

INDO RAMA Synthetics (India) Limited

Registered Office: 31-A, MIDC Industrial Area, Butibori - 441122, District Nagpur, Maharashtra
Corporate Office: Dr. Gopal Das Bhawan, 28 Barakhamba Road, New Delhi - 110001

FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2008

(Rs. in Crores, unless otherwise indicated)

S. No.	Particulars	Year Ended	
		Audited	
		31.03.2008	31.03.2007
1	Gross Turnover	2,721.82	2,156.87
	Less : Excise Duty on Sales	176.30	145.19
	Net Turnover	2545.52	2,011.68
2	Other Income	125.54	60.78
3	Total Income (1+2)	2671.06	2072.46
4	Expenditure :		
	A. (Increase) in Stock-in-Trade and work in progress	(54.50)	(132.65)
	B. Movement in Excise Duty on Stocks-in-Trade	2.73	11.92
	C. Consumption of Raw-materials	2,071.34	1,662.49
	D. Purchase of traded goods	-	26.11
	E. Employees Cost	52.11	39.41
	F. Other Expenditure	361.09	288.16
	Total	2,432.77	1,895.44
5	Earning Before Interest, Depreciation & Taxes (EBIDTA) (3-4)	238.29	177.02
6	Depreciation / Amortisation	147.33	106.81
7	Profit Before Interest & Tax (5-6)	90.96	70.21
8	Interest	83.85	35.93
9	Net Profit / (Loss) Before Tax (PBT) (7-8)	7.11	34.28
10	Provision for Taxation		
	- Income Tax (MAT)	0.91	2.32
	- Less: MAT Credit Entitlement	(0.91)	(2.32)
	- Reversal of excess MAT liability for earlier years	-	(0.59)
	- Fringe Benefit Tax	1.26	0.90
	- Deferred Tax Charge	2.83	13.33
	- Total tax expense	4.09	13.64
11	Net Profit / (Loss) after Tax (PAT) (9-10)	3.02	20.64
12	Paid-up Equity Share Capital (Face Value of Rs.10 per share)	151.83	131.83
13	Reserves (excluding Revaluation Reserve)	377.30	412.36
14	Basic and diluted EPS for the period (Not Annualised) (Rs.)	0.20	1.57
15	Total Public Shareholding		
	- Number of Shares (Nos.)	45,796,027	45,500,659
	- Percentage of Shareholding (%)	30.16	34.51

Reporting of Segment Wise Revenue, Results and Capital Employed under clause 41 of the Listing Agreement for the year ended March 31, 2008

(Rs. in Crores,)

S. No.	Particulars	Year Ended	
		Audited	
		31.03.2008	31.03.2007
1	Segment Revenue (Net Sales/Income)		
	a) Segment - Polyester	2,604.27	-
	b) Segment - Power	185.03	-
	c) Unallocated	12.54	-
	Total	2,801.84	-
	Less : Inter Segment Revenue	130.78	-
	Net Sales/Income from operations	2,671.06	-
2	Segment Results (Profit(+)/ Loss(-) before tax and interest from each Segment)		
	a) Segment - Polyester	54.30	-
	b) Segment - Power	49.04	-
	Total	103.34	-
	Add : Unallocable income net of unallocable expenditure		
	Less:		
	i. Interest	83.85	-
	ii. Other unallocable expenditure net of unallocable income	8.99	-
	iii. Eliminator of Profit / (Loss) due to Inter Segment Revenue	3.39	-
	Total Profit Before Tax	7.11	-
3	Capital Employed (Segment Assets - Segment Liabilities)		
	a) Segment - Polyester	1,656.68	-
	b) Segment - Power	173.61	-
	c) Unallocated	(1,301.17)	-
	Total	529.12	-

