

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

Tel: 07104-663000 / 01 Fax: 07104-663200, Email: investor-relations@indorama-ind.com, Website: www.indoramaindia.com, CTN: 1.17124MH1986PLC166615

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2020

(₹ in crores, unless otherwise stated)

Sr. No.	Particulars	3 months ended	Preceding 3 months	Corresponding 3	Year to date figures for	Year to date figures for	Previous year ended
		(30 September 2020)	ended (30 June 2020)	months ended in the previous year (30 September 2019)	current period ended (30 September 2020)	previous period ended (30 September 2019)	(31 March 2020)
	(refer notes below)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from operations	471.68	118.61	570.63	590.29	1,103.96	2,122.05
2	Other income	11.23	1.67	0.23	12.88	1.35	5.89
3	Total income (1+2)	482.91	120.28	570.86	603.17	1,105.31	2,127.94
4	Expenses						
	(a) Cost of materials consumed	349.33	55.74	420.59	405.07	855.01	1,619.96
	(b) Purchase of stock-in-trade	1.32	-	-	1.32	0.75	0.75
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(11.11)	53.57	19.41	42.46	(7.71)	(17.14)
	(d) Employee benefits expense	25.07	14.24	21.57	39.31	42.18	90.13
	(e) Other expenses	118.14	34.15	108.85	152.27	207.52	433.58
	Total expenses before depreciation and amortisation expense, finance costs, foreign exchange fluctuation loss and exceptional items	482.75	157.70	570.42	640.43	1,097.75	2,127.28
5	Profit/(loss) from operations before depreciation and amortisation expense, finance costs, foreign exchange fluctuation loss and exceptional items (3-4)	0.16	(37.42)	0.44	(37.26)	7.56	0.66
6	Depreciation and amortisation expense [refer note 5]	8.76	8.40	21.59	17.16	43.05	86.00
7	Finance costs	16.93	18.52	21.24	35.45	53.55	92.31
8	Foreign exchange fluctuation loss	0.26	1.65	1.73	1.91	0.99	2.35
9	Total expenses before exceptional items and tax (4+6+7+8)	508.70	186.27	614.98	694.95	1,195.34	2,307.94
10	Loss before exceptional items and tax (3-9)	(25.79)	(65.99)	(44.12)	(91.78)	(90.03)	(180.00)
11	Exceptional items [refer note 6]	-	11.63	-	11.63	-	-
12	Loss before tax (10-11)	(25.79)	(77.62)	(44.12)	(103.41)	(90.03)	(180.00)
13	Tax expense						
	Tax credit	(11.82)	-	-	(11.82)	-	-
	Deferred tax (credit)/expense [refer note 7]	-	-	-	-	(15.87)	136.10
14	Net loss for the period (12-13)	(13.97)	(77.62)	(44.12)	(91.59)	(74.16)	(316.10)
15	Other comprehensive income						
	(i) Items that will not be reclassified to profit or loss	-	-	(0.08)	-	(0.16)	(1.46)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	0.03	-
16	Total comprehensive income for the period (14+15)	(13.97)	(77.62)	(44.20)	(91.59)	(74.29)	(317.56)
17	Paid-up equity share capital (face value of ₹ 10 each)	261.11	261.11	261.11	261.11	261.11	261.11
18	Other equity	-	-	-	-	-	(38.66)
19	Loss per share (face value of ₹ 10 each) (not annualised for the quarters)						
	(a) Basic (in ₹)	(0.54)	(2.97)	(1.69)	(3.51)	(2.85)	(12.13)
	(b) Diluted (in ₹)	(0.54)	(2.97)	(1.69)	(3.51)	(2.85)	(12.13)



Notes:

1. Statement of assets and liabilities

(₹ in crores, unless otherwise stated)

