

INDIAN RAYON



Performance Review

2003-04

Mumbai, 29th April 2004

Presentation Structure



- **Highlights**
- **Financial Performance**
- **Business Performance**
- **Consolidated Results**
- **Growth outlook**

Highlights

- **Excellent full year performance amidst challenging businesses environment**

- Revenue up

9%

Rs. 1,574 Crores

- Operating profits up

6%

Rs. 263 Crores

- PBT before exceptional items

10%

Rs. 161 Crores

- **Satisfactory performance during Q4**

- **Strategic initiatives started showing result**

- Garments improving performance quarter by quarter

- Carbon Black expansion completed; operations fully stabilized

- Rayon continue to yield good profit despite pressure on realization

- Encouraging performance in BPO, the new growth initiative

- Insurance shown splendid performance

Financial Performance 4th Quarter: FY04

Q4 FY04 - Financial Performance

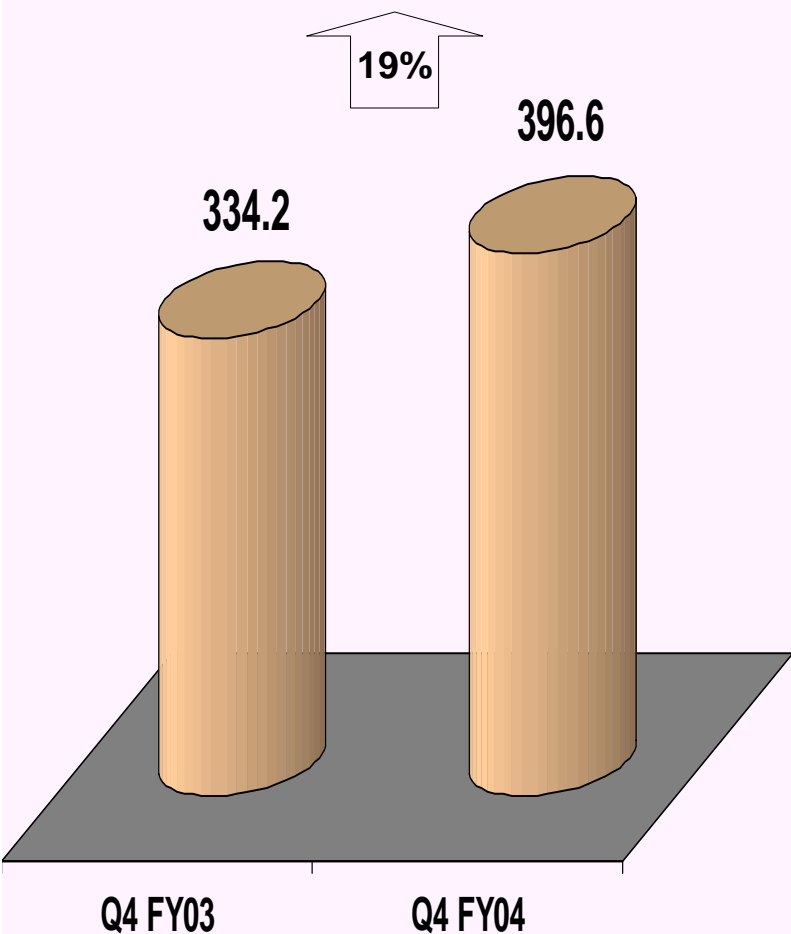
Rs. Crores

Particulars	4th Quarter		
	2003-04	2002-03	
Net Sales	396.6	334.2	19
Other Income	3.3	1.4	
Operating Profit (PBDIT)	64.3	57.5	12
Less: Interest and Finance Expenses	5.3	7.7	
Add: Interest Income	1.7	8.9	
Gross Profit (before Royalty)	60.8	58.7	4
Royalty	-	1.0	
Depreciation/ Amortisation	20.3	17.6	
Profit Before Tax and Exceptional Items	40.5	40.1	
Exceptional Items (Net)		(18.7)	
Profit after Exceptional Items	40.5	21.4	89
Provision for Taxation	12.9	3.6	
Net Profit	27.6	17.8	55

Revenue growth of 19% and Operating profit up by 12%

Revenue growth across businesses

Rs. Crores

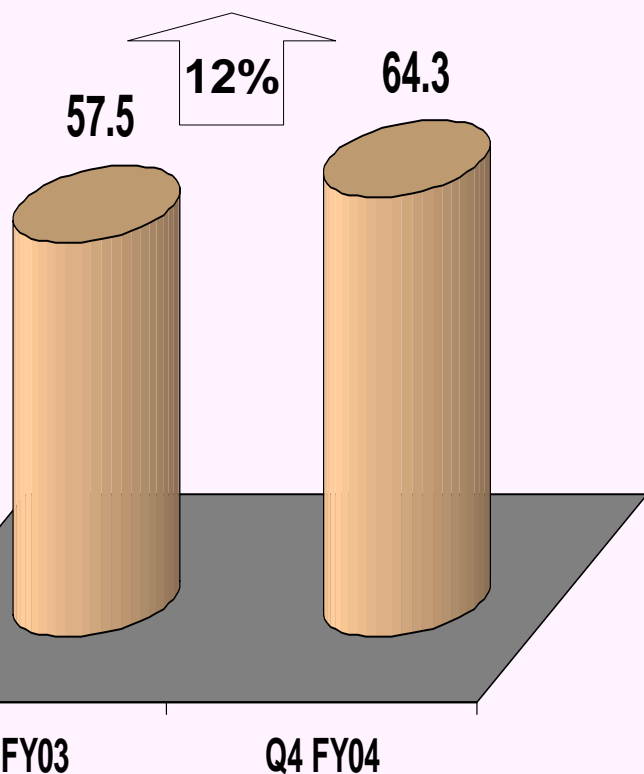


Rs. Crores

Revenue	4th Quarter		
	2003-04	2002-03	Ch %
VFY	84.9	79.1	7
Garments	89.3	66.4	34
Carbon Black	89.9	89.5	0
Textiles	103.3	88.6	17
Insulator	21.7	2.3	860
Others	7.5	8.3	(10)
Total	396.6	334.2	19

PBDIT up 12% helped by Garments

Rs. Crores



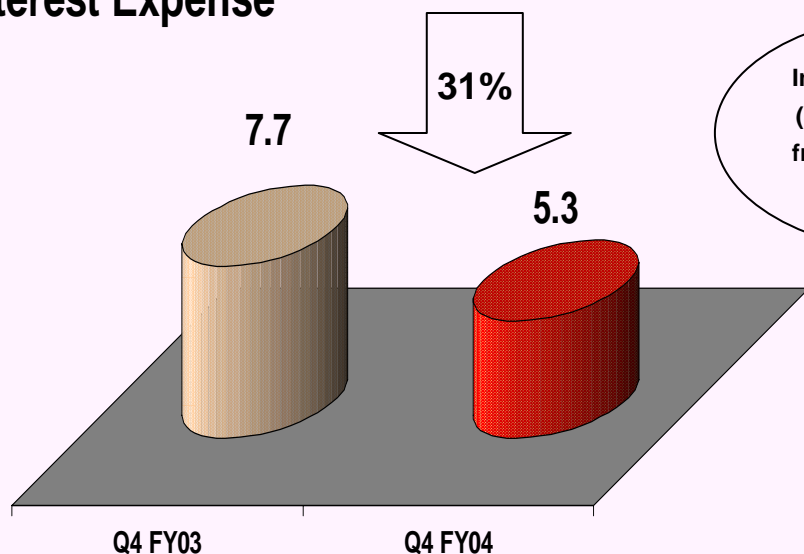
Rs. Crores

PBDIT	4th Quarter		
	2003-04	2002-03	Variance
VFY	24.0	29.1	(5)
Garments	6.9	(3.6)	11
Carbon Black	19.1	20.4	(1)
Textiles	6.9	9.4	(3)
Insulator	6.6	2.0	5
Others	0.8	0.1	1
Total	64.3	57.5	7

