

INDO RAMA SYNTHETICS (INDIA) LIMITED

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

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

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STATEMENT OF UNAUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2019

(In Lakhs, unless otherwise stated)

Sr. No.	Particulars	Standalone					Consolidated			
		3 months ended (31 December 2019)	Preceding 3 months ended (30 September 2019)	Corresponding 3 months ended in the previous year (31 December 2018)	Year to date figures for current period ended (31 December 2019)	Year to date figures for previous period ended (31 December 2018)	Previous year ended (31 March 2019)	3 months ended (31 December 2019)	Year to date figures for current period ended (31 December 2019)	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	
	<i>(Refer notes below)</i>									
1	Income from operations	541.52	570.63	508.22	1,643.48	1,258.17	1,694.56	541.52	1,645.48	
2	Other income	0.48	0.23	1.55	1.82	3.77	4.81	0.48	1.82	
3	Total income (1+2)	542.00	570.86	509.77	1,647.30	1,261.94	1,699.37	542.00	1,647.30	
4	Expenses									
	(a) Cost of materials consumed	377.39	420.59	382.73	1,232.40	982.04	1,325.17	377.39	1,232.40	
	(b) Purchase of stock-in-trade	-	-	5.74	0.75	60.43	66.67	-	0.75	
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	29.52	19.41	47.19	21.81	(36.20)	(58.88)	29.52	21.81	
	(d) Employee benefits expense	22.20	21.57	18.65	64.38	56.13	77.97	22.20	64.38	
	(e) Other expenses	112.65	108.85	71.48	320.16	202.31	377.02	112.85	320.36	
	Total expenses before depreciation expense, finance costs, foreign exchange fluctuation (gain)/loss and exceptional items	541.76	570.42	525.79	1,639.50	1,264.71	1,787.95	541.96	1,639.70	
5	Profit/(loss) from operations before depreciation expense, finance costs, foreign exchange fluctuation (gain)/loss and exceptional items (3-4)	0.24	0.44	(16.02)	7.80	(2.77)	(88.58)	0.04	7.60	
6	Depreciation and amortisation expense	21.34	21.59	20.48	64.59	63.14	83.04	21.54	64.59	
7	Finance costs	19.40	21.24	33.95	72.95	90.87	131.32	19.40	72.95	
8	Foreign exchange fluctuation (gain)/loss	(0.57)	1.73	(3.48)	0.42	3.81	3.53	(0.57)	0.42	
9	Total expenses before exceptional items and tax (4+6+7+8)	582.13	614.98	576.74	1,777.46	1,422.53	2,005.84	582.33	1,777.66	
10	Loss before exceptional items and tax (3-9)	(40.13)	(44.12)	(66.97)	(130.16)	(160.59)	(306.47)	(40.33)	(130.36)	
11	Exceptional items	-	-	-	-	-	115.19	-	-	
12	Loss before tax (10-11)	(40.13)	(44.12)	(66.97)	(130.16)	(160.59)	(421.66)	(40.33)	(130.36)	
13	Tax expense									
	Deferred tax expense / (credit) (Refer note 2)	152.00	-	(27.06)	136.13	(58.86)	(150.60)	152.00	136.13	
14	Net loss for the period (12-13)	(192.13)	(44.12)	(39.91)	(266.29)	(101.73)	(271.06)	(192.33)	(266.49)	
15	Other comprehensive income									
	(i) Items that will not be reclassified to profit or loss	(0.36)	(0.08)	(0.08)	(0.52)	(0.24)	1.12	(0.36)	(0.52)	
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	0.03	0.03	0.08	(0.39)	-	0.03	
16	Total comprehensive income for the period (14+15)	(192.49)	(44.20)	(39.96)	(266.78)	(101.89)	(270.33)	(192.69)	(266.98)	
17	Paid-up equity share capital (face value of ₹ 10 each)	261.11	261.11	160.91	261.11	160.91	178.11	261.11	261.11	
18	Other equity						65.10			
19	Loss per share (face value of ₹ 10 each) (not annualised for the quarters)									
	(a) Basic (in ₹)	(7.36)	(1.69)	(2.48)	(10.22)	(6.30)	(17.01)	(7.37)	(10.23)	
	(b) Diluted (in ₹)	(7.36)	(1.69)	(2.48)	(10.22)	(6.30)	(17.01)	(7.37)	(10.23)	



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Notes:

- 1) The above financial results for the quarter and nine months ended 31 December 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 14 February 2020.
- 2) The Company's business comprises of manufacture and sale of polyester products. In the past due to high raw material costs, working capital issues and consequent high interest cost the Company incurred losses.

Subsequent to infusion of additional equity by way of preferential allotment to Indorama Netherlands BV (IVL) and Siam Stock Holdings Limited, aggregating to Rs. 360.72 crores, the Company has taken significant steps in last nine months to improve operational performance by competitive procurement of raw materials, ramping up of production in a phased manner to have economies of scale, sufficient working capital facilities from banks at reduced cost and creation of a good customer base.

The result of initial steps taken have started showing positive impact in performance of first three quarters of the current financial year. The Company has prepared a detailed business plan which indicates that profitability and cash flows will improve significantly in near future. Furthermore, relief action for the industry from Government of India by abolishing anti-dumping duty on imported PTA, a key raw material for the Company, in budget 2020-21, will have additional positive impact on the business.

In view of the above, management has reassessed the carrying value of deferred taxes and made appropriate adjustment based on prudence. The management remains confident about the achievement of the business plans and to have sufficient future taxable profits against which deferred tax asset is fully recoverable.

The auditors have given an emphasis on this matter in their review report.

- 3) 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.
- 4) The Company's primary business segment is reflected based on principal business activities carried on by the Company. As per Indian Accounting Standard 108, Operating Segments, as notified under the Companies (Indian Accounting Standards) Rules, 2015, the Company operates in one reportable segment i.e manufacturing of Polyester goods.



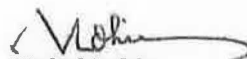
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- 5) Effective 1 April 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on 1 April 2019 using the modified retrospective method along with the transition option to recognise Right-of-Use asset (ROU) at an amount 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 nine months ended 31 December 2019 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.
- 6) Indorama Yarns Private Limited, a wholly owned subsidiary of the Company, incorporated on 16 August 2019 is yet to commence operations. The Company has subscribed Rs. 10,000,000 towards its share capital on 14 October 2019. The Company is presenting consolidated financial results for the first time. Accordingly, requirement for presenting consolidated financial results for the quarter and nine months ended 31 December 2018 and previous year ended 31 March 2019 is not applicable.
- 7) 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




Vishal Lohia
Whole-time Director
(Director Identification No.: 00206458)

Place: Gurugram
Date: 14 February 2020

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