Particulars	As at	As at
	30 September 2020	31 March 2020
	Unaudited	Audited
A. Assets		
(1) Non-current assets		
(a) Property, plant and equipment [refer note 5]	692.03	702.75
(b) Capital work-in-progress	9.21	7.19
(c) Intangible assets	0.11	0.14
(d) Financial assets		
(i) Investments	3.00	1.00
(ii) Loans	3.44	3.35
(iii) Other financial assets	1.53	1.53
(e) Deferred tax assets (net) [refer note 7]	110.01	110.01
(f) Non-current tax assets (net)	6.38	10.54
(g) Other non-current assets	23.77	16.89
Total non-current assets	849.48	853.40
(2) Current assets		
(a) Inventories	212.15	250.54
(b) Financial assets		
(i) Investments	0.07	0.06
(ii) Trade receivables	87.19	91.46
(iii) Cash and cash equivalents	7.11	12.50
(iv) Bank balances other than cash and cash equivalents	7.80	9.96
(v) Other financial assets	5.18	4.88
(c) Other current assets	221.69	260.70
Total current assets	541.19	630.10
TOTAL ASSETS	1,390.67	1,483.50
B. Equity and liabilities		
(1) Equity		
(a) Equity share capital [refer note 9]	261.11	261.11
(b) Other equity	(130.25)	(38.66)
Total equity	130.86	222.45
(2) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	276.85	306.50
(ii) Other financial liabilities	14.84	16.99
(b) Provisions	29.59	27.53
Total non-current liabilities	321.28	351.02
(3) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	168.00	92.87
(ii) Trade payables		
-total outstanding dues of micro enterprises and small enterprises; and	1.54	3.25
-total outstanding dues of creditors other than micro enterprises and small enterprises	560.04	548.42
(iii) Other financial liabilities	85.62	99.24
(b) Other current liabilities	81.95	109.15
(c) Provisions	41.38	57.10
Total current liabilities	938.53	910.03
TOTAL EQUITY AND LIABILITIES	1,390.67	1,483.50



2. Cash flow statement for the six months ended 30 September 2020

(₹ in crores, unless otherwise stated)

Particulars	Six months ended 30 September 2020	Six months ended 30 September 2019
	Unaudited	Unaudited
A. Cash flow from operating activities		
Loss before tax	(103.41)	(90.03)
Add : Adjustment for non-cash and non-operating items		
Re-measurement gains on defined benefit plan	-	(0.16)
Depreciation and amortisation expense	17.16	43.05
Loss on disposal/discard of property, plant and equipment	0.07	0.39
Finance costs	35.45	53.55
Interest income	(1.93)	(3.20)
Provision for doubtful debts and advances	-	(0.26)
Liabilities/provisions no longer required, written back	(9.34)	-
Debts/advances written off	7.10	0.27
Fair valuation of investments through profit and loss	(0.01)	0.01
Operating profit/(loss) before working capital changes	(54.91)	3.62
Adjustments for movement in:		
Changes in trade receivables and other receivables	4.13	(19.64)
Changes in financial assets-loans	(0.09)	(0.24)
Changes in other financial assets	(0.30)	(0.45)
Changes in other assets	20.95	(19.65)
Changes in inventories	38.39	(75.67)
Changes in trade and other payables	9.91	(16.09)
Changes in provisions	0.68	0.49
Changes in other financial liabilities	(0.64)	(35.03)
Changes in other liabilities	(27.20)	18.32
Cash used in operations before tax	(9.08)	(144.34)
Income taxes refund [net]	15.98	0.66
Net cash generated from/(used in) operating activities [A]	6.90	(143.68)
B. Cash flow from investing activities		
Purchase of property, plant and equipment [including capital advances and creditors for capital goods]	(9.69)	(6.17)
Proceeds from sale of property, plant and equipment	-	0.01
Investment in subsidiary	(2.00)	-
Other bank balances not considered as cash and cash equivalents [net]	2.16	37.33
Interest received	1.84	4.19
Net cash generated from/(used in) investing activities [B]	(7.69)	35.36
C. Cash flow from financing activities		
Repayment of non-current borrowings	(42.66)	(219.52)
Proceeds from non-current borrowings	-	335.00
Movement in current borrowings [net]	75.13	(234.11)
Payment of lease liabilities	(2.90)	(3.11)
Proceeds from issue of share capital [including premium on allotment of equity shares]	-	298.80
Dividend paid	-	(0.06)
Finance costs paid	(34.17)	(65.77)
Net cash generated from/(used in) financing activities [C]	(4.60)	111.23
Net increase/(decrease) in cash and cash equivalents [A+B+C]	(5.39)	2.91
Opening balance of cash and cash equivalent	12.50	4.97
Closing balance of cash and cash equivalent	7.11	7.88