Note: Last year Textiles received DEPB back log of Rs. 2 Crores on revision of rates retrospectively

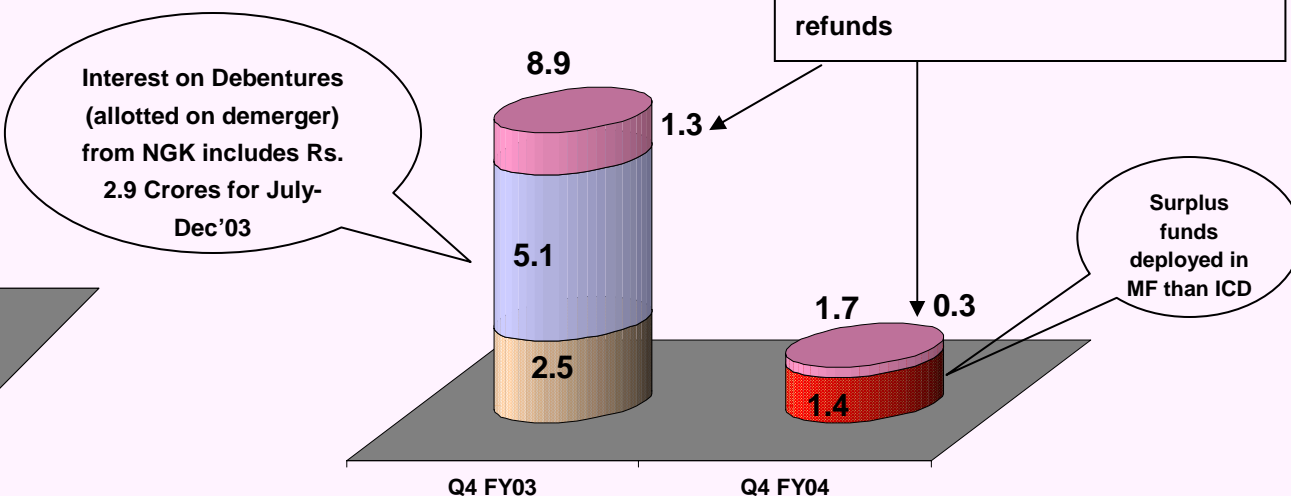
Interest expense lower by 31%

Interest Expense



Rs. Crores

Interest Income



- Interest costs down 31%
 - Repayment of Debentures
 - Better working capital management
 - Lower interest rates
- Long-term borrowings to take advantage of falling interest rates
 - ECB of US \$ 10 million - fully swapped
 - AVGTHL FCNRB Loan of US \$ 8 million transferred to IRIL
 - TUF loans of Rs. 35 Crores tied up with LIC and Exim bank (5% interest subsidy)

**Financial Performance
Full Year 2003-04**

FY2004 - Financial Performance

Rs. Crores

Particulars	Full Year	
	2003-04	2002-03
Net Sales	1,573.8	1,442.4
Other Income	14.3	10.0
Operating Profit (PBDIT)	263.3	248.4
Less: Interest and Finance Expenses	24.0	43.7
Add: Interest Income	9.2	22.0
Gross Profit (before Royalty)	248.5	226.7
Royalty	5.5	8.2
Depreciation/ Amortisation	81.5	71.7
Profit Before Tax and Exceptional Items	161.5	146.7
Exceptional Items (Net)	20.0	(7.2)
Profit after Exceptional Items	181.4	139.6
Provision for Taxation	50.2	34.2
Net Profit	131.3	105.3
EPS (Rs.)	21.9	17.6

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↑ 30

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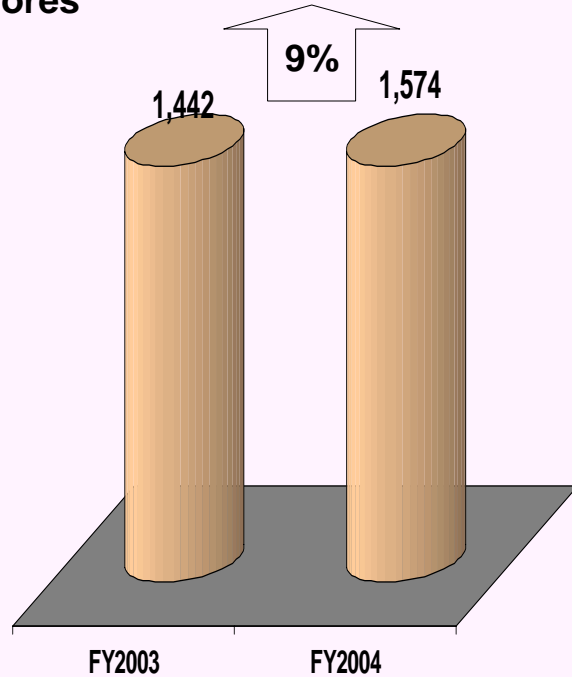
Includes interest on income tax refund of Rs. 9.6 Crs

Includes additional depreciation of Rs. 6.2 Crs due to revised policy

Demerger of Insulators and absorption of MAT Tax helped reducing tax liability of last year

Revenue growth across the businesses

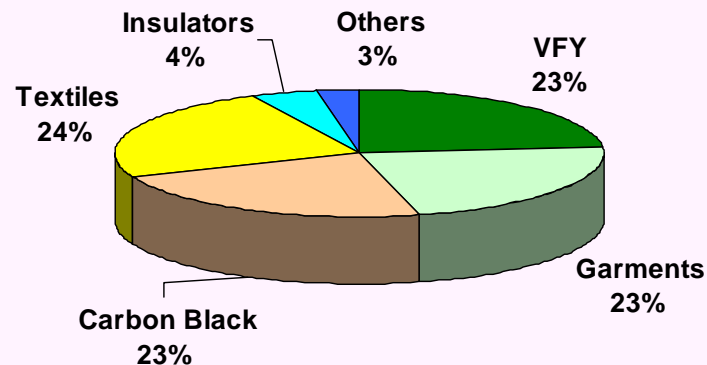
Rs. Crores



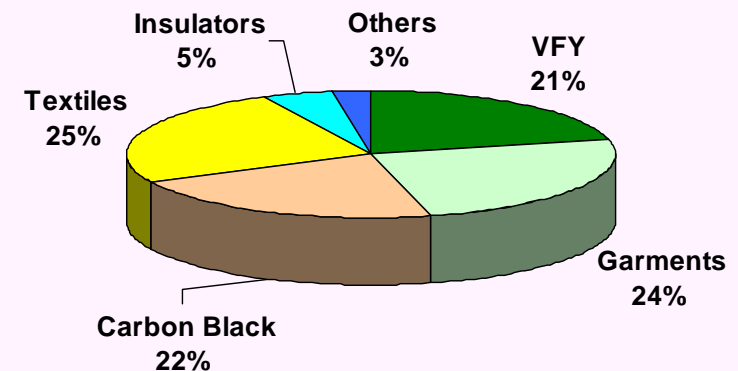
Rs. Crores

Revenue	Full Year		
	2003-04	2002-03	Ch %
VFY	335.2	338.0	(1)
Garments	391.9	326.1	20
Carbon Black	340.3	327.8	4
Textiles	393.2	348.3	13
Insulator	72.5	63.0	15
Others	40.7	39.2	4
Total	1,573.9	1,442.5	9

