

# 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 QUARTER / HALF YEAR ENDED SEPTEMBER 30, 2008

(Rs. in Crores, unless otherwise indicated)

S. No.	Particulars	Second Quarter Ended		Half Year Ended		Year Ended
		30.09.2008	30.09.2007	30.09.2008	30.09.2007	31.03.2008
		Un-audited		Un-audited		Audited
1	Gross Turnover	516.97	715.92	1,369.86	1,452.77	2,734.02
	Less : Excise Duty on Sales	28.61	46.56	78.44	96.48	176.30
	Net Turnover	488.36	669.36	1,291.42	1,356.29	2,557.72
2	Other operating Income	1.90	2.72	7.51	8.54	87.71
3	Total Income (1+2)	490.26	672.08	1,298.93	1,364.83	2,645.43
4	Expenditure :					
	A. Decrease / (Increase) in Stock-in-Trade and work in progress	81.88	(126.28)	215.47	(90.09)	(54.50)
	B. Movement in Excise Duty on Stocks-in-Trade	(5.98)	12.04	(17.07)	9.43	2.73
	C. Consumption of Raw - materials	306.96	602.25	810.02	1,131.32	2,071.34
	D. Employees Cost	13.34	12.52	27.04	25.03	52.11
	E. Other Expenditure	79.14	101.78	181.57	198.42	361.09
	Total	475.34	602.31	1,217.03	1,274.11	2,432.77
5	Earning Before Other income, Exceptional items, Interest, Depreciation & Taxes (3-4)	14.92	69.77	81.90	90.72	212.66
6	Depreciation / Amortisation	37.98	34.68	75.47	69.09	147.33
7	Profit Before Other income, Interest, Exceptional items & Tax (5-6)	(23.06)	35.09	6.43	21.63	65.33
8	Other Income	1.74	2.15	5.81	5.60	9.45
9	Profit Before Interest, Exceptional items & Tax (7+8)	(21.32)	37.24	12.24	27.23	74.78
10	Interest	24.30	19.77	48.85	39.00	95.65
11	Profit Before Exceptional items & Tax (9-10)	(45.62)	17.47	(36.61)	(11.77)	(20.87)
12	Exceptional items-Foreign Exchange fluctuation					
	Current quarter	60.10				
	Previous quarter	(12.87)				
		47.23	(0.70)	87.34	(34.09)	(27.98)
13	Net Profit / (Loss) Before Tax (PBT) (11-12)	(92.85)	18.17	(123.95)	22.32	7.11
14	Provision for Taxation					
	Income Tax (MAT)	-	1.33	-	1.59	0.91
	Less: MAT Credit Entitlement	-	(1.33)	-	(1.59)	(0.91)
	Reversal of excess MAT liability for earlier years	-	-	-	-	-
	Fringe Benefit Tax	0.19	0.21	0.40	0.70	1.26
	Deferred Tax Charge					
	Current quarter	(35.93)				
	Previous quarter	4.37				
	Total tax expense	(31.37)	6.37	(41.66)	8.25	4.09
15	Profit after Tax (PAT) (13-14)	(61.48)	11.80	(82.29)	14.07	3.02
16	Paid-up Equity Share Capital (Face Value of Rs.10 per share)	151.83	131.83	151.83	131.83	151.83
17	Reserves (excluding Revaluation Reserve)					377.30
18	Basic and diluted EPS for the period (Not Annualised) (Rs.)	(4.05)	0.90	(5.42)	1.07	0.20
19	Total Public Shareholding :					
	Number of Shares (Nos.)	45,796,027	45,740,700	45,796,027	45,740,700	45,796,027
	Percentage of Shareholding (%)	30.16	34.70	30.16	34.70	30.16

Reporting of Segment Wise Revenue, Results and Capital Employed under clause 41 of the Listing Agreement for the Quarter / Half Year ended September 30, 2008.

