

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 SIX MONTHS ENDED 30 SEPTEMBER 2019

(₹ in lakhs, unless otherwise stated)

Sr. No.	Particulars	3 months ended (30 September 2019)	Preceding 3 months ended (30 June 2019)	Corresponding 3 months ended in the previous year (30 September 2018)	Year to date figures for current period ended (30 September 2019)	Year to date figures for previous period ended (30 September 2018)	Previous year ended (31 March 2019)
	(refer notes below)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from operations	570.63	533.33	394.41	1,103.96	749.95	1,694.56
2	Other income	0.23	1.14	1.18	1.35	2.24	4.81
3	<b>Total income (1+2)</b>	<b>570.86</b>	<b>534.47</b>	<b>395.59</b>	<b>1,105.31</b>	<b>752.19</b>	<b>1,699.37</b>
4	<b>Expenses</b>						
	(a) Cost of materials consumed	420.59	434.42	383.25	855.01	599.31	1,325.17
	(b) Purchase of stock-in-trade	-	0.75	27.64	0.75	54.69	66.67
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	19.41	(27.12)	(115.12)	(7.71)	(83.39)	(58.88)
	(d) Employee benefits expense	21.57	20.61	19.05	42.18	37.48	77.97
	(e) Other expenses	108.85	98.69	69.89	207.52	130.85	377.02
	<b>Total expenses before depreciation expense, finance costs and foreign exchange fluctuation loss/(gain) and exceptional items</b>	<b>570.42</b>	<b>527.35</b>	<b>384.71</b>	<b>1,097.75</b>	<b>738.94</b>	<b>1,787.95</b>
5	<b>Profit/(loss) from operations before depreciation expense, finance costs, foreign exchange fluctuation loss/(gain) and exceptional items (3-4)</b>	<b>0.44</b>	<b>7.12</b>	<b>10.88</b>	<b>7.56</b>	<b>13.25</b>	<b>(88.58)</b>
6	Depreciation and amortisation expense	21.59	21.46	21.58	43.05	42.66	83.04
7	Finance costs	21.24	32.31	32.40	53.55	56.92	131.32
8	Foreign exchange fluctuation loss/(gain)	1.73	(0.74)	4.21	0.99	7.29	3.53
9	<b>Total expenses before exceptional items and tax (4+6+7+8)</b>	<b>614.98</b>	<b>580.38</b>	<b>442.90</b>	<b>1,195.34</b>	<b>845.81</b>	<b>2,005.84</b>
10	<b>Loss before exceptional items and tax (3-9)</b>	<b>(44.12)</b>	<b>(45.91)</b>	<b>(47.31)</b>	<b>(90.03)</b>	<b>(93.62)</b>	<b>(306.47)</b>
11	Exceptional items	-	-	-	-	-	115.19
12	<b>Loss before tax (10-11)</b>	<b>(44.12)</b>	<b>(45.91)</b>	<b>(47.31)</b>	<b>(90.03)</b>	<b>(93.62)</b>	<b>(421.66)</b>
13	<b>Tax expense</b>						
	Deferred tax credit	-	(15.87)	(14.69)	(15.87)	(31.80)	(150.60)
14	<b>Net loss for the period (12-13)</b>	<b>(44.12)</b>	<b>(30.04)</b>	<b>(32.62)</b>	<b>(74.16)</b>	<b>(61.82)</b>	<b>(271.06)</b>
15	<b>Other comprehensive income</b>						
	(i) Items that will not be reclassified to profit or loss	(0.08)	(0.08)	(0.08)	(0.16)	(0.16)	1.12
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	0.03	0.02	0.03	0.05	(0.39)
16	<b>Total comprehensive income for the period (14+15)</b>	<b>(44.20)</b>	<b>(30.09)</b>	<b>(32.68)</b>	<b>(74.29)</b>	<b>(61.93)</b>	<b>(270.33)</b>
17	Paid-up equity share capital (face value of ₹ 10 each)	261.11	261.11	159.31	261.11	159.31	178.11
18	Other equity	-	-	-	-	-	63.10
19	<b>Loss per share (face value of ₹ 10 each) (not annualised for the quarters)</b>						
	(a) Basic (in ₹)	(1.69)	(1.16)	(2.08)	(2.85)	(4.01)	(17.01)
	(b) Diluted (in ₹)	(1.69)	(1.16)	(2.08)	(2.85)	(4.01)	(17.01)



