

# B S R and Associates

Chartered Accountants

Building No.10, 8th Floor, Tower-B  
DLF Cyber City, Phase - II  
Gurgaon - 122 002 (India)

Telephone:+91-124-2549191  
Fax: +91-124-2549101

Independent Auditors' Report  
To the Board of Directors  
**Indo Rama Synthetics (India) Limited**

1. We have audited the accompanying statement of annual Financial Results ('Statement') of Indo Rama Synthetics (India) Limited ('the Company') for the year ended 31 March 2013, attached herewith, being submitted by the Company pursuant to the requirements of clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding', which have been traced from disclosures made by the management and have not been audited by us. Attention is drawn to the fact that the figures for the quarter ended 31 March 2013 and the corresponding quarter ended in the previous year, as reported in these financial results, are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of third quarter of the relevant financial year. Also the figures upto the end of the third quarter had only been reviewed and not subjected to audit.
2. These financial results have been prepared by the Company on the basis of the annual financial statements and reviewed quarterly financial results upto the end of the third quarter, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of the annual financial statements which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Accounting Standards) Rules, 2006 in terms of Section 211(3C) of the Companies Act, 1956, and other accounting principles generally accepted in India and in compliance with Clause 41 of the Listing Agreement.
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the financial results. An audit includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
4. In our opinion and to the best of our information and according to the explanations given to us, these financial results:
  - (i) are presented in accordance with the requirements of Clause 41 of the Listing Agreement in this regard; and
  - (ii) give a true and fair view of the net profit and other financial information for the year ended 31 March 2013.

5. Emphasis of matter

Attention is drawn to note 7 to the financial results, which explains the early application since the year 2010-11 of Accounting Standard 30 "Financial Instruments- Recognition and Measurement", issued by the Institute of Chartered Accountants of India. An amount of Rs. 21.11 Crores has been recognized as income in these financial statements for the year ended 31 March 2013 and included in exceptional items as an adjustment on application of Accounting Standard 30. Our opinion is not qualified in respect of this matter.

Further, we report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholding in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of Clause 35 of the Listing Agreement, and found the same to be in accordance therewith.

*For B S R and Associates*  
*Chartered Accountants*  
Firm registration number: 128901W



**Kaushal Kishore**  
*Partner*  
Membership No.: 090075

Place: Gurgaon  
Date: 10 May 2013



**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  
**STANDALONE FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2013**

(Rs. in Crores, unless otherwise indicated)

PART I S.No.	Particulars	Quarter Ended 31.12.2012		Year ended 31.03.2012	
		31.03.2013 Audited*	Un-audited	31.03.2012 Audited*	Audited
1	<b>Income from operations</b> (a) Net sales/income from operations (Net of excise duty) (b) Other operating income	681.78 25.21	694.61 8.91	786.98 6.08	2,943.27 25.53
	<b>Total income from operations (net)</b>	<b>706.99</b>	<b>703.52</b>	<b>793.06</b>	<b>2,968.80</b>
2	<b>Expenses</b> (a) Cost of materials consumed (b) Purchase of stock-in-trade (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade (d) Employee benefits expense (e) Other expenses <b>Total expenses before depreciation and amortisation, finance costs, exceptional item and tax</b>	635.83 (13.71) 19.04 78.00 711.80	580.32 5.83 20.58 78.00 684.73	625.07 40.56 17.86 85.97 769.46	2,426.62 0.46 8.46 351.68 2,868.46
3	<b>(Loss) / Profit from operations before depreciation and amortisation, other income, finance costs, exceptional item and tax</b>	<b>(4.81)</b>	<b>18.79</b>	<b>23.60</b>	<b>111.80</b>
4	Depreciation and amortisation expense	38.48	40.49	39.16	154.36
5	<b>Total expenses after depreciation and amortisation, before finance costs, exceptional item and tax</b>	<b>750.28</b>	<b>725.22</b>	<b>808.62</b>	<b>3,011.36</b>
6	<b>(Loss) from operations before other income, finance costs, exceptional item and tax</b>	<b>(43.29)</b>	<b>(21.70)</b>	<b>(15.56)</b>	<b>(42.56)</b>
7	Other income	3.51	72.16	3.02	207.26
8	<b>Profit from ordinary activities before finance costs, exceptional item and tax</b>	<b>(39.78)</b>	<b>50.46</b>	<b>(12.54)</b>	<b>164.70</b>
9	Finance costs (refer to note 6)	13.86	9.33	13.03	61.22
10	<b>Profit from ordinary activities before exceptional item and tax</b>	<b>(53.64)</b>	<b>41.13</b>	<b>(25.57)</b>	<b>103.48</b>
11	Exceptional item-foreign exchange fluctuation gain / (loss) (refer to note 4)	23.49	(38.92)	78.04	(65.25)
12	<b>Profit from ordinary activities before tax</b>	<b>(30.15)</b>	<b>2.21</b>	<b>52.47</b>	<b>38.23</b>
13	<b>Income tax expense / (credit)</b>	<b>7.91</b>	<b>0.38</b>	<b>17.00</b>	<b>6.27</b>
14	<b>Net Profit for the period</b>	<b>(38.06)</b>	<b>1.83</b>	<b>35.47</b>	<b>31.96</b>
15	Paid-up equity share capital (face value of Rs. 10 per share)				151.82
16	Reserves excluding revaluation reserves as per balance sheet of previous accounting year	151.82	151.82	151.82	398.60
17	Basic and diluted EPS for the period (not annualised) (Rs. per share of Rs. 10 each)	(2.51)	0.12	2.34	2.11