(Rs. in Crores)

S. No.	Particulars	Second Quarter Ended		Half Year Ended		Year Ended
		30.09.2008	30.09.2007	30.09.2008	30.09.2007	31.03.2008
		Un-audited		Un-audited		Audited
1	Segment Revenue (Net Sales/Income )					
	a) Segment - Polyester	457.95	672.08	1,234.48	1,357.56	2,590.47
	b) Segment - Power	50.70	33.13	109.89	64.95	185.03
	c) Unallocated	0.13	(0.01)	0.14	0.02	0.71
	Total	508.78	705.20	1,344.51	1,422.53	2,776.21
	Less : Inter Segment Revenue	18.52	33.12	45.58	57.70	130.78
	Net Sales/Income from operations	490.26	672.08	1,298.93	1,364.83	2,645.43
2	Segment Results (Profit+)/Loss(-) before tax and interest from each Segment)					
	a) Segment - Polyester	(54.51)	35.87	(42.37)	36.81	54.30
	b) Segment - Power	11.66	9.74	20.82	18.81	49.04
	Total	(42.85)	45.61	(21.55)	55.62	103.34
	Add: Unallocable income net of unallocable expenditure	-	-	-	9.59	2.81
	Less:					
	i. Interest	24.30	19.77	48.85	39.00	95.65
	ii. Other unallocable expenditure net of unallocable income	25.70	5.71	53.55	-	-
	iii. Eliminator of Profit / (Loss) due to Inter Segment Revenue	-	1.96	-	3.89	3.39
	Total Profit / (Loss) Before Tax	(92.85)	18.17	(123.95)	22.32	7.11
3	Capital Employed (Segment Assets - Segment Liabilities)					
	a) Segment - Polyester	1,481.54	1,615.08	1,481.54	1,615.08	1,656.68
	b) Segment - Power	167.54	31.51	167.54	31.51	173.61
	c) Unallocated	(1,202.35)	(1,088.33)	(1,202.35)	(1,088.33)	(1,301.17)
	Total	446.73	558.26	446.73	558.26	529.12

Notes:-

- The results for the quarter / half year ended 30 September 2008 have been reviewed by the Auditors and were taken on record at the Board of Directors Meeting held on 31 October 2008.
- The Company has continued to adjust the foreign exchange fluctuations on amounts borrowed for acquisition of imported fixed assets, to the carrying cost of fixed assets, in compliance with Schedule VI to the Companies Act, 1956, based on a legal opinion obtained, which is at variance to the treatment prescribed in Accounting Standard (AS-11) on 'Effects of Changes in Foreign Exchange Rates' notified in the Companies (Accounting Standards) Rules 2006. Had the Company accounted for the relevant foreign exchange differences, in accordance with the said standard, the net loss for the quarter would be lower by Rs.1.42 crores and the net loss for the six month period ended 30 September 2008 would have been higher by Rs.19.09 crores respectively.
- The Company has outstanding derivative instruments taken for hedging transaction undertaken for foreign currency related exposure on which mark to market loss as on September 30, 2008 stood at Rs. 39.95 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 as per the announcement of the Institute of Chartered Accountant of India on Accounting for Derivatives. Had the treatment as per the above announcement been followed, the net loss after tax till 30 September 2008 would have increased by Rs.26.37 crores on account of the cumulative effect of the above treatment.
- During the quarter the Company has effected a Change in Accounting Policy with regards to its accounting for benefits under Advance License, in accordance with Expert Advisory Committee (ICAI) opinion. Whilst hitherto, the Company was making provisions for Customs duty at the time of import under advance license, in accordance with the above stated opinion, such provisions are now not made at the time of import. The impact of this change has been recognized in full which has resulted in a write back during the current quarter by Rs. 17.05 crores.
- Result of the current quarter includes figures for the erstwhile Indo Rama Petrochemicals Limited, merged with the Company vide court order dated 17 December 2007, therefore result for the quarter to that extent is not comparable with the corresponding figures of the previous quarter.
- There was no investor complaint pending at the beginning of the quarter. During the quarter ended 30 September 2008, 20 investor complaints were received and all the 20 complaints were suitably disposed-off and no complaint was pending as on 30 September 2008.
- Previous year / half year / quarter figures have been regrouped / recast wherever necessary, to make them comparable.

For and on behalf of the Board of Directors  
O. P. Lohia  
Chairman & Managing Director

Place : New Delhi  
Date : October 31, 2008