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 AND NINE MONTHS ENDED 31 DECEMBER 2017

(Rs. in crores, unless otherwise stated)

S.No.	Particulars		Quarter ended			Nine months ended		Year ended
			31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
			Un-audited			Un-audited		Audited
1	Revenue from operations (refer note 3(b))		524.27	618.01	623.92	1,793.78	2,099.80	2,701.05
2	Other income		0.82	0.94	1.05	2.69	19.96	28.52
3	**Total income**	(1+2)	**525.09**	**618.95**	**624.97**	**1,796.47**	**2,119.76**	**2,729.57**
4	**Expenses**							
	(a) Cost of materials consumed		386.93	441.12	415.19	1,267.67	1,467.59	1,923.78
	(b) Changes in inventories of finished goods and work-in-progress		7.71	6.84	46.46	32.25	48.35	27.49
	(c) Excise duty on sales (refer note 2)		-	-	52.24	58.06	181.91	233.01
	(d) Employee benefits expense		23.81	27.39	26.90	75.73	80.56	104.53
	(e) Other expenses		94.63	126.39	97.71	311.38	327.45	417.00
	Total expenses before depreciation and amortisation, finance costs, foreign exchange fluctuation and exceptional items		**513.08**	**601.74**	**638.50**	**1,745.09**	**2,105.86**	**2,705.81**
5	**Profit / (loss) from operations before depreciation and amortisation, finance costs, foreign exchange fluctuation and exceptional items**	(3-4)	**12.01**	**17.21**	**(13.53)**	**51.38**	**13.90**	**23.76**
6	Depreciation and amortisation expense		20.58	20.69	20.17	61.64	59.58	79.48
7	Finance costs		23.13	23.17	23.66	70.07	64.77	91.08
8	Foreign exchange fluctuation gain / (loss)		2.33	(0.35)	(0.73)	0.29	4.67	13.52
9	**Total expenses before exceptional items and tax**	(4+6+7-8)	**554.46**	**645.95**	**683.06**	**1,876.51**	**2,225.54**	**2,862.85**
10	**Profit / (loss) before exceptional items and tax**	(3-9)	**(29.37)**	**(27.00)**	**(58.09)**	**(80.04)**	**(105.78)**	**(133.28)**
11	**Exceptional items**							
	- Others (refer note 7)		-	-	-	-	-	(4.73)
12	**Profit / (loss) before tax**	(10+11)	**(29.37)**	**(27.00)**	**(58.09)**	**(80.04)**	**(105.78)**	**(138.01)**
13	**Income tax**							
	- Deferred tax credit / (expense) (refer note 1 and 5)		**10.16**	**9.38**	**20.14**	**27.64**	**36.58**	**53.98**
14	**Net profit / (loss)**	(12+13)	**(19.21)**	**(17.62)**	**(37.95)**	**(52.40)**	**(69.20)**	**(84.03)**
15	**Other comprehensive income**							
	- Items that will not be reclassified to profit or (loss)							
	Remeasurement of defined benefit plans		(0.08)	(0.08)	-	(0.24)	-	(0.30)
	Deferred tax credit / (expense) on above (refer note 1)		0.02	0.03	-	0.08	-	0.10
16	**Total comprehensive income / (expense) after tax**	(14+15)	**(19.27)**	**(17.67)**	**(37.95)**	**(52.56)**	**(69.20)**	**(84.23)**
17	Basic and diluted earnings per share (EPS) for the period (Rs. per share of Rs. 10 each)		(1.27)	(1.16)	(2.50)	(3.45)	(4.56)	(5.53)

INDO RAMA SYNTHETICS (INDIA) LTD.

1. 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 utilisation, 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.

2. Consequent to implementation of Goods and Service Tax ('GST') regime effective July 2017, revenue is presented exclusive of GST. However, revenue for all other periods pertaining to Financial Year ended 31 March 2017 and for the quarter ended 30 June 2017 included in the nine months ended 31 December 2017 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.

3. (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 Delhi High Court.

   (b) The Company has further recognised an interest of Rs. 16.06 crores from July 2012 onwards to 31 December 2017 on the insurance claim recoverable referred to in 3(a) above. Out of this, during the quarter and nine months ended 31 December 2017, the Company has recognised an interest of Rs. 0.73 crores and Rs. 2.19 crores respectively (for the quarter and nine months ended 31 December 2016 - Rs. 0.73 crores and Rs. 2.19 crores respectively, and for the year ended 31 March 2017 - Rs. 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.

4. The Company's business activity falls within the single primary business segment viz. 'Polyester'.

5. Tax expense includes deferred tax charge / (credit).

6. The Audit Committee reviewed the above results. The Board of Directors, at their meeting held on 7 February 2018, has approved the above results.

INDO RAMA SYNTHETICS (INDIA) LTD.

7. Exceptional items:

In the previous year ended 31 March 2017, the Company had charged off Rs. 4.73 crores towards the net book value of fixed assets, capital work-in-progress and capital advances (to the extent not recoverable) acquired from subsidiaries under the scheme of amalgamation.

8. 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.

9. All the Global Depository Receipts (GDR's) have been duly converted into equity shares and the Depositary Agreement entered into between the Company and the Bank of New York Mellon (the "Depositary") has been terminated and accordingly the GDR's program/ facility, has been de-listed from the Luxembourg Stock Exchange with effect from 16th October 2017.

10. The Statutory Auditors of the Company have reviewed the Financial Results for the quarter and nine months ended 31 December 2017, and report has been issued subject to item 1 and 3(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 unaudited 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.

11. Previous quarter and nine months ended 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

INDO RAMA SYNTHETICS (INDIA) LTD. ★

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

Place: Gurugram
Date : 7 February 2018