

IRSL:STEXCH:2016-17:
14th November 2016

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor,
Bandra - Kurla Complex,
Bandra (E)
Mumbai - 400 051.
Thru.: **NEAPS**
Stock Code NSE: **INDORAMA**

BSE Limited

Floor 25,
P. J. Towers,
Dalal Street,
Mumbai - 400 001.
Thru.: **BSE Listing Centre**
Stock Code BSE: **500207**

ISIN: INE156A01020

Indo Rama Synthetics (India) Limited - CIN L17124MH1986PLC166615

Sub.: Outcome of the Board Meeting held on 14th November 2016

Dear Sir,

This is in continuation to our earlier letter dated 28th October 2016 and pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that the Board of Directors, in their meeting held today, i.e., 14th November 2016, have approved the Un-audited Financial Results of the Company for the quarter/half year ended 30th September 2016 and enclosing herewith Un-audited Financial Results along with the Limited Review Report of Auditors, as **Annexure - A**.

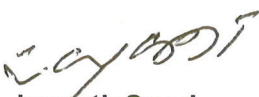
The meeting of the Board of Directors commenced at 12:30 PM and concluded at 1:35 PM.

We are arranging to publish these results in the Newspapers as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for your kind information and record.

Thanking You.

Yours faithfully,
for **Indo Rama Synthetics (India) Limited**



Jayantk Sood
Head-Corporate & Company Secretary
(ICSI Membership No.: FCS 4482)



Encl.: As above.

INDO RAMA SYNTHETICS (INDIA) LTD.

Corporate Office : 20th Floor, DLF Square, DLF Phase-2, NH-8, Gurgaon - 122002, Haryana, India. Tel : 0124-4997000, Fax : 0124-4997070

Registered Office & Manufacturing Complex : A-31, MIDC Industrial Area, Butibori, Nagpur - 441122, Maharashtra, India. Tel : 07104-663000 / 01, Fax : 07104-663200

E-mail : corp@indorama-ind.com • Website : www.indoramaindia.com

CIN : L17124MH1986PLC166615

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.indorama-ind.com, CIN: L17124MH1986PLC166615

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / SIX MONTHS ENDED 30 SEPTEMBER 2016

(Rs. in crores, unless otherwise indicated)

S.No.	Particulars	Quarter Ended			Six Months Ended		
		30.09.2016	30.06.2016	30.09.2015	30.09.2016	30.09.2015	30.09.2015
		Un-audited	Un-audited	Un-audited (Refer note 2)	Un-audited	Un-audited (Refer note 2)	Un-audited (Refer note 2)
1	Income from operations	755.94	695.03	672.50	1,450.97	1,365.03	
	(a) Sales/Income from operations	10.22	14.69	22.53	24.91	37.09	
	(b) Other operating income (refer note 5(b))	766.16	709.72	695.03	1,475.88	1,402.12	
	Total income from operations						
2	Expenses	543.98	509.52	504.00	1,053.50	1,058.94	
	(a) Cost of materials consumed	(2.88)	4.77	9.79	1.89	(62.54)	
	(b) Changes in inventories of finished goods and work-in-progress	67.09	62.58	62.82	129.67	127.43	
	(c) Excise duty on sales	27.52	26.14	23.93	53.66	53.48	
	(d) Employee benefits expense	126.98	102.76	91.89	229.74	189.90	
	(e) Other expenses	762.69	705.77	694.43	1,468.46	1,367.21	
	Total expenses before depreciation and amortisation, finance costs, foreign exchange fluctuation and exceptional items						
3	Profit from operations before depreciation and amortisation, other income, finance costs, foreign exchange fluctuation and exceptional items	3.47	3.95	0.60	7.42	34.91	
4	Depreciation and amortisation expense	19.94	19.47	19.08	39.41	39.33	
5	Total expenses after depreciation and amortisation but before finance costs, foreign exchange fluctuation and exceptional items	782.63	725.24	713.51	1,507.87	1,406.54	
6	Profit / (Loss) from operations before other income, finance costs, foreign exchange fluctuation and exceptional items	(16.47)	(15.52)	(18.48)	(31.99)	(4.42)	
7	Other income	1.18	17.73	1.26	18.91	2.79	
8	Profit / (Loss) from ordinary activities before finance costs, foreign exchange fluctuation and exceptional items	(15.29)	2.21	(17.22)	(13.08)	(1.63)	
9	Finance costs	19.32	20.69	13.83	40.01	24.45	
10	Foreign exchange fluctuation gain / (loss)	12.20	(6.80)	(10.07)	5.40	(6.80)	
11	Profit / (Loss) from ordinary activities	(22.41)	(25.28)	(41.12)	(47.69)	(32.88)	
12	Exceptional items	-	-	(25.96)	-	(25.96)	
	-Inventory losses						
13	Profit / (Loss) from ordinary activities before tax	(22.41)	(25.28)	(67.08)	(47.69)	(58.84)	
14	Income tax expense / (credit) (refer note 3)	(7.72)	(8.72)	(17.37)	(16.44)	(14.99)	
15	Net Profit / (Loss) for the period	(14.69)	(16.56)	(49.71)	(31.25)	(43.85)	
16	Other comprehensive income after tax (OCI)	-	-	-	-	-	
17	Total comprehensive income after tax	(14.69)	(16.56)	(49.71)	(31.25)	(43.85)	
18	Paid-up equity share capital (face value of Rs. 10 per share)	151.82	151.82	151.82	151.82	151.82	
19	Basic and diluted EPS for the period (Rs. per share of Rs. 10 each)	(0.97)	(1.09)	(3.27)	(2.06)	(2.89)	