FY 2003

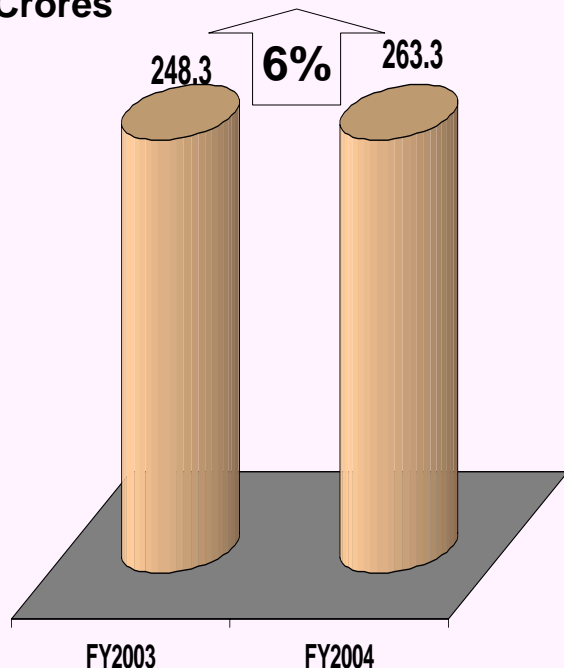


FY2004



PBDIT: Garments key contributor

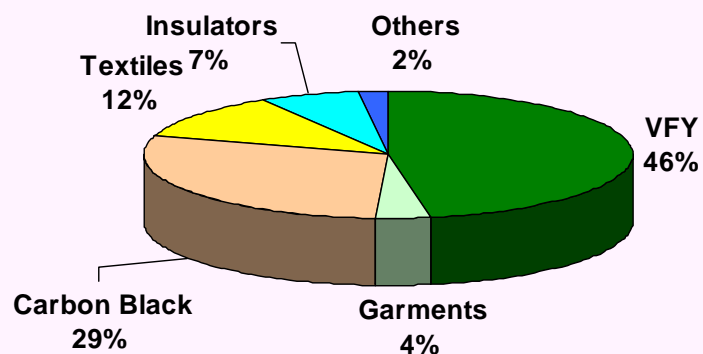
Rs. Crores



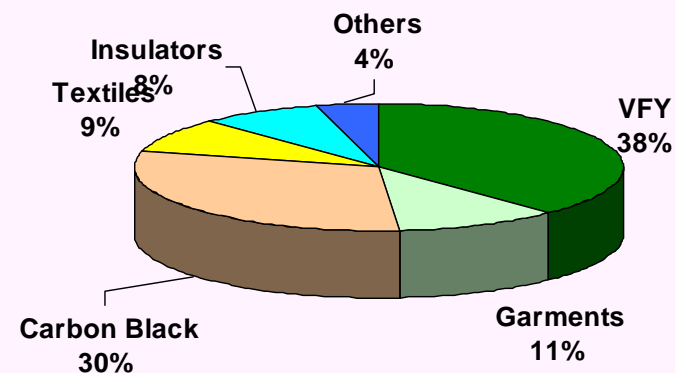
Rs. Crores

PBDIT	Full Year		
	2003-04	2002-03	Ch %
VFY	99.4	117.3	(15)
Garments	28.4	9.1	213
Carbon Black	79.6	71.7	11
Textiles	23.8	28.7	(17)
Insulator	21.4	16.6	29
Others	10.7	4.9	
Total	263.3	248.3	6

FY 2003



FY2004



FY 2004 - Exceptional Items



Rs. Crores

Particulars	Full Year	
	2003-04	2002-03
Gain on sale of IGFL Shares	20.0	
Gain on Insulator Demerger		38.4
Loss on sale on Investment-MRPL		(57.1)
Tax Provision No Longer Required Written Back		11.5
Total	20.0	(7.2)

FY2004 - Performance Highlights

- **YoY, Net Sales has grown by 9% from Rs. 1442 Crores to Rs. 1,574 Crores**
 - Garments revenues have increased by 20% with higher volumes and improved product mix
 - VFY revenues have remained stable despite lower realization, with better performance of Chemicals business
 - Carbon Black revenues are higher by 4% with higher volumes
 - Textiles revenue growth is up by 13% with marginal growth in volumes and partial passing of higher input costs
 - Insulators contributed Rs. 72.5 Crores to the total revenue
- **Operating Profit is up by 6% to Rs. 263.3 Crores**
 - VFY is down by 15% with lower realization but is still the largest contributor with 38% share
 - Garments has more than trebled operating profits to Rs. 28.4 Crores with higher volumes, better realization and control over costs
 - Carbon Black is lower up by 11% with higher volumes, improved efficiencies and by managing CBFS procurement
 - Textiles profitability impacted by higher input costs
 - Insulators domestic marketing has also contributed Rs. 8% to the total profitability
- **Interest**
 - Interest expense are lower by 45% to Rs. 24 Crores due to repayment of loans, better working capital management and lower interest rates
 - Interest income is lower at Rs. 9.2 Crores against Rs. 22 Crores as in previous year Rs. 9.6 Crores were received as interest income on Income Tax refunds and Rs. 5.0 Crores on Debentures allotted on demerger of Insulators business
- **Depreciation is higher by Rs. 9.8 Crores to Rs. 81.5 Crores due to change in depreciation policy**
- **Exceptional gain is Rs. 20 Crores on sales of IGFL shares as against exceptional loss of Rs. 7.2 Crores**
 - Loss on sales of MRPL share Rs. 57.08 Crores, Gain on Insulators demerger: Rs. 38.42 Crores and write back of tax provision no longer required: Rs. 11.48 Crores
- **Provision for Tax is higher at Rs.50.2 Crores against Rs. 34.2 Crores as the Company has moved from MAT liability and deferred tax was lower due to demerger of Insulators business**
- **Net profit for the current year is up 25% to Rs. 131.3 Crores**