Notes:

- 3 The above standalone financial results 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 their respective meetings held on 30 October 2020.
- 4 In March 2020, World Health Organization (WHO) had declared the outbreak of Novel Corona virus "Covid-19" as a pandemic. This pandemic has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations. Complying with the directives of Government, the plant and offices of the Company had been under lock-down, resulting thereto, the operations for the six months period have been impacted.

Given the uncertainty of quick turnaround to normalcy, post lifting of the lock down, the Company has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The Company does not foresee any significant incremental risk to the recoverability of its assets or in its ability to meet its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure.

The management will continue to monitor any material change arising due to the impact of this pandemic on financial and operational performance of the Company and take necessary measures to address the situation. The overall impact on the business of the Company will depend on future developments which cannot be reliably predicted.

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

- 5 The management reassessed remaining useful life of certain assets in the block of plant and equipment with effect from 1 April 2020 on the basis of assessment made by external technical experts. Depending upon the operating conditions and usability of assets, the useful life of the said assets which was hitherto 18 years have been revised to 20 years in case of utilities and to 45 years for the processing plants. Due to this reassessment of remaining useful life, the depreciation for the quarter ended 30 June 2020 is lower by Rs. 12.85 Crores and depreciation for the quarter and half year ended 30 September 2020 is lower by Rs. 12.99 Crores and Rs. 25.84 Crores respectively and loss for the quarter ended 30 June 2020 is lower by Rs. 11.82 Crores and loss for the quarter and half year ended 30 September 2020 is lower by Rs. 12.03 Crores and Rs. 23.85 Crores respectively.

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

- 6 The Company is valuing inventories at cost or net realisable values (NRV), whichever is lower. The exceptional item is towards significant write down in valuation of inventories below cost amounting to Rs. 11.63 crores during the quarter ended 30 June 2020 which is on account of unprecedented decline in global crude oil prices as an outcome of Covid-19 Pandemic.
- 7 The Company's business comprises of manufacture and sale of polyester products. The management has reassessed the carrying value of deferred taxes. Management is confident about the achievement of its long-term business plans and availability of sufficient future taxable profits against which deferred tax is fully recoverable.

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



- 8 The Company has incurred losses during the current quarter and in the previous quarter/years as well. Considering additional equity infusion last year, actions taken to reduce the costs, refinancing of high cost debt, business plan and availability of additional credit lines with the support of the promoter Group Company to the tune of USD 50 million by way of the Stand By Letter of Credit (SBLC) to meet any unforeseen exigencies, management believes that Company will be able to continue as a going concern and will realise its assets and will be able to meet its liabilities at the amounts stated in the books and commitments in the normal course of business.
- 9 The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. As per Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ('LODR') 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. Pursuant to the acquisition of shares by Indo Rama Netherlands BV ('INBV') through open offer, promoters' shareholding increased to 81.72%. In view of SCRR as per SEBI Circular no. CFD/CMD/CIR/P/2017/115 dated 10 October 2017 read with Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/81 dated 14 May 2020, the Promoters informed stock exchanges on 5 October 2020 to avail Offer For Sale (OFS) facility to sell 1,75,50,000 shares to reduce promoters' shareholding to 75%. Out of the above shares offered through OFS facility 1,72,14,647 shares have been sold and the remaining 3,35,353 shares are intended to be sold shortly complying with various applicable regulations.
- 10 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.
- 11 Indorama Yarns Private Limited, a wholly owned subsidiary of the Company, incorporated on 16 August 2019. The Company had subscribed Rs. 10,000,000 towards its share capital on 14 October 2019. During the quarter ended 30 September 2020, Company has further subscribed Rs. 20,000,000 towards its share capital.
- 12 Figures for the preceding quarters have been regrouped/recast, wherever necessary.
- 13 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: New Delhi
Date: 30 October 2020