Notes:-

- The results for the year ended March 31, 2008 have been audited by the Auditors and were taken on record at the Board of Directors Meeting held on June 30, 2008.
- Indo Rama Petrochemicals Limited (IRPL), engaged in the business of power, has been amalgamated with the Company. The Scheme of Amalgamation (Scheme) was sanctioned by the Hon'ble High Court of Judicature at Bombay, Nagpur Bench vide its Order dated December 17, 2007. The Scheme became effective on December 31, 2007; the Appointed Date of the Scheme is February 1, 2007.
- Effective 1st April, 2007, the Company had changed its accounting policy to adjust the foreign exchange fluctuations on borrowings, for the acquisition of fixed assets, to the profit and loss account instead of fixed assets as suggested by AS 11 (revised). However, effective 1st January, 2008, based on a legal opinion, the Company decided to revert back to the original policy of capitalizing the foreign exchange fluctuations on imported fixed assets as stipulated by Schedule VI, to the Companies Act, 1956. Due to this change profit after tax, for the year increased by Rs.23.87 crores.
- A fire broke out at the Butibori Plant of the Company on October 29, 2007. Fixed assets with the carrying value of Rs.3.39 Crores were damaged/ destroyed in the fire. The loss is insured at replacement value. Assets lost in fire have been de-capitalized and have been shown as recoverable from the Insurance Company.
The Company also holds 'loss of profit' policy and is eligible for compensation for loss suffered due to business interruption. The Company has lodged a claim with the Insurance Company for such loss of profit. Pending final assessment by the Insurance Company, the Company has accounted for Rs.40.00 Crores, in the current year which is included in Other Income against which the Company has already received Rs. 6.00 crores. The management is of the view that ultimate collection of amount accounted for is reasonably certain.
Second fire broke at Butibori Plant on January 2, 2008 resulting in damage to finished goods. On the basis of assessment made by the surveyor, the Company has accounted for Rs. 8.85 Crores, included in Other Income, as claim recoverable from Insurance Company. The claim has been settled subsequently.
- The Company had provided for Income-Tax under the provisions of Section 115JB of the Income-Tax Act, 1961 for the years 2001-02 to 2006-07. Based on expert opinion, Deferred Tax as provided for in the books of account was considered as an admissible deduction from net profit for determining Book Profit under Section 115JB (2) of the Income-Tax Act, 1961. In Finance Budget 2008, Section 115JB has been amended retrospectively from AY 2001-02 wherein a new clause has been inserted providing that the profits under MAT computation would be increased by the amount of charge of deferred tax. In view of above amendment, the Company has revised computation of Income-Tax for the years 2001-02 to 2006-07 and accordingly has adjusted Rs.14.77 Crores (net of MAT Credit Entitlement Rs.2.64 Crores) from General Reserve as this liability relates to earlier year. This is a subject matter of qualification in auditors report. Had the same been charged to current year profit and loss account, profit after tax for the year would have reduced by Rs. 14.77 Crores.
- The Company has outstanding derivative instruments taken for hedging transaction undertaken for its variable interest rate and foreign currency related exposures on which mark to market loss as on March 31, 2008 stood at Rs.11.74 Crores. The Company does not hold or issue derivative financial instruments for trading or speculative purpose and all the derivative entered into by the Company are to mitigate or offset the risk that arise from their normal business activities only. Pending adoption of AS 30, the Company has not provided for the losses on mark to market basis. This is a subject matter of qualification in auditors report. Had the above loss been provided for, profit after tax for the year would have reduced by Rs.7.75 Crores. The above mark to market loss is expected to flow back through future cash flows.
- Pursuant to merger of Indo Rama Petrochemicals Limited with the Company, Power has been identified as a separate business segment in accordance with the requirements of Accounting Standards 17 "Segment Reporting". Accordingly, relevant information has been disclosed along with results.
- The Board of Directors have recommended a dividend of Rs 1.00 per equity share (previous year Rs 1.00 per equity share).
- There was no investor complaint pending at the beginning of the quarter. During the quarter ended March 31, 2008, 17 investors complaints were received and all the 17 complaints were suitably disposed-off and no complaint was pending as on March 31, 2008.
- Previous year figures have been regrouped / recast wherever necessary, to make them comparable.

For and on behalf of the Board of Directors

Place : New Delhi
Date : June 30, 2008

O. P. Lohia
Chairman & Managing Director