Business Performance

Viscose Filament Yarn

Rs. Crores

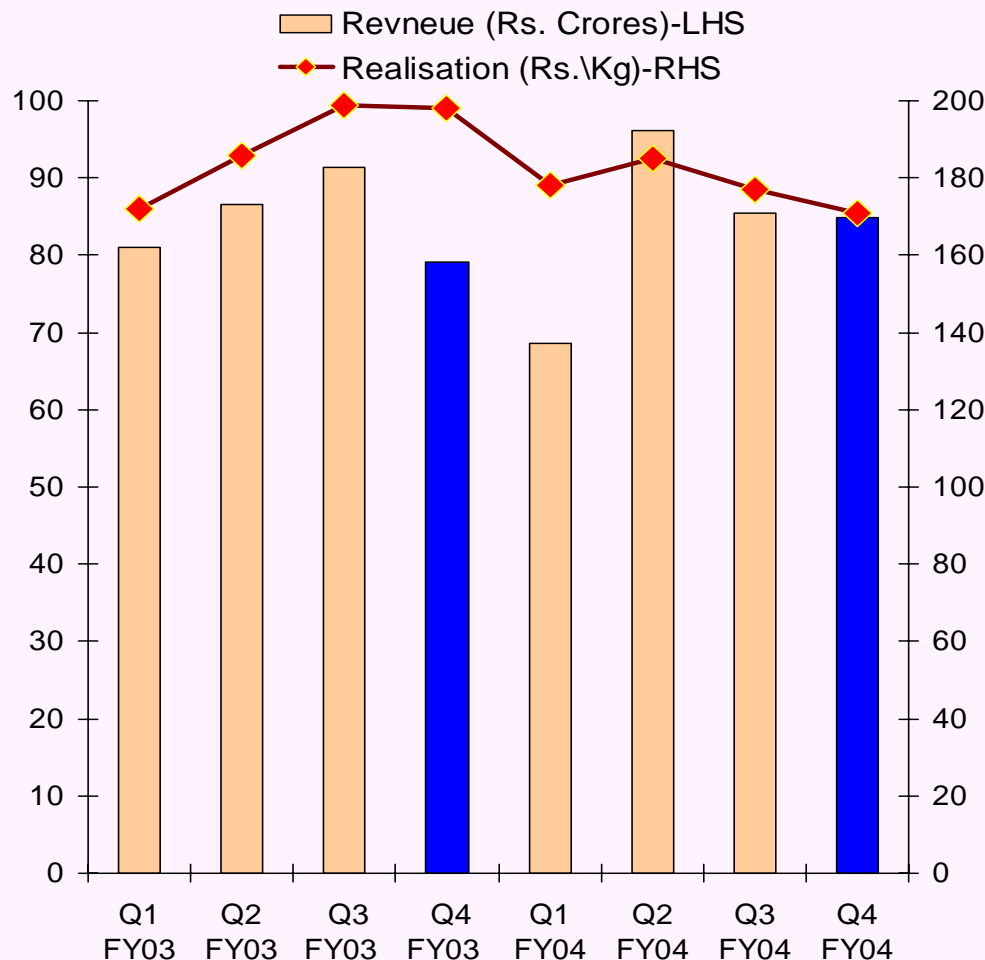
Particulars	4th Quarter		Full Year	
	2003-04	2002-03	2003-04	2002-03
Production (Tons)	4,031	3,864	16,060	15,873
Capacity Utilization (%)	107	103	107	106
Sales Volumes (Tons)	4,024	3,393	15,694	15,422
VFY Realisation (Rs./Kg.)	171	198	178	189
Revenue - VFY	68.9	67.3	279.4	290.7
-Chemical	16.0	11.8	55.8	47.3
Revenue	84.9	79.1	335.2	338.0
PBDIT	24.0	29.1	99.4	117.3
PBIT	19.0	24.0	77.9	97.1
Capital Employed	264.4	260.9	264.4	260.9
ROCE (Annualised) (%)	28.8	36.8	29.5	37.2

- **Business environment remained challenging**
 - Demand pressure continued
 - Inventory liquidation led to pricing pressure
 - Import of low price Chinese yarn impacted prices further
- **Indian Rayon outperformed peers even in Q4**
 - 22 days stock held against 47 days for industry
- **VFY revenue up marginally**
 - 19% volume growth masked the impact of lower prices
 - Realization down 14%
- **Divisional revenue grew still, helped by Chemicals revenue**
- **Operating profits affected**
 - By lower realization, higher wood pulp and coal prices
 - Notwithstanding cost reduction measures

Viscose Filament Yarn



Revenue Trend



- **Full year performance remain satisfactory**
 - Plant utilization maintained at a high of 107%
 - Stock built during the Weaver's Strike liquidated gradually
 - Sales volume up by 272 tons despite weavers strike
 - Lower domestic sales compensated by highest ever exports
 - Lower profitability due to weak realization and rising input cost
- **Focus on quality and value added products coupled with cost reduction initiatives helped**
- **Operating Margins remain healthy at 30%**
- **ROCE impressive at 29.5%**

Focus on improving quality and increasing value added products

Garments

Rs. Crores

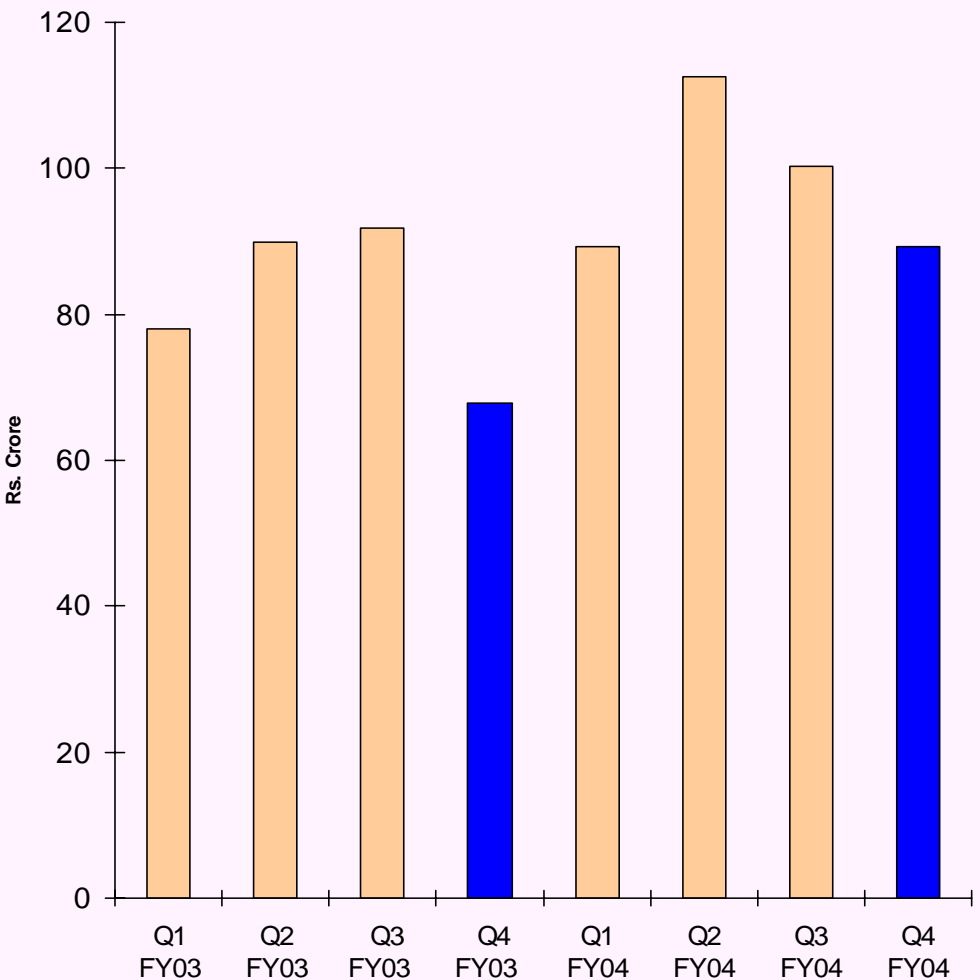
Particulars	4th Quarter		Full Year	
	2003-04	2002-03	2003-04	2002-03
Sales Volumes (Lac Pcs.)	18.4	14.3	74.3	61.7
Revenue	89.3	66.4	391.9	326.1
Operating Profit*	11.8	2.8	67.9	48.4
Advt. Expenses	4.9	6.4	39.5	39.3
PBDIT	6.9	(3.6)	28.4	9.1
Royalty	-	1.0	5.5	8.2
PBDIT after Royalty	6.9	(4.6)	23.0	0.9
PBIT	0.1	(8.7)	(1.8)	(14.5)
Capital Employed	242.2	200.3	242.2	200.3
ROCE (Annualised) (%)	0.1	(17.3)	(0.8)	(7.2)
*Operating Profit before Advertising Expenses and Royalty				

