

Indo-Rama Synth to merge arm

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Leading textiles firm Indo Rama Synthetics plans to merge its subsidiary Indo Rama Petrochemicals Ltd (IR-PL) with itself in a cost saving move. The company's board will meet on November 30 to take a decision on the cost saving merger.

Indo Rama Synthetics Chairman and head of the Indo Rama Group, OP Lohia refused to divulge the details of the proposed move but said that there were good commercial reasons behind the merger. Company sources, however, said that the company would stand to benefit by around Rs 13 crore annually post merger.

"We have done an internal analysis and found that there will be major financial gains as we will save on costs, sales tax, value-added tax and service tax," the source said.

IRPL is also involved in building a 30 mw coal-fired captive power plant at Butibori near Nagpur for Indo Rama Synthetics, which has already begun its trial run.