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Indo Rama Synthetics net drops 78%

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Indo Rama Synthetics India Ltd (IRSL) has reported a 78-per-cent plunge in net profit at Rs 2.18 crore for the quarter ended June 30, 2006, as against Rs 10.03 crore for the corresponding period last year. The company said its net sales dropped marginally to Rs 468.38 crore against Rs 498.98 crore for the first quarter of 2004-05. Commenting on the results, Mr O.P. Lohia, Chairman and Managing Director, IRSL said, "We have faced several challenges this quarter in the wake of surging petrochemicals prices, higher cost of power and a difficult raw materials availability scenario. These factors were compounded by an inverted excise duty structure in the value-chain which had resulted in significant cash blockage by way of unutilised Cenvat credit." Production was affected by the raw material shortage, impacting both turnover and profitability, he said. — **Our Bureau**