- **Consumer sentiments shows improvement, but competition remained intense**
 - Apparel retail off take below par in relation to other consumer products and services
 - Aggressive promotions by all the brands
 - Intense price competition across segments
- **Improving trend in profitability continued in Q4**
 - 35% higher revenues, backed by 29% rise in volumes and enriched product mix
 - Tight control over dormancy and discounting
 - Advt. expenses controlled at 5.5% of sales as against 9.7% in corresponding quarter
- **FY2004 - a landmark year**
 - Business reversed the trend of de-growth and profit erosion
 - Strategic initiatives helped revival of PE
 - Achieved target performance of new initiatives
Outwear, Jacket, Suits, Women's Wear, SF Jeans
 - Efficiency gains from SAP stabilization

Gains consolidated over the quarters; Profits swung by 12.7 Crores

Garments

Revenue Trends



- **Several successful launches during FY2004**
 - Louis Philippe merchandise quality and price grid taken up to more aptly reflect the premium positioning
 - Encouraging response from Suits, SF Jeans, knits and Outwear segment.
 - Accessories business strengthened with launch of socks & leather products.
- **Continued thrust on retail expansion**
 - Retail space increased to 2 lac sq.ft.
 - 6 new planet fashions added
- **Enhanced focus on product development, design edge and merchandise**
- **Higher branded and contract exports**
- **Brand rights and technology transferred from wholly owned subsidiary**
 - Payment financed through FCNRB
 - Royalty payment thus stopped from Oct'03

Volume growth on the back of retail expansion

Carbon Black



Rs. Crores

Particulars	4th Quarter		Full Year	
	2003-04	2002-03	2003-04	2002-03
Effective Capacity (Tons)	33,333	27,500	118,333	110,000
Production (Tons)	31,169	28,853	116,757	112,563
Sales Volumes (Tons)	33,249	30,056	118,182	114,232
Realisation (Rs./Ton)	27,029	29,778	28,795	28,699
Revenue	89.9	89.5	340.3	327.8
PBDIT	19.1	20.4	79.6	71.7
PBIT	15.1	17.2	64.7	58.6
Capital Employed	333.0	268.8	333.0	268.8
ROCE (Annualised) (%)	18.2	25.5	19.4	21.8

* Capacity increase as 10,000 TPA of additional capacity added through de-bottlenecking in Dec'03 and commissioning of 40,000 TPA capacity on 23rd Feb-04

○ Market turned difficult despite strong demand

- Auto sector growth impressive at 16%
- Cheaper imports from Russia & Korea
- Rising CBFS prices and sea freight
- 5% duty differential removed between carbon black and CBFS

○ Q4 performance suffered as a result

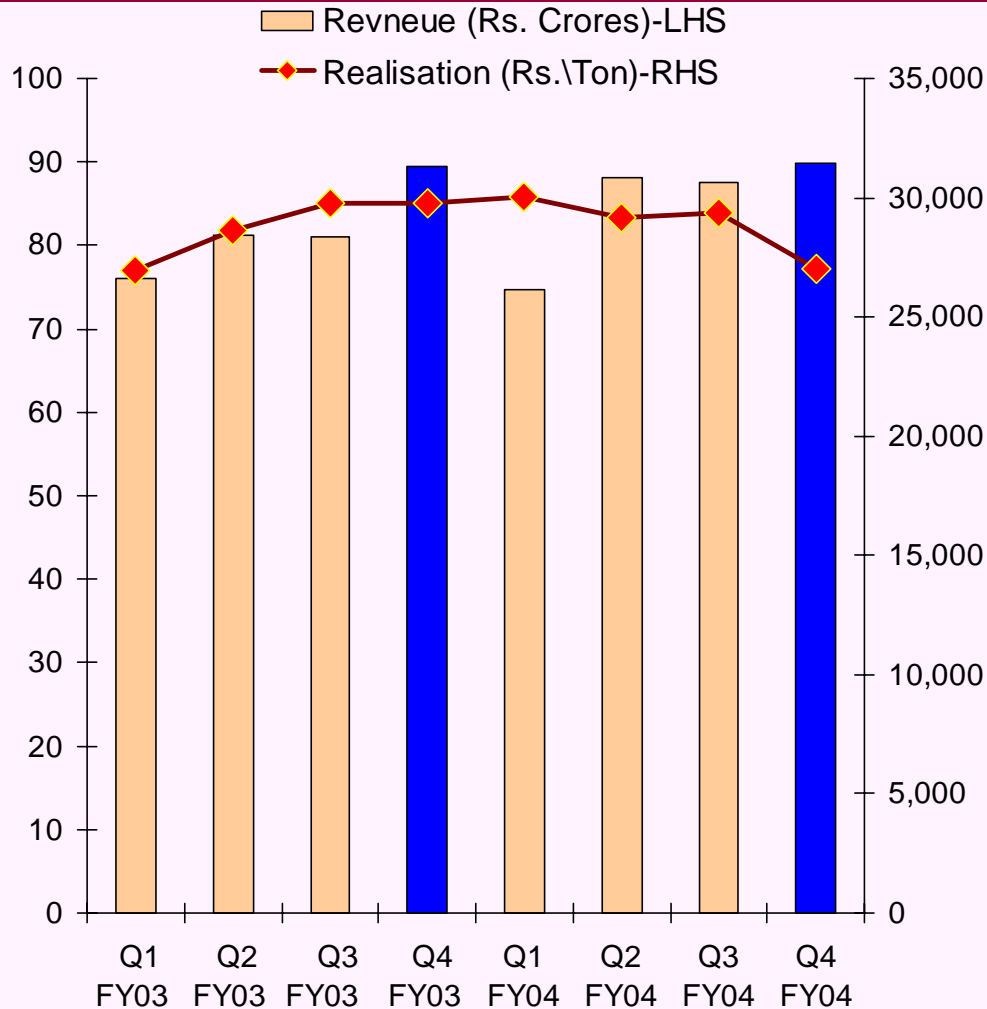
- Brownfield expansion commissioned
- Helped grow volumes by 10.6%, led by exports; Revenues however remained flat
- Realization lower by 9.2%, reflecting weak global prices and changed market mix
- OPM suffered due to lower realization and rising costs
 - *CBFS consumption cost up by 5.7% YoY*
 - *However, CIF price of CBFS has moved up by 14% at \$ 151/Ton over the last year*