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Notes:

1. Statement of assets and liabilities

(₹ in crores, unless otherwise stated)

Particulars	As at	As at
	30 September 2019	31 March 2019
	Unaudited	Audited
<b>A. Assets</b>		
<b>(1) Non-current assets</b>		
(a) Property, plant and equipment [refer note 7]	745.21	759.25
(b) Capital work-in-progress	4.36	2.45
(c) Intangible assets	0.17	-
(d) Financial assets		
(i) Loans	3.48	3.24
(ii) Other financial assets	2.26	0.82
(e) Deferred tax assets (net)	262.01	246.11
(f) Non-current tax assets (net)	10.41	11.07
(g) Other non-current assets	11.86	14.84
<b>Total non-current assets</b>	<b>1,039.76</b>	<b>1,037.78</b>
<b>(2) Current assets</b>		
(a) Inventories	259.30	183.63
(b) Financial assets		
(i) Investments	0.15	0.38
(ii) Trade receivables	79.27	59.45
(iii) Cash and cash equivalents	7.88	4.97
(iv) Bank balances other than cash and cash equivalents	14.73	53.56
(v) Other financial assets	5.20	5.83
(c) Other current assets	267.55	244.63
<b>Total current assets</b>	<b>634.08</b>	<b>552.45</b>
<b>TOTAL ASSETS</b>	<b>1,673.84</b>	<b>1,590.23</b>
<b>B. Equity and liabilities</b>		
<b>(1) Equity</b>		
(a) Equity share capital [refer note 4]	261.11	178.11
(b) Other equity [refer note 4]	204.61	63.10
<b>Total equity</b>	<b>465.72</b>	<b>241.21</b>
<b>(2) Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	335.48	222.00
(ii) Other financial liabilities [refer note 7]	22.04	-
(b) Provisions	22.73	22.24
<b>Total non-current liabilities</b>	<b>380.25</b>	<b>244.24</b>
<b>(3) Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	58.23	292.34
(ii) Trade payables		
-total outstanding dues of micro enterprises and small enterprises	0.20	0.20
-total outstanding dues of creditors other than micro enterprises and small enterprises	562.56	578.65
(iii) Other financial liabilities [refer note 7]	90.01	135.04
(b) Other current liabilities	29.98	11.66
(c) Provisions	86.89	86.89
<b>Total current liabilities</b>	<b>827.87</b>	<b>1,104.78</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,673.84</b>	<b>1,590.23</b>



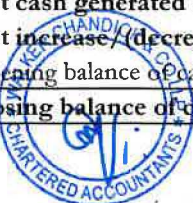
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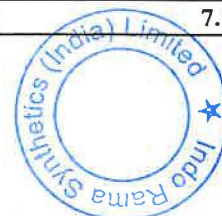
2. Cash flow statement for the six months ended 30 September 2019

(₹ in crores, unless otherwise stated)

Particulars	Six months ended 30 September 2019	Six months ended 30 September 2018
	Unaudited	Unaudited
<b>A. Cash flow from operating activities</b>		
Loss before tax	(90.03)	(93.62)
Re-measurement loss on defined benefit plan	(0.16)	(0.16)
Depreciation/amortisation on property, plant, equipment and intangible assets	43.05	42.66
Loss on disposal/discard of property plant and equipment	0.39	0.01
Finance cost	53.55	56.92
Interest income	(3.20)	(4.47)
Provision for doubtful debts and advances	(0.26)	1.79
Debts/Advances written off	0.27	-
Dividend income	-	(0.11)
Fair valuation of investments through profit and loss	0.01	0.06
<b>Operating loss before working capital changes</b>	<b>3.62</b>	<b>3.08</b>
Changes in trade receivables	(19.64)	(16.53)
Changes in financial assets - loans	(0.24)	0.03
Changes in other financial assets	(0.45)	(1.26)
Changes in other assets	(19.65)	(46.05)
Changes in inventories	(75.67)	(105.42)
Changes in trade payables	(16.09)	121.10
Changes in provisions	0.49	0.82
Changes in other financial liabilities	(35.03)	3.23
Changes in other liabilities	18.32	7.10
<b>Cash used in from operations before tax</b>	<b>(144.34)</b>	<b>(33.90)</b>
Income taxes paid [net]	0.66	0.71
<b>Net cash used in from operating activities [A]</b>	<b>(143.68)</b>	<b>(33.19)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets [including capital advances and creditors for capital goods]	(6.17)	(7.87)
Proceeds from sale of property plant and equipment	0.01	-
Other bank balances not considered as cash and cash equivalents [net]	37.33	6.20
Interest received	4.19	3.87
Dividend received	-	0.11
<b>Net cash generated from investing activities [B]</b>	<b>35.36</b>	<b>2.31</b>
<b>C. Cash flow from financing activities</b>		
Repayment of long-term borrowings	(219.52)	(13.42)
Proceeds from long-term borrowings	335.00	199.99
Proceeds from short-term borrowings [net]	(234.11)	(149.22)
Payment of lease liabilities	(3.11)	-
Proceeds from issue of share capital [including premium on allotment of equity shares]	298.80	29.93
Dividend paid	(0.06)	(0.07)
Finance cost paid	(65.77)	(47.16)
<b>Net cash generated from financing activities [C]</b>	<b>111.23</b>	<b>20.05</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents [A+B+C]</b>	<b>2.91</b>	<b>(10.83)</b>
Opening balance of cash and cash equivalent	4.97	13.64
<b>Closing balance of cash and cash equivalent</b>	<b>7.88</b>	<b>2.81</b>