See accompanying notes to the unaudited financial results.

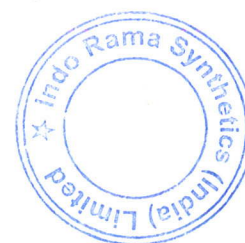


Notes:

(Rs. in crores)

1. Statement of assets and liabilities

Particulars	Standalone
	As at
	30.09.2016
	Un-audited
A. ASSETS	
(1) Non-current assets	
(a) Property, plant and equipment	923.03
(b) Capital work - in - progress	14.25
(c) Financial assets	
(i) Investments	39.85
(ii) Others financial assets	8.61
(d) Deferred tax assets (net)	16.44
(e) Non - current tax assets (net)	13.06
(f) Other non-current assets	8.53
Sub-total - Non-current assets	1,023.77
(2) Current assets	
(a) Inventories	217.94
(b) Financial assets	
(i) Investments	0.91
(ii) Trade receivables	174.81
(iii) Cash and cash equivalents	6.78
(iv) Bank balances other than (iii) above	63.75
(v) Others financial assets	70.88
(c) Other current assets	134.98
Sub-total - Current assets	670.05
TOTAL - ASSETS	1,693.82
B. EQUITY AND LIABILITIES	
(1) Equity	
(a) Equity share capital	151.82
(b) Other equity	404.47
Sub-total - Equity	556.29
(2) Liabilities	
Non-current liabilities	
(a) Financial liabilities	
(i) Borrowings	142.38
(ii) Other financial liabilities	0.24
(b) Long-term provisions	19.65
Sub-total - Non-current liabilities	162.27
Current liabilities	
(a) Financial liabilities	
(i) Borrowings	107.04
(ii) Trade payables	701.29
(iii) Other financial liabilities	88.31
(b) Other current liabilities	57.15
(c) Short-term provisions	21.47
Sub-total - Current liabilities	975.26
TOTAL - EQUITY AND LIABILITIES	1,693.82



2. Financial results for the quarter and six months ended 30 September 2016 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 (IGAAP) results for the quarter and six months ended 30 September 2015 have been restated to make them comparable. The reconciliation of net loss reported under erstwhile IGAAP and as restated under Ind AS is given below:

Particulars	(Rs.in crore)	
	Quarter ended 30.09.2015	Six months ended 30.09.2015
Net loss as per previous GAAP	(43.90)	(38.99)
Fair valuation of investments, classified as fair value through profit and loss (refer note (i) below)	(8.04)	(6.27)
Incremental borrowings cost (refer note (ii) below)	(0.05)	(0.09)
Others (refer note (iii) below)	0.01	0.03
Tax impact of above adjustments	2.27	1.47
Net loss as per Ind AS	(49.71)	(43.85)

- (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.