Capacity enhanced to 1,60,000 TPA

Carbon Black



Revenue Trend



○ Full year performance however remains strong

→ Revenue up 3.8%

- Higher volumes with growth in exports
- Average realizations have been maintained

→ Operating profits growth ahead at 11%, as margins improved

- Enhanced efficiencies from de-bottlenecking and Brownfield capacity addition
- Higher energy sales and improvement in operating efficiencies
- Despite increase in CBFS prices and sea freight
- CBFS procurement managed proactively

Growth from higher volumes

Textiles



Rs. Crores

Particulars	4th Quarter		Full Year	
	2003-04	2002-03	2003-04	2002-03
Sales - Worsted (Tons)	1,151	908	4,302	3,917
Flax Yarn (Tons)	291	190	1,041	672
Synthetic (Tons)	2,842	2,481	10,676	10,673
Total Volumes (Tons)	4,284	3,580	16,019	15,262
Revenue - Worsted	45.2	41.8	174.7	155.8
Flax Yarn	11.4	6.1	39.7	23.2
Synthetic	32.5	27.7	121.6	113.6
Fabrics	13.0	11.9	51.8	50.1
Others	1.2	1.1	5.4	5.6
Total Revenue	103.3	88.6	393.2	348.3
Operating Profit	6.9	9.4	23.8	28.7
PBIT	3.2	4.9	6.6	9.9
Capital Employed	153.4	174.9	153.4	174.9
ROCE (Annualised) (%)	8.2	11.2	4.3	5.7

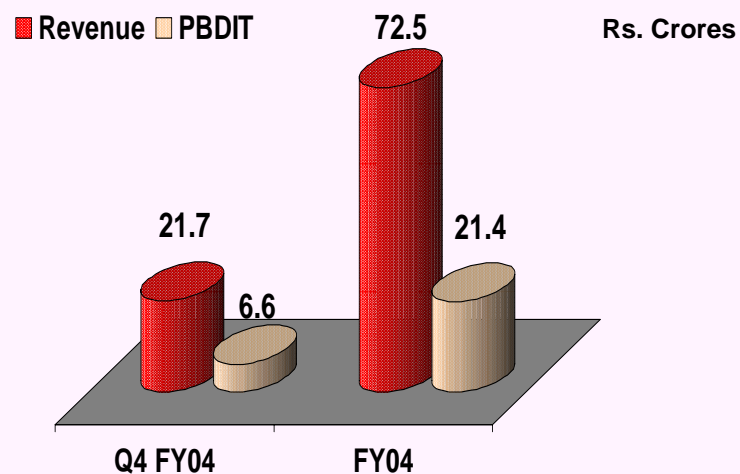
- Rising input costs, slow growth in realisation and rising Rupee impaired performance
- Mixed fortunes of the segments
 - Focussed market development efforts in Linen fabric paying off
 - *Linen sales volume up 20%*
 - Flax yarn showing profitable growth on the back of productivity improvement efforts and improved demand from Linen segment
 - Worsted segment impaired by higher wool prices and relatively lower realization
 - Synthetic yarn segment moving towards value added speciality yarns to improve margins
 - *Affected by eroding export incentives and rupee appreciation*
- As a result profits declined despite revenue growth

Linen and Worsted segment the key contributor

Insulators: Domestic Marketing

Rs. Crores

Particulars	2003-04	
	4th Quarter	Full Year
Revenue	21.7	72.5
PBDIT	6.6	21.4
PBIT	6.6	21.4
CE	20.0	20.0



○ Revenue at Rs. 72.5 Crores

- Domestic volumes at 16,247 MT up by 7.2% as power sector is picking up
 - *Direct sales volume 6,813 MT*
 - *Billed directly by JV partner 9,434 MT and accrued income of Rs. 12.7 Crores*
- Operating profits Rs. 21.4 Crores

Strong contributor

Insulators JV: Birla NGK Insulators

Rs. Crores

Particulars	2003-04	
	4th Quarter	Full Year
Production (Tons)	6,026	24,028
Sales Volumes (Tons)	6,624	24,967
Revenue	44.8	163.7
PBDIT	(6.9)	(9.8)
PBIT	(8.9)	(16.4)
Capital Employed	159.3	159.3
IRIL Investment		12.5

Note: Insulators de-merged to form a JV w.e.f. 1st August, 2002, and domestic marketing rights re-acquired from 5th February 2003

- **Production nearly maintained at 24,028 MT**
 - Yield improvement efforts on
 - *Current yield of 51.5% at Halol and 54.5% at Rishra at IEC standards*
- **Sales volume were 24,967 MT**
 - Larger share of domestic sales
- **Cost of production has moved up**
 - Rising prices of SKO, fuel oil and raw materials
 - Higher cost of quality due to higher rejections and overheads
- **Modernisation and Brownfield expansion is progressing well**
 - Capex of Rs. 33 Crores to raise capacity by 8,000 TPA
 - Modernisation of Rs. 24 Crores to improve yield and quality

Life Insurance: Birla Sun Life Insurance

Particulars	4th Quarter		Full Year	
	2003-04	2002-03	2003-04	2002-03
Policies (Nos.)*	82,873	39,750	155,444	74,954
Branches (Nos.)*	-	-	33	22
Agents (Nos.)*	1,387	1,547	10,274	5,287
Financial Data (Rs. Crores)				
New Business				
Individual Business	176.6	56.3	299.5	107.6
Group Business	119.5	19.3	163.0	23.3
Total New Business	296.1	75.6	462.6	131.0
Total Premium Income				
First Year Premium	273.7	63.0	426.5	107.7
Renewal Premium	48.8	8.4	87.7	14.4
Single Premium	12.3	10.1	23.3	21.9
Total Premium Income	334.8	81.4	537.5	143.9
Share Capital	290.0	180.0	290.0	180.0
IRIL Investment	216.1	134.7	216.1	134.7

* Quarter figures indicate the additions made during the period



- Impressive growth in line with Industry
- New business annualized premium grows by 253% to Rs. 462.6 Crores
 - Individual business is up by 178%
 - Group Business multiplies seven fold
- The total premium income for the year is up by 274% to Rs. 537.5 Crores
- Consolidates No. 2 position in the market amongst private players
 - Pioneer in Group Insurance business
 - Leading position in Unit Linked products
 - Pioneer in Alternate channel distribution
- Growing customer reach with 33 branches, over 10,000 Agents and 89 Corporate Agents
- Losses stemmed at Rs. 77.8 Crores in line with the plan

Software: PSI Data Systems



Rs. Crores

Particulars	4th Quarter		Full Year	
	2003-04	2002-03	2003-04	2002-03
Revenue	21.7	17.9	86.0	71.3
Gross Margin	6.4	4.6	22.7	19.0
SG&A	7.6	9.7	29.4	38.2
EBITDA	(1.3)	(5.2)	(6.7)	(19.2)
PAT before exceptional items	(4.1)	(8.9)	(18.2)	(32.0)
Exceptional Items	(3.7)	5.0	(2.7)	5.0
PAT	(7.8)	(3.9)	(20.9)	(27.0)
Capital Employed	25.3	37.7	25.3	37.7
IRIL investment			100.3	100.3