\* Figures for the 3 months ended 31 March 2013 and 31 March 2012 are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto the third quarter of the financial year. Also, the figures upto the end of the third quarter were only reviewed and not subjected to audit.



**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  
**STANDALONE FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2013**

**PART II**

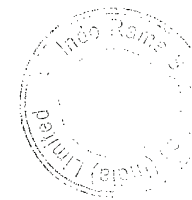
	Particulars	Quarter Ended			Year Ended	
		31.03.2013	31.12.2012	31.03.2012	31.03.2013	31.03.2012
<b>A</b>	<b>PARTICULARS OF SHAREHOLDING</b>					
1	Total public shareholding - (including Global Depository Receipts)					
	- Number of shares (Nos.)	54,570,835	54,570,835	54,497,751	54,570,835	54,497,751
	- Percentage of shareholding (%)	35.94	35.94	35.90	35.94	35.90
2	Promoters and promoter group shareholding :					
	a) Pledged/encumbered	-	-	-	-	-
	- Number of shares	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-
	b) Non-encumbered	-	-	-	-	-
	- Number of shares	97,251,407	97,251,407	85,324,491	97,251,407	85,324,491
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	87.67	100.00	87.67
	- Percentage of shares (as a % of the total share capital of the company)	64.06	64.06	56.20	64.06	56.20

	Particulars	Quarter Ended
		31.03.2013
<b>B</b>	<b>INVESTOR COMPLAINTS</b>	
	Pending at the beginning of the quarter	17
	Received during the quarter	17
	Disposed off during the quarter	-
	Remaining unresolved at the end of the quarter	-



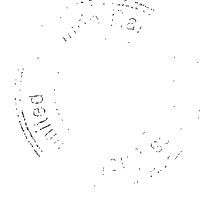
## I. Statement of assets and liabilities