Independent Auditor's Review Report on Standalone 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 standalone unaudited financial results ('the Statement') of Indo Rama Synthetics (India) Limited ('the Company') for the quarter ended 30 September 2020 and the year to date results for the period 1 April 2020 to 30 September 2020, 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.
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'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure 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. 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

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

Chartered Accountants



Walker Chandiook & Co LLP

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, 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.

5. Emphasis of matters

a. Uncertainties related to Covid-19

We draw attention to Note 4 to the accompanying Statement, which describes management's assessment of uncertainties relating to the effects of the Covid-19 pandemic on the Company's operations. Our conclusion is not modified in respect of this matter.

b. Change in useful life of assets

We draw attention to Note 5 to the accompanying Statement which indicates that the management has re-assessed and revised the remaining useful lives of certain assets in the block of plant and equipment with effect from 1 April 2020 based on technical assessment performed by an independent expert. The effect of change in such accounting estimate has been recognised prospectively in the accompanying Statement in accordance with requirements of Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors. As a consequence, there is a reduction in depreciation expense recognised for the quarter ended 30 September 2020 by Rs. 12.99 crores and for the half year ended 30 September 2020 by Rs. 25.84 crores as described in the aforesaid note. Our conclusion is not modified in respect of this matter.

c. Recoverability of deferred tax asset

We draw attention to Note 7 of the accompanying Statement regarding the recoverability of deferred tax amounting to Rs. 110.01 crores as at 30 September 2020 carried in books of accounts in view of the reasons stated therein, the realisation of which would depend on generation of sufficient taxable profits in future periods as anticipated by the management of the Company. Our conclusion is not modified in respect of this matter.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013



Digitally signed
by Tarun Gupta
Date:
2020.10.30
18:34:46
+05:30



Tarun Gupta

Partner

Membership No. 507892

UDIN 20507892AAAACK4998

Place: Gurugram

Date: 30 October 2020

Chartered Accountants

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

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

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2020

(₹ in crores, unless otherwise stated)

Sr. No.	Particulars	3 months ended (30 September 2020)	Preceding 3 months ended (30 June 2020)	Year to date figures for current period ended (30 September 2020)	Previous year ended (31 March 2020)
	(refer notes below)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from operations	476.07	118.61	594.68	2,122.05
2	Other income	11.24	1.67	12.89	5.90
3	Total income (1+2)	487.31	120.28	607.57	2,127.95
4	Expenses				
	(a) Cost of materials consumed	349.33	55.74	405.07	1,619.96
	(b) Purchase of stock-in-trade	5.53	-	5.53	0.75
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(11.11)	53.57	42.46	(17.14)
	(d) Employee benefits expense	25.07	14.24	39.31	90.13
	(e) Other expenses	118.17	34.16	152.31	434.03
	Total expenses before depreciation and amortisation expense, finance costs, foreign exchange fluctuation loss and exceptional items	486.99	157.71	644.68	2,127.73
5	Profit/(loss) from operations before depreciation and amortisation expense, finance costs, foreign exchange fluctuation loss and exceptional items (3-4)	0.32	(37.43)	(37.11)	0.22
6	Depreciation and amortisation expense [refer note 6]	8.76	8.40	17.16	86.00
7	Finance costs	16.93	18.52	35.45	92.31
8	Foreign exchange fluctuation loss	0.26	1.65	1.91	2.35
9	Total expenses before exceptional items and tax (4+6+7+8)	512.94	186.28	699.20	2,308.39
10	Loss before exceptional items and tax (3-9)	(25.63)	(66.00)	(91.63)	(180.44)
11	Exceptional items [refer note 7]	-	11.63	11.63	-
12	Loss before tax (10-11)	(25.63)	(77.63)	(103.26)	(180.44)
13	Tax expense				
	Tax credit	(11.82)	-	(11.82)	-
	Deferred tax (credit)/expense [refer note 8]	-	-	-	136.10
14	Net loss for the period (12-13)	(13.81)	(77.63)	(91.44)	(316.54)
15	Other comprehensive income				
	(i) Items that will not be reclassified to profit or loss	-	-	-	(1.46)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
16	Total comprehensive income for the period (14+15)	(13.81)	(77.63)	(91.44)	(318.00)
17	Paid-up equity share capital (face value of ₹ 10 each)	261.11	261.11	261.11	261.11
18	Other equity				(39.10)
19	Loss per share (face value of ₹ 10 each) (not annualised for the quarters)				
	(a) Basic (in ₹)	(0.53)	(2.97)	(3.50)	(12.14)
	(b) Diluted (in ₹)	(0.53)	(2.97)	(3.50)	(12.14)



Notes:

1. Statement of assets and liabilities

(₹ in crores, unless otherwise stated)

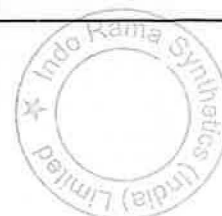
Particulars	Consolidated	
	As at 30 September 2020	As at 31 March 2020
	Unaudited	Audited
A. Assets		
(1) Non-current assets		
(a) Property, plant and equipment [refer note 6]	692.03	702.75
(b) Capital work-in-progress	9.77	7.19
(c) Intangible assets	0.11	0.14
(d) Financial assets		
(i) Loans	3.44	3.35
(ii) Other financial assets	1.53	1.53
(e) Deferred tax assets (net) [refer note 8]	110.01	110.01
(f) Non-current tax assets (net)	6.38	10.54
(g) Other non-current assets	23.98	16.89
Total non-current assets	847.25	852.40
(2) Current assets		
(a) Inventories	212.15	250.54
(b) Financial assets		
(i) Investments	0.07	0.06
(ii) Trade receivables	87.20	91.46
(iii) Cash and cash equivalents	9.24	13.02
(iv) Bank balances other than cash and cash equivalents	7.80	9.96
(v) Other financial assets	5.18	4.88
(c) Other current assets	221.73	260.77
Total current assets	543.37	630.69
TOTAL ASSETS	1,390.62	1,483.09
B. Equity and liabilities		
(1) Equity		
(a) Equity share capital [refer note 10]	261.11	261.11
(b) Other equity	(130.54)	(39.10)
Total equity	130.57	222.01
(2) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	276.85	306.50
(ii) Other financial liabilities	14.84	16.99
(b) Provisions	29.59	27.53
Total non-current liabilities	321.28	351.02
(3) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	168.00	92.87
(ii) Trade payables		
-total outstanding dues of micro enterprises and small enterprises; and	1.54	3.25
-total outstanding dues of creditors other than micro enterprises and small enterprises	560.28	548.45
(iii) Other financial liabilities	85.62	99.24
(b) Other current liabilities	81.95	109.15
(c) Provisions	41.38	57.10
Total current liabilities	938.77	910.06
TOTAL EQUITY AND LIABILITIES	1,390.62	1,483.09



2. Cash flow statement for the six months ended 30 September 2020

(₹ in crores, unless otherwise stated)

Particulars	Consolidated
	Six months ended 30 September 2020
	Unaudited
A. Cash flow from operating activities	
Loss before tax	(103.26)
Add : Adjustment for non-cash and non-operating items	
Depreciation and amortisation expense	17.16
Loss on disposal/discard of property, plant and equipment	0.07
Finance costs	35.45
Interest income	(1.94)
Liabilities/provisions no longer required, written back	(9.34)
Debts/advances written off	7.10
Fair valuation of investments through profit and loss	(0.01)
Operating loss before working capital changes	(54.77)
Adjustments for movement in:	
Changes in trade receivables and other receivables	4.12
Changes in financial assets-loans	(0.09)
Changes in other financial assets	(0.30)
Changes in other assets	20.98
Changes in inventories	38.39
Changes in trade and other payables	10.12
Changes in provisions	0.68
Changes in other financial liabilities	(0.64)
Changes in other liabilities	(27.20)
Cash used in operations before tax	(8.71)
Income taxes refund [net]	15.98
Net cash generated from operating activities [A]	7.27
B. Cash flow from investing activities	
Purchase of property, plant and equipment [including capital advances and creditors for capital goods]	(10.46)
Other bank balances not considered as cash and cash equivalents [net]	2.16
Interest received	1.85
Net cash used in investing activities [B]	(6.45)
C. Cash flow from financing activities	
Repayment of non-current borrowings	(42.66)
Movement in current borrowings [net]	75.13
Payment of lease liabilities	(2.90)
Finance costs paid	(34.17)
Net cash used in financing activities [C]	(4.60)
Net decrease in cash and cash equivalents [A+B+C]	(3.78)
Opening balance of cash and cash equivalent	13.02
Closing balance of cash and cash equivalent	9.24



Notes:

- 3 The above consolidated financial results of Indo Rama Synthetics (India) Limited ("the Company") and its subsidiary (collectively known as "the Group") are prepared in accordance with the requirements of the Accounting Standard ("AS") 110 "Consolidated Financial Statements".
- 4 The above consolidated financial results 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 their respective meetings held on 30 October 2020.
- 5 In March 2020, World Health Organization (WHO) had declared the outbreak of Novel Corona virus "Covid-19" as a pandemic. This pandemic has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations. Complying with the directives of Government, the plant and offices of the Group had been under lock-down, resulting thereto, the operations for the six months period have been impacted.

Given the uncertainty of quick turnaround to normalcy, post lifting of the lock down, the Group has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The Group does not foresee any significant incremental risk to the recoverability of its assets or in its ability to meet its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure.

The management will continue to monitor any material change arising due to the impact of this pandemic on financial and operational performance of the Group and take necessary measures to address the situation. The overall impact on the business of the Group will depend on future developments which cannot be reliably predicted.

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

- 6 The management reassessed remaining useful life of certain assets in the block of plant and equipment with effect from 1 April 2020 on the basis of assessment made by external technical experts. Depending upon the operating conditions and usability of assets, the useful life of the said assets which was hitherto 18 years have been revised to 20 years in case of utilities and to 45 years for the processing plants. Due to this reassessment of remaining useful life, the depreciation for the quarter ended 30 June 2020 is lower by Rs. 12.85 Crores and depreciation for the quarter and half year ended 30 September 2020 is lower by Rs. 12.99 Crores and Rs. 25.84 Crores respectively and loss for the quarter ended 30 June 2020 is lower by Rs. 11.82 Crores and loss for the quarter and half year ended 30 September 2020 is lower by Rs. 12.03 Crores and Rs. 23.85 Crores respectively.

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

- 7 The Group is valuing inventories at cost or net realisable values (NRV), whichever is lower. The exceptional item is towards significant write down in valuation of inventories below cost amounting to Rs. 11.63 crores during the quarter ended 30 June 2020 which is on account of unprecedented decline in global crude oil prices as an outcome of Covid-19 Pandemic.
- 8 The Company's business comprises of manufacture and sale of polyester products. The management has reassessed the carrying value of deferred taxes. Management is confident about the achievement of its long-term business plans and availability of sufficient future taxable profits against which deferred tax is fully recoverable.

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



- 9 The Company has incurred losses during the current quarter and in the previous quarter/years as well. Considering additional equity infusion last year, actions taken to reduce the costs, refinancing of high cost debt, business plan and availability of additional credit lines with the support of the promoter Group Company to the tune of USD 50 million by way of the Stand By Letter of Credit (SBLC) to meet any unforeseen exigencies, management believes that Company will be able to continue as a going concern and will realise its assets and will be able to meet its liabilities at the amounts stated in the books and commitments in the normal course of business.
- 10 The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. As per Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ('LODR') 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. Pursuant to the acquisition of shares by Indo Rama Netherlands BV ('INBV') through open offer, promoters' shareholding increased to 81.72%. In view of SCRR as per SEBI Circular no. CFD/CMD/CIR/P/2017/115 dated 10 October 2017 read with Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/81 dated 14 May 2020, the Promoters informed stock exchanges on 5 October 2020 to avail Offer For Sale (OFS) facility to sell 1,75,50,000 shares to reduce promoters' shareholding to 75%. Out of the above shares offered through OFS facility 1,72,14,647 shares have been sold and the remaining 3,35,353 shares are intended to be sold shortly complying with various applicable regulations.
- 11 The Group's primary business segment is reflected based on principal business activities carried on by the Group. As per Indian Accounting Standard 108, Operating Segments, as notified under the Companies (Indian Accounting Standards) Rules, 2015, the Group operates in one reportable segment i.e. manufacturing of Polyester goods.
- 12 Indorama Yarns Private Limited, a wholly owned subsidiary of the Company, incorporated on 16 August 2019. The Company had subscribed Rs. 10,000,000 towards its share capital on 14 October 2019. During the quarter ended 30 September 2020, Company has further subscribed Rs. 20,000,000 towards its share capital. Accordingly, requirement for presenting comparative consolidated financial results for the quarter and six months ended 30 September 2019 is not applicable.
- 13 Figures for the preceding quarters have been regrouped/recast, wherever necessary.
- 14 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: New Delhi
Date: 30 October 2020

Independent Auditor's Review Report on Consolidated 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 consolidated financial results ('the Statement') of Indo Rama Synthetics (India) Limited ('the Holding Company') and Indorama Yarns Private Limited, its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), for the quarter ended 30 September 2020 and the consolidated year to date results for the period 1 April 2020 to 30 September 2020, being submitted by the Holding 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.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding 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'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure 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. 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

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

Chartered Accountants



Walker Chandniok & Co LLP

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.

4. Based on our review conducted and procedures performed as stated in paragraph 3 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, 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.

5. **Emphasis of matters**

a. **Uncertainties related to Covid-19**

We draw attention to Note 5 to the accompanying Statement, which describes management's assessment of uncertainties relating to the effects of the Covid-19 pandemic on the Group's operations. Our conclusion is not modified in respect of this matter.

b. **Change in useful life of assets**

We draw attention to Note 6 to the accompanying Statement which indicates that the management has re-assessed and revised the remaining useful lives of certain assets in the block of plant and equipment with effect from 1 April 2020 based on technical assessment performed by an independent expert. The effect of change in such accounting estimate has been recognised prospectively in the accompanying Statement in accordance with requirements of Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors. As a consequence, there is a reduction in depreciation expense recognised for the quarter ended 30 September 2020 by Rs. 12.99 crores and for the half year ended 30 September 2020 by Rs. 25.84 crores as described in the afroesaid note. Our conclusion is not modified in respect of this matter.

c. **Recoverability of deferred tax asset**

We draw attention to Note 8 of the accompanying Statement regarding the recoverability of deferred tax amounting to Rs. 110.01 crores as at 30 September 2020 carried in books of accounts in view of the reasons stated therein, the realisation of which would depend on generation of sufficient taxable profits in future periods as anticipated by the management of the Group. Our conclusion is not modified in respect of this matter.

For Walker Chandniok & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Tarun Gupta

Partner

Membership No. 507892

UDIN: - 20507892AAAACJ5399



Digitally signed
by Tarun Gupta
Date:
2020.10.30
18:30:58
+05:30



Place: Gurugram

Date: 30 October 2020

Chartered Accountants