Exceptional Items:

Current year has a loss of Rs. 3.7 Crores on sale of Adishree Property and a gain of Rs. 1 Crore on carry back of tax losses in USA

In previous year, a gain of Rs. 5 Crores, on reversal of provision made under EPCG obligations

- **Sector prospects are reviving and company has reversed downward trend in performance**
 - Initiatives taken to grow focus on banking, insurance and financial services
- **Revenue growth of 21%**
 - 21 new clients added, including 4 with revenue > USD 1 million
 - Project management efficiency improved with entry in new technology domains
 - Focus on larger and strategic clients
- **Operating losses curtailed by 65%**
 - Stringent control over SGA expenses
 - Lower attrition and high manpower utilization at 85%
- **Loss before exceptional items curtailed by Rs. 13.8 Crores**
- **Cash profit in the last month bolsters our confidence that the business is transforming**

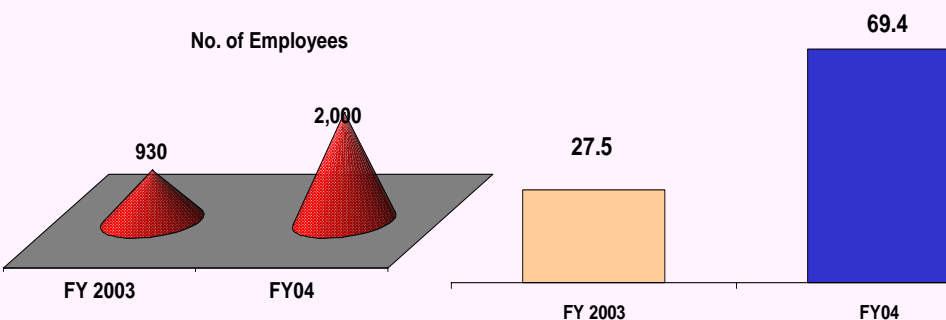
BPO: TransWorks

Rs. Crores

Particulars	4th Quarter	Full Year	
	2003-04	2003-04	2002-03
No of Employees (nos.)	2,000	2,000	930
Revenue	23.1	69.4	27.5
PBDIT	1.8	2.6	(6.0)
PBIT	0.2	(3.9)	(10.0)
Capital Employed	53.7	53.7	25.1
ROCE (Annualised) (%)	1%	-7%	-40%
IRIL investment	68.8	68.8	

Revenue (Rs. Crores)

No. of Employees



- **Very strong performance**
- **Added 3 Fortune 500 clients subsequent to acquisition**
- **Revenue leapfrogs to Rs. 69.4 Crores**
 - Current revenue rate scales up to Rs. 8 Crores per month
 - Growth exceeds industry trends
- **Profitability on the rising curve**
 - Net profit achieved from Feb-04 onward, in line with expectations
- **3rd call centre became operational at Bangalore**
 - Seat capacity enhanced to 1,600
 - Headcount increased from 930 to 2,000

Becomes net positive with rising revenue as targeted

Consolidated Financials: FY2004



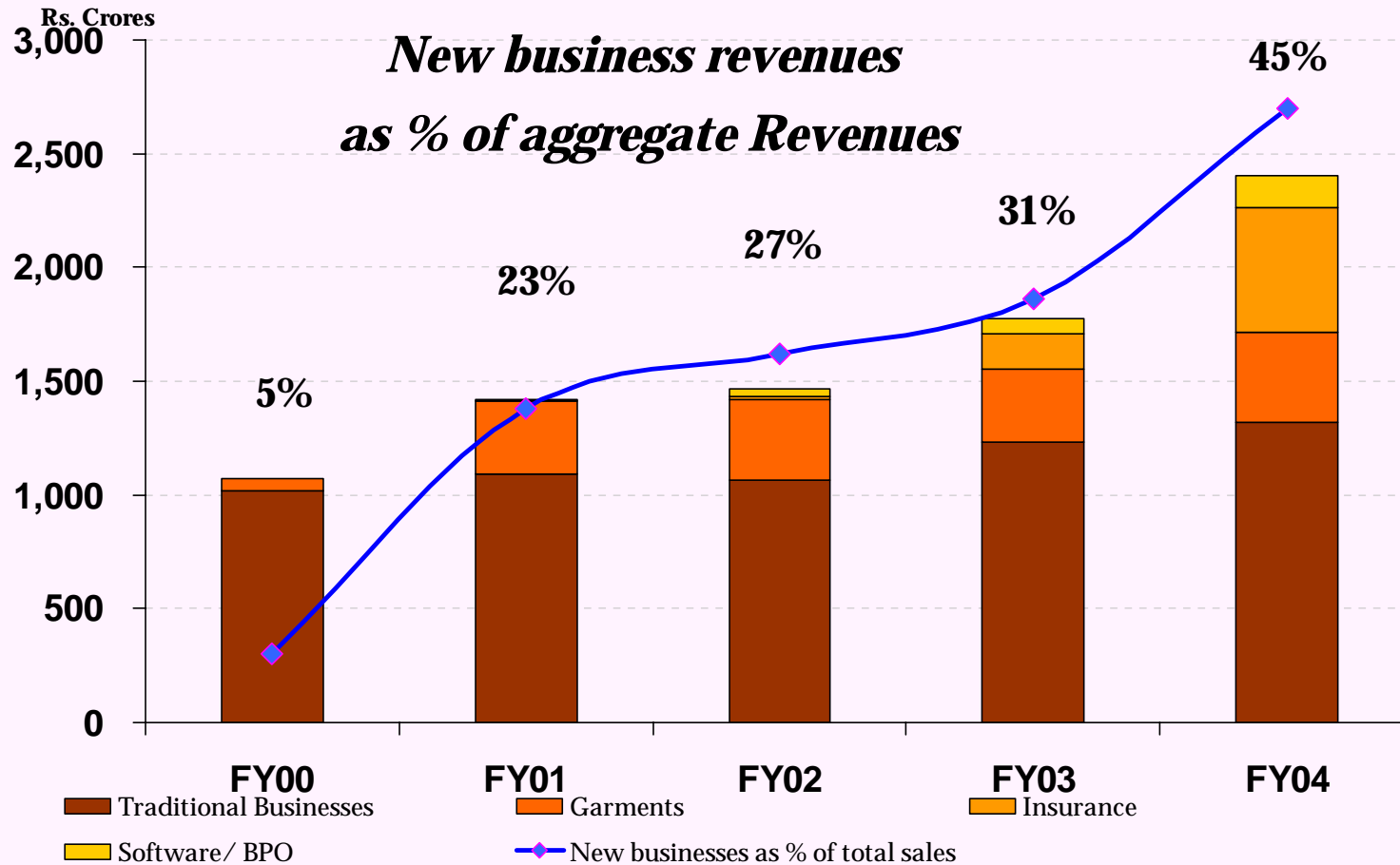
Rs. Crores

	Particulars	Investment	Full Year			
			2003-04		2002-03	
			Revenue	Net Profit	Revenue	Net Profit
A	IRIL		1,574	131	1,442	105
	Subsidiaries :					
	Software	100	86	(21)	71	(27)
	Insurance	216	550	(78)	151	(61)
	BPO (w.e.f July'2003)	69	57	(2)	-	-
	Overseas Subsidiary	4	6	(1)	10	0
	Investment Companies	11	1	0	1	0
	Total Subsidiaries	400	700	(101)	233	(87)
	Less : Minority Interest			(20)		(24)
B	IRIL Share in Subsidiaries	400	700	(81)	233	(63)
	Share in Joint Ventures :					
	Insulators (w.e.f August'2003)	13	82	(7)	67	3
	Telecom	97	56	(10)	39	(9)
C	Total Share in Joint Ventures	109	137	(17)	106	(6)
D	Consolidated for IRIL Group (A+B+C)	509	2,411	33	1,782	36
	EPS for IRIL Group Annualised			5.4		6.0