Particulars	Standalone	
	As at 31.03.2013	As at 31.03.2012
	Audited	
<b>A. EQUITY AND LIABILITIES</b>		
<b>(1) Shareholders' funds</b>		
(a) Share capital	151.82	151.82
(b) Reserves and surplus	456.63	447.51
(c) Money received against share warrants	20.30	20.30
<b>Sub-total - Shareholders' funds</b>	<b>628.75</b>	<b>619.63</b>
<b>(2) Non-current liabilities</b>		
(a) Long-term borrowings	147.57	195.76
(b) Deferred tax liabilities (Net)	207.09	213.37
(c) Other long-term liabilities	0.84	0.78
(d) Long-term provisions	14.93	14.75
<b>Sub-total - Non-current liabilities</b>	<b>370.43</b>	<b>424.66</b>
<b>(3) Current liabilities</b>		
(a) Short-term borrowings	342.72	257.20
(b) Trade payables	536.03	556.10
(c) Other current liabilities	134.12	223.23
(d) Short-term provisions	27.85	23.68
<b>Sub-total - Current liabilities</b>	<b>1,040.72</b>	<b>1,060.21</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>2,039.90</b>	<b>2,104.50</b>
<b>B. ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Fixed assets	1,175.67	1,301.05
(b) Non-current investments	36.99	-
(c) Long-term loans and advances	80.51	53.22
(d) Other non-current assets	19.61	10.04
<b>Sub-total - Non-current assets</b>	<b>1,312.78</b>	<b>1,364.31</b>
<b>(2) Current assets</b>		
(a) Current investments	10.30	14.83
(b) Inventories	303.60	363.60
(c) Trade receivables	87.53	96.05
(d) Cash and bank balances	36.94	30.97
(e) Short-term loans and advances	139.96	102.14
(f) Other current assets	148.79	132.60
<b>Sub-total - Current assets</b>	<b>727.12</b>	<b>740.19</b>
<b>TOTAL - ASSETS</b>	<b>2,039.90</b>	<b>2,104.50</b>



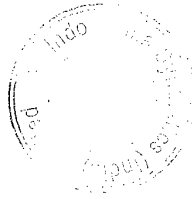
**Notes (contd.):**

2. The Audit Committee and the Board of Directors, at their meetings held on 10 May 2013, have approved the above results.
3. The Statutory Auditors of the Company have audited the financial results for the year ended 31 March 2013. The figures for the quarter ended 31 March 2013, as reported in these financial results, are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year. An unqualified report has been issued and the same is being filed with the Bombay and National Stock Exchanges.
4. Due to significant volatility in the foreign currency vis-à-vis local currency, the Company has considered the foreign exchange fluctuation as an exceptional item.
5. On 9 November 2010, the Company had allotted 20,000,000 Fully Convertible Preferential warrants (FCPs) at Rs. 40.60 per warrant (aggregating Rs. 81.20 Crores) as per Securities and Exchange Board of India (SEBI) and other guidelines, as applicable. As per the terms of the warrants, Rs. 10.15 per warrant (aggregating Rs. 20.30 Crores) have been received and balance amount of Rs. 30.45 per warrant (aggregating Rs. 60.90 Crores) was payable within 18 months of allotment of the warrants. The warrants were convertible into equity shares within a period of 18 months from the date of allotment of warrants at the option of the warrant holders. Upon conversion, one warrant will be converted into one fully paid equity share of Rs.10 each and amount of Rs. 30.60 will be adjusted towards share premium account. Subsequently, the Company has received request from warrant holders for extending the period upto May 2014 for payment of balance amount of Rs. 60.90 Crores. Accordingly, the Company has requested for extension of time to Securities and Exchange Board of India (SEBI) and is in the process of filing application to Ministry of Corporate Affairs for approval.
6. Hitherto, the exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost, were treated as borrowing cost in terms of the Accounting Standard (AS) - 16, "Borrowing Costs". During the year, pursuant to a clarification dated 9 August 2012 from the MCA, the Company has changed the accounting policy, w.e.f from 1 April 2011 to treat the same as "foreign exchange fluctuation" to be accounted as per AS-11, "The Effects of Changes in Foreign Exchange Rates" instead of the "borrowing costs". This change has resulted into increase in other income by Rs. 2.75 Crores (pertaining to the year ended 31 March 2012) for the year ended 31 March 2013 and the increase in depreciation for the year ended 31 March 2013 by Rs. 0.15 Crores (pertaining to the year ended 31 March 2012).
7. The Company had made an early application, since the year 2010-11, of Accounting Standard 30 "Financial Instruments- Recognition and Measurement", issued by The Institute of Chartered Accountants of India for accounting for forward exchange contracts taken for highly probable / forecast transactions, which are not covered by AS-11. An amount of Rs. 21.11 Crores has been recognized as income in these financial statements for the year ended 31 March 2013 and included in exceptional items as an adjustment on the said application of Accounting Standard 30.
8. The Board of Directors' have recommended, subject to approval of shareholders, a dividend of Re. 1 per equity share of Rs. 10 each, aggregating to Rs. 17.76 Crores, including dividend distribution tax.
9. The Company's business activity falls within a single primary business segment viz. 'Polyester'.



10. 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**



A handwritten signature in black ink, appearing to be "Om Prakash Lohia".

**Om Prakash Lohia**  
Chairman & Managing Director

Place: Gurgaon  
Date: 10 May 2013

# B S R and Associates

Chartered Accountants

Building No.10, 8th Floor, Tower-B  
DLF Cyber City, Phase - II  
Gurgaon - 122 002 (India)

Telephone:+91-124-2549191  
Fax: +91-124-2549101

Independent Auditors' Report  
To the Board of Directors

## **Indo Rama Synthetics (India) Limited**

1. We have audited the accompanying consolidated financial results ('Statement') of Indo Rama Synthetics (India) Limited ('the Company') and its subsidiaries (collectively referred to as 'the Group') for the year ended 31 March 2013, attached herewith, being submitted by the Group pursuant to the requirements of clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding', which have been traced from disclosures made by the management and have not been audited by us.
2. These consolidated financial results have been prepared by the Group on the basis of the annual consolidated financial statement, which are the responsibility of the Group's management. Our responsibility is to express an opinion based on our audit of the annual consolidated financial results, which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Accounting Standards) Rules, 2006 in terms of Section 211(3C) of the Companies Act, 1956, and other accounting principles generally accepted in India and in compliance with Clause 41 of the Listing Agreement.
3. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the consolidated financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
4. We report that the consolidated financial results have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements" and on the basis of the separate audited financial statements of the Company and its subsidiaries, included in the consolidated financial results.
5. In our opinion and to the best of our information and according to the explanations given to us, these consolidated financial results:
  - (i) are presented in accordance with the requirements of Clause 41 of the Listing Agreement in this regard; and
  - (ii) give a true and fair view of the consolidated net profit and other financial information for the year ended 31 March 2013.



6. Emphasis of matter

Attention is drawn to note 8 to the consolidated financial results, which explains the early application since the year 2010-11 of Accounting Standard 30 "Financial Instruments- Recognition and Measurement", issued by the Institute of Chartered Accountants of India. An amount of Rs. 21.11 Crores has been recognized as income in these consolidated financial statements for the year ended 31 March 2013 and included in exceptional items as an adjustment on application of Accounting Standard 30. Our opinion is not qualified in respect of this matter.

Further, we report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholding in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of Clause 35 of the Listing Agreement, and found the same to be in accordance therewith.

*For B S R and Associates*  
*Chartered Accountants*  
Firm Registration No: 128901W

*sd-*  
**Kaushal Kishore**  
*Partner*  
Membership No: 090075

Place: Gurgaon  
Date: 10 May 2013

*SK*

**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

**CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2013**

**PART I**

*(Rs.in Crores, unless otherwise indicated)*

S.No.	Particulars	Year ended	
		31.03.2013	
		Audited	
1	<b>Income from operations</b>		
	(a) Net sales/income from operations (Net of excise duty)		2,865.02
	(b) Other operating income		45.11
	<b>Total income from operations (net)</b>		<b>2910.13</b>
2	<b>Expenses</b>		
	(a) Cost of materials consumed		2,426.62
	(b) Purchase of stock-in-trade		0.46
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		8.46
	(d) Employee benefits expense		81.24
	(e) Other expenses		352.66
	<b>Total expenses before depreciation and amortisation, finance costs, exceptional item and tax</b>		<b>2,869.44</b>
3	<b>(Loss) / Profit from operations before depreciation and amortisation, other income, finance costs, exceptional item and tax</b>	<b>(1-2)</b>	<b>40.69</b>
4	Depreciation and amortisation expense		158.00
5	<b>Total expenses after depreciation and amortisation, before finance costs, exceptional item and tax</b>	<b>(2+4)</b>	<b>3,027.44</b>
6	<b>(Loss) from operations before other income, finance costs, exceptional item and tax</b>	<b>(1-5)</b>	<b>(117.31)</b>
7	Other income		240.78
8	<b>Profit from ordinary activities before finance costs, exceptional item and tax</b>	<b>(6+7)</b>	<b>123.47</b>
9	Finance costs		44.52
10	<b>Profit from ordinary activities before exceptional item and tax</b>	<b>(8-9)</b>	<b>78.95</b>
11	Exceptional item-foreign exchange fluctuation gain / (loss) (refer to note 5)		(39.26)
12	<b>Profit from ordinary activities before tax</b>	<b>(10+11)</b>	<b>39.69</b>
13	Tax expense / (credit)		(0.57)
14	<b>Net Profit for the period</b>	<b>(12-13)</b>	<b>40.26</b>
15	Paid-up equity share capital (face value of Rs.10 per share)		151.82
16	Reserves excluding revaluation reserves as per balance sheet of previous accounting year		421.10
17	Basic and diluted EPS for the period (not annualised) (Rs. per share of Rs. 10 each)		2.65

**PART II**

**SELECT INFORMATION FOR THE YEAR ENDED 31 MARCH 2013**

S.No.	Particulars	Year ended	
		31.03.2013	
		Audited	
<b>A</b>	<b>PARTICULARS OF SHAREHOLDING</b>		
1	Total public shareholding (including Global Depository Receipts):		
	- Number of shares (Nos.)		54,570,835
	- Percentage of shareholding (%)		35.94
2	Promoters and promoter group shareholding :		
a)	Pledged/encumbered		
	- Number of shares		-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)		-
	- Percentage of shares (as a % of the total share capital of the company)		-
b)	Non-encumbered		
	- Number of shares		97,251,407
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)		100.00
	- Percentage of shares (as a % of the total share capital of the company)		64.06

*(Page 1 of 4)*



## I. Statement of assets and liabilities

(Rs in Crores, unless otherwise indicated)

Particulars	As at
	31.03.2013
	Audited
<b>A. EQUITY AND LIABILITIES</b>	
<b>(1) Shareholders' funds</b>	
(a) Share capital	151.82
(b) Reserves and surplus	455.63
(c) Money received against share warrants	20.30
<b>Sub-total - Shareholders' funds</b>	<b>627.75</b>
<b>(2) Non-current liabilities</b>	
(a) Long-term borrowings	287.66
(b) Deferred tax liabilities (Net)	207.09
(c) Other long-term liabilities	0.84
(d) Long-term provisions	15.01
<b>Sub-total - Non-current liabilities</b>	<b>510.60</b>
<b>(3) Current liabilities</b>	
(a) Short-term borrowings	342.72
(b) Trade payables	536.08
(c) Other current liabilities	142.09
(d) Short-term provisions	27.85
<b>Sub-total - Current liabilities</b>	<b>1,048.74</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>2,187.09</b>
<b>B. ASSETS</b>	
<b>(1) Non-current assets</b>	
(a) Fixed assets	1,381.50
(b) Long-term loans and advances	86.40
(c) Other non-current assets	19.61
<b>Sub-total - Non-current assets</b>	<b>1,487.51</b>
<b>(2) Current assets</b>	
(a) Current investments	10.30
(b) Inventories	303.60
(c) Trade receivables	87.53
(d) Cash and bank balances	37.04
(e) Short-term loans and advances	112.32
(f) Other current assets	148.79
<b>Sub-total - Current assets</b>	<b>699.58</b>
<b>TOTAL - ASSETS</b>	<b>2,187.09</b>

(contd.)



Notes (continued) :

2. Segment wise Revenue, Results and Capital Employed

(Rs. in Crores, unless otherwise indicated)

	Particulars	Year ended
		31.03.2013
		Audited
<b>1</b>	<b>Segment Revenue (net sales/income)</b>	
	a) Segment - polyester	2,910.13
	b) Segment - renewable power	-
	<b>Net sales from operations</b>	<b>2,910.13</b>
<b>2</b>	<b>Segment results [profit / (loss)] before interest and tax from each segment</b>	
	a) Segment - polyester	(116.32)
	b) Segment - renewable power	(0.99)
	c) Unallocated	-
	<b>Total</b>	<b>(117.31)</b>
	<b>Less:</b>	
	(i) Finance cost	(44.52)
	(ii) Other unallocable income (including interest income)	240.78
	<b>Profit from ordinary activities before exceptional item and tax</b>	<b>78.95</b>
	Exceptional item-foreign exchange fluctuation gain / (loss)	(39.26)
	<b>Profit before tax</b>	<b>39.69</b>
<b>3</b>	<b>Capital Employed (segment assets - segment liabilities)</b>	
	a) Segment - polyester	1,278.41
	b) Segment - renewable power	211.41
	c) Unallocated	(862.07)
	<b>Total</b>	<b>627.75</b>

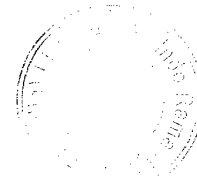
Footnotes:

- Segment revenue, segment results and capital employed include the respective amounts identifiable to each of the segments.

Other unallocable items in segment results include income from investments, interest on insurance claim and other unallocable income.

- Unallocated in capital employed includes borrowings, taxes and proposed dividend.

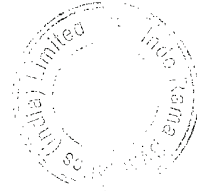
(contd.)



**Notes (contd):-**

3. The Audit Committee and the Board of Directors, at their meetings held on 10 May 2013, have approved the above consolidated financial results.
4. The Statutory Auditors of the Company have audited the consolidated financial results for the year ended 31 March 2013. An unqualified report has been issued and the same is being filed with the Bombay and National Stock Exchanges.
5. Due to significant volatility in the foreign currency vis-à-vis local currency, the Company has considered the foreign exchange fluctuation as an exceptional item.
6. On 9 November 2010, the Company had allotted 20,000,000 Fully Convertible Preferential warrants (FCPs) at Rs. 40.60 per warrant (aggregating Rs. 81.20 Crores) as per Securities and Exchange Board of India (SEBI) and other guidelines, as applicable. As per the terms of the warrants, Rs. 10.15 per warrant (aggregating Rs. 20.30 Crores) have been received and balance amount of Rs. 30.45 per warrant (aggregating Rs. 60.90 Crores) was payable within 18 months of allotment of the warrants. The warrants were convertible into equity shares within a period of 18 months from the date of allotment of warrants at the option of the warrant holders. Upon conversion, one warrant will be converted into one fully paid equity share of Rs.10 each and amount of Rs. 30.60 will be adjusted towards share premium account. Subsequently, the Company has received request from warrant holders for extending the period upto May 2014 for payment of balance amount of Rs. 60.90 Crores. Accordingly, the Company has requested for extension of time to Securities and Exchange Board of India (SEBI) and is in the process of filing application to Ministry of Corporate Affairs for approval.
7. Hitherto, the exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost, were treated as borrowing cost in terms of the Accounting Standard (AS) -16, "Borrowing Costs". During the year, pursuant to a clarification dated 9 August 2012 from the MCA, the Company has changed the accounting policy, w.e.f from 1 April 2011 to treat the same as "foreign exchange fluctuation" to be accounted as per AS-11, "The Effects of Changes in Foreign Exchange Rates" instead of the "borrowing costs". This change has resulted into increase in other income by Rs. 2.75 Crores (pertaining to the year ended 31 March 2012) for the year ended 31 March 2013 and the increase in depreciation for the year ended 31 March 2013 by Rs. 0.15 Crores (pertaining to the year ended 31 March 2012).
8. The Company had made an early application, since the year 2010-11, of Accounting Standard 30 "Financial Instruments- Recognition and Measurement", issued by Institute of Chartered Accountants of India for accounting for forward exchange contracts taken for highly probable / forecast transactions, which are not covered by AS-11. An amount of Rs. 21.11 Crores has been recognized as income in these financial statements for the year ended 31 March 2013 and included in exceptional items as an adjustment on the said application of Accounting Standard 30.
9. The Board of Directors' have recommended, subject to approval of shareholders, a dividend of Re. 1 per equity share of Rs. 10 each, aggregating to Rs. 17.76 Crores, including dividend distribution tax.
10. Since this is the first year of preparation of the consolidated financial statements of the Group pursuant to investments in certain subsidiary companies during the year, there are no previous year comparatives.

*For and on behalf of the Board of Directors*  
**Indo Rama Synthetics (India) Limited**



**Om Prakash Lohia**  
Chairman & Managing Director

Place: Gurgaon  
Date: 10 May 2013