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**Notes:**

- 3) The above financial results for the quarter and six months ended 30 September 2019 have been reviewed by the statutory auditors of the Company and by the Audit Committee and taken on record by the Board of Directors in its meeting held on 5 November 2019.
- 4) The Company has allotted 83,000,000 new equity shares to Indorama Netherlands BV ('INBV') at an issue price of ₹36 per share (including premium of ₹26 per share) on 3 April 2019. Subsequent to infusion of additional capital, the Company has prepared a detailed business plan which indicates that profitability and cash flows to improve significantly in coming years. Management has improved the plant utilization and obtained working capital facilities from banks at lower interest rates resulting in reduction in finance cost in the current period vis-à-vis the previously reported periods. Management believes that additional equity infusion along with various other steps taken by the Company including re-financing of high cost debt and overall cost control will facilitate turnaround of the Company's financial position. The Company is confident that the deferred tax asset carried at the end of the period is fully recoverable.
- 5) The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. As per Regulation 38 of the SEBI LODR Regulations read with Rule 19A of the Securities Contracts (Regulation) Rules, 1957 ('SCRR'), the Company is required to maintain at least 25% (twenty five percent) public shareholding, as determined in accordance with SCRR, on a continuous basis for listing. Pursuant to the acquisition of shares by Indo Rama Netherlands BV ('INBV') through open offer, promoters' shareholding has increased to 81.72%. The Company plans to comply with SCRR within specified timelines.
- 6) 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 segment i.e manufacturing of Polyester goods.
- 7) Effective 1 April 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on 1 April 2019 using the modified retrospective method along with the transition option to recognise Right-of-Use asset (ROU) at an amount equal to the Lease Liability. This has resulted in recognizing a Right-of-Use Asset and a corresponding Lease Liability as at 1 April 2019. Accordingly, comparatives for the quarter and six months ended 30 September 2018 and year ended 31 March 2019 have not been retrospectively adjusted. The effect of this adoption is not material on the loss for the period and loss per share.



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- 8) Indorama Yarns Private Limited, a hundred percent owned subsidiary of the Company, incorporated on 16 August 2019 is yet to commence operations. The Company has paid Rs. 10,000,000 towards subscription of shares in October 2019.
- 9) For more details on results, visit Investor Relations section of our website at [www.indoramaindia.com](http://www.indoramaindia.com) and financial results under Corporate section of [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com).



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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: 5 November 2019

# Walker Chandiook & Co LLP

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## Independent Auditor's Review Report on Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

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

1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of Indo Rama Synthetics (India) Limited ('the Company') for the quarter ended 30 September 2019 and the year to date results for the period 1 April 2019 to 30 September 2019, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Attention is drawn to the fact that the cash flow figures for the corresponding six month period ended 30 September 2018 have been approved by the Company's Board of Directors, but have not been subjected to audit or review.
2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, (hereinafter referred to as 'the SEBI Circular'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

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4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, the SEBI Circular, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm Registration No: 001076N/N500013



**Sandeep Mehta**  
Partner

Membership No. 099410

UDIN : 19099410 AAAACL3613



**Place: Gurugram**

**Date: 5 November 2019**