INDIAN RAYON

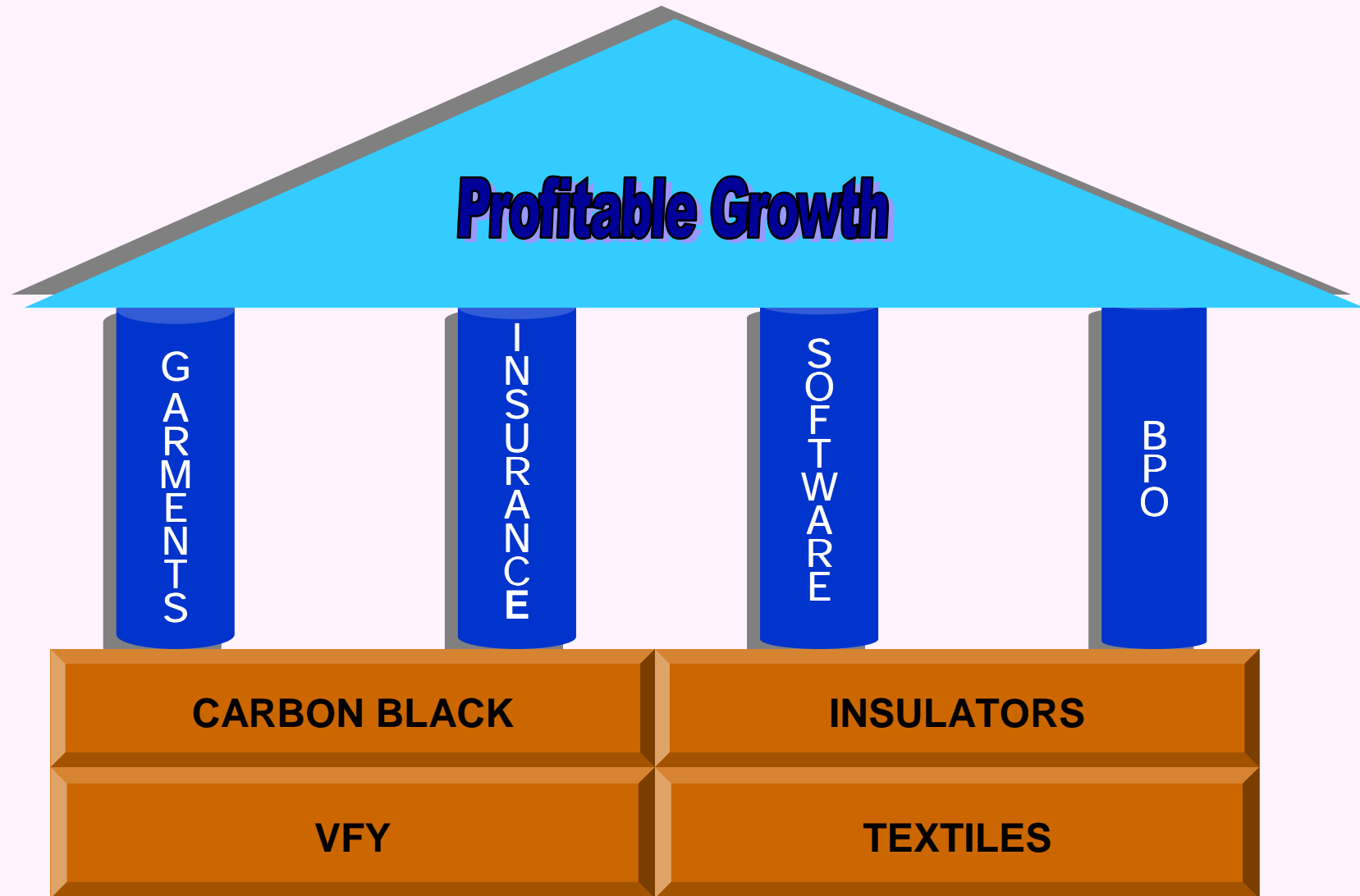
Going Forward

Growth to gain momentum helped by new businesses



***New businesses are increasing share in top line
Now they are ripe to contribute to bottom line***

Business Outlook



Surplus Cash Flow of existing businesses supports investment in sunrise businesses

Garments: Outlook

- **Garments industry will grow with improving economic outlook**
 - Branded apparel segment is expected to grow nationally aided by retail mall expansion.
 - Differentiated growth expected in different product / price segments / categories
 - However, competition is likely to remain intense both within the sector and from other consumer products

- **Our brands are well positioned to leverage this opportunity**
 - Our brands occupy leadership position in the respective segments
 - Aggressive retail expansion will fuel their growth further
 - *Retail expansion from 2 lac Sq.ft to 2.5 lac Sq.ft. to enhance customer reach*
 - Continued edge in design and innovative products
 - Tight control over dormancy, discounting and advertisement
 - New facilities by associates companies to produce shirts and trousers at a cost of Rs. 20 Crores

Insurance Outlook

- **Insurance sector is growing @ 20% annually**
 - Private sector accounts for 16% of the market, which is higher than expectation
 - Long term potential is immense as penetration is low
 - Focus is moving from tax saving instrument to use insurance products as investment vehicle
- **Birla Sun Life well positioned within the sector**
 - Second largest private player with strong brand equity
 - Leadership in Group Insurance and pioneers in Unit Linked products
- **We target to increase our market share through**
 - Better customer service and product offerings
 - Customer reach to increase by adding 8,500 agents and opening 11 branches
 - Aiming for entry in Pension business, with the opening of the sector
- **Investment requirement to slow down in coming years as losses have peaked, besides**
 - Capital requirement will reduce, if as promised, Government increases FDI limit
- **Targeting to achieve profitability by FY2007, as per original plan**

BPO Outlook



- **BPO Industry is rapidly growing and prospects are strong**
- **TransWorks is well positioned to maintain profitable growth momentum**
 - Has benefit of Aditya Birla Group's financial strength, professional excellence and strong equity with BPO customers
 - Quick ramp up of existing clients and increasing client base
 - Customer acquisition teams to be strengthened
 - Profitability improvement through
 - *Increase in non-voice business for improving asset utilization*
 - *Focus on high value added segments*
 - New capacity has been added, ahead of demand
 - *3rd Centre Phase I is operative and Phase II to become operational in May'2004*
 - Further new Centre/ Facility expansion by year end

Software Outlook



- **IT industry is regaining momentum with global recovery, and offshoring becoming mainstream**
- **PSI expected to turnaround**
 - A small but quality player in the software sector, has restructured recently and customers responding strongly to Group support
 - Initiatives for revenue enhancement and cost control have already reