing Director
Director Identification No.: 00206807

Place: Gurgaon
Date: 18 May 2017

B S R and Associates
Chartered Accountants

Building No.10, 8th Floor, Tower-B
DLF Cyber City, Phase - II
Gurgaon - 122 002 (India)

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**Independent Auditor's Report on Quarterly Financial Results and year to date Consolidated Financial Results of the Company pursuant to Regulations 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 audited the consolidated Ind AS financial results ('financial results') of Indo Rama Synthetics (India) Limited ('the Company') and its subsidiary (collectivity referred to as 'the Group') for the year ended 31 March 2017, attached herewith, being submitted by the Company pursuant to requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. These financial results have been prepared by the Group on the basis of the consolidated Ind AS financial statements, 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 consolidated Ind AS financial statements which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013, read with applicable rules issued thereunder; and other accounting principles generally accepted in India.

3. 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 as to whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the financial results. An audit also includes assessing the accounting principles used and significant estimates made by the management. We believe that our audit provides a reasonable basis for our qualified opinion.

4. We report that the consolidated financial results have been prepared by the Company's management in accordance with the requirements of Ind AS 110 "Consolidated Financial Statements" and on the basis of the separate audited financial statements of the Company and its subsidiary, included in the consolidated financial results.

5. (i) Attention is drawn to note 6 of the financial results relating to Deferred Tax Assets amounting to Rs. 54.08 crores as at 31 March 2017 recognised by the Company 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 losses suffered in the current as well as preceding periods, and

other unused tax losses available to the Company, we are not in agreement with the deferred tax assets recognized. Had such asset not been recognized, the net loss after tax for the year would have been higher by Rs 54.08 crores and other equity as at 31 March 2017 would have been lower by Rs. 54.08 crores.

(ii) Attention is drawn to note 7(b) of the financial results, which enumerates, recognition of interest of Rs. 13.87 crores in the books by the Company on the insurance claim recoverable from its insurance company for the loss of certain assets and loss suffered due to business interruption at its plant in 2007-08. The said recognition of asset being contingent in nature, is not in accordance with accounting principle stated in Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. Had such income not been recognised, the net loss before and after tax for the year ended 31 March 2017 would have been higher by Rs. 2.92 crores, and net loss before and after tax for the year ended 31 March 2016 would have been higher by Rs. 10.95 crores and other equity as at 31 March 2017 would have been lower by Rs. 13.87 crores.

6. Based on our audit conducted as above, in our opinion and to the best of our information and according to the explanations given to us, these financial results, except for the matter referred in paragraph 5 above:

   (i) include the financial results of the following entities:
   - Indo Rama Synthetics (India) Limited
   - Indo Rama Renewables Jath Limited

   (ii) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and SEBI circular dated 5 July 2016 in this regard; and

   (iii) give a true and fair view of the net loss (financial performance including other comprehensive income) and other financial information for the year ended 31 March 2017.

7. Emphasis of matter

   We draw attention to note 7(a) to the financial results which describes the uncertainty related to the outcome of the lawsuit filed by the Company against an insurance company. Our opinion is not modified in respect of this matter.

*For* **B S R and Associates**
*Chartered Accountants*
Firm's Registration number: 128901W

**Jiten Chopra**
*Partner*
Membership No. 092894
Gurgaon
Date: 18 May 2017

# FORM B

**[Pursuant to Clause 33(3)(d) of the SEBI (Listing Obligations and Disclosures) Regulations, 2015]**

| | | |
|---|---|---|
| 1. | Name of the Company | **Indo Rama Synthetics (India) Limited**<br>(CIN: L17124MH1986PLC166615) |
| 2. | Annual Financial Statements for the year ended | **31st March 2017** |
| 3. | Type of Audit Observation | Qualifications referred to in Paragraph 5 (i) and (ii) of the Independent Auditors' Report dated 18th May 2017 to the members of Indo Rama Synthetics (India) Limited on the accounts for the year ended 31st March 2017.<br><br>(i) Attention is drawn to note 6 of the financial results relating to Deferred Tax Assets amounting to Rs. 54.08 crores as at 31st March 2017 recognised by the Company on the basis of future outlook of business confirming that sufficient future taxable income will be available against which these assets will be realized. In view of the losses suffered in the current as well as preceding periods, and other unused tax losses available to the Company, we are not in agreement with the deferred tax assets recognised. Had such income not been recognised, the net loss before tax for the year would have been higher by Rs. 54.08 crores, the net profit after tax for the year would have been lower by Rs. 54.08 crores and other equity as at 31st March 2017 would have been lower by Rs.54.08 crores.<br><br>(ii) Attention is drawn to Note 7 (b) of the Consolidated Financial Results, which enumerates, recognition of interest of Rs. 13.87 crores for the year ended 31st March 2017 on the insurance claim lodged by the Company with its insurance company for the loss of certain assets and loss suffered due to business interruption at its plant in 2007-08. The said recognition of assets is not in accordance with accounting principle stated in Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets". Had such income not been recognised, the net loss before and after tax for the year ended 31 March 2017 would have been higher by Rs. 2.92 crores, the net loss before and after tax for the year ended 31 March 2016 would have been higher by Rs. 10.95 crores and Other equity as at 31st March 2017 would have been lower by Rs. 13.87 crores. |

| | | |
|---|---|---|
| 4. | Frequency of Qualification | (a) Fourth time in respect of item 3 (i) above<br><br>(b) Seventh time in respect of item 3(ii) above |
| | Draw attention to relevant notes in the Annual Financial Statements and management response to the qualification in the Directors Report: | Refer Note 6 to the Consolidated Financial Results: The company has taken several initiatives to improve its operational performance in terms of specialty products, higher capacity utilization, cost control initiatives, improved liquidity plans. The company is certain that all these initiatives will generate substantial taxable profits in future to recover the deferred tax assets so recognised.<br><br>Refer Note 7 (b) to the Consolidated Financial Results: The Company has been legally advised that the amounts recognised are fully recoverable. |
| | Additional comments from the Board / Audit Committee Chair | Nil |

| | |
|---|---|
| 5. Signed by:<br>**CEO / Managing Director** | For **Indo Rama Synthetics (India) Limited**<br><br>**Om Prakash Lohia**<br>Chairman and Managing Director<br>DIN: 00206807 |
| **CFO** | For **Indo Rama Synthetics (India) Limited**<br><br>**Sanjeev Aggarwal**<br>President & Chief Financial Officer<br>ICAI Membership No.: 089369 |
| **Auditor of the Company** | *For* **B S R and Associates**<br>*Chartered Accountants*<br>Firm Registration Number: 128901W<br><br>**Jiten Chopra**<br>Partner (Membership No.: 092894 ) |
| **Audit Committee Chairman** | For **Indo Rama Synthetics (India) Limited**<br><br>**Ashok Kumar Ladha**<br>Chairman - Audit Committee<br>DIN: 00089360 |