The Ind AS-compliant figures for corresponding quarter and six months ended 30 September 2015 have not been subjected to review / audit. However, the Company's Board of Directors has exercised necessary due diligence to ensure that such financial results provide a true and fair view of its affairs.

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

5. (a) The Company has carried forward insurance claim recoverable amounting to Rs.33.53 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. Currently, the case is pending with Delhi High Court as the insurance company has gone into appeal against the aforesaid order.



(b) During the quarter and six months ended 30 September 2016, the Company has recognised interest of Rs.0.73 crore and Rs.1.46 crore respectively (for the year ended 31 March 2016 – Rs.10.95 crore) under 'other operating income' on the insurance claim recoverable referred to in 5(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.

6. The Company's business activity falls within a single primary business segment viz. 'Polyester'.
7. The Audit Committee reviewed the above results. The Board of Directors, at their meeting held on 14 November 2016, has approved the above results.
8. The statement does not include Ind AS - compliant results and statement of assets and liabilities for the previous year ended and as at 31 March 2016 as the same are not mandatory as per SEBI's circular dated 5 July 2016.
9. The board of directors has 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. During the quarter, the Company has obtained no objection certificate from BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') subject to certain conditions which the Company is in the process of complying with. The Company is in the process of filing for the necessary approvals from the relevant authorities in this regard.
10. The Statutory Auditors of the Company have reviewed the financial results for the quarter and six months ended 30 September 2016, and report has been issued subject to item 3 and 5(b) above. The report of the Statutory Auditors is being filed with the BSE and 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 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: 14 November 2016

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
Fax: + 91 124 2358 613

Review Report to 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 and six months ended 30 September 2016 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the corresponding quarter and six months ended 30 September 2015 including the reconciliation of loss under Ind AS of the corresponding quarter and six months with loss reported under erstwhile GAAP, as reported in these financial results have been approved by the Company's Board of Directors but have not been subjected to review. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors on 14 November 2016. Our responsibility is to issue a report on this Statement, based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. **Emphasis of matter**

We draw attention to note 5(a) of the Statement which describes the uncertainty related to the outcome of the lawsuit filed by the Company against its insurance company. Our opinion is not modified in respect of this matter.
4. (a) Attention is drawn to note 3 of the Statement relating to Deferred Tax Assets amounting to Rs.16.44 crores as at 30 September 2016 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 quarter and six months would have been higher by Rs.7.72 crores and Rs 16.44 crores respectively and other equity as at 30 September 2016 would have been lower by Rs. 16.44 crores.

(b) Attention is drawn to note 5(b) of the Statement, which enumerates recognition of interest of Rs. 12.41 crores in the books on the insurance claim recoverable by the Company 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 quarter and six months ended 30 September 2016 would have been higher by Rs. 0.73 crores and Rs. 1.46 crores respectively and net loss before and after tax would have been higher by Rs 9.49 crores for the quarter and six months ended 30 September 2015 and other equity as at 30 September 2016 would have been lower by Rs. 12.41 crores.

5. Based on our review conducted as explained in para 1 and 2 above, except for the matters referred to in paragraph 4 above and related disclosure of impact on the financial results, which has been explained in that para, nothing has come to our attention that causes us to believe that the accompanying statement prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 5 July 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B S R and Associates

Chartered Accountants

ICAI Firm registration no. : 128901W



Jiten Chopra

Partner

Membership No.: 092894

Place: Gurgaon

Date: 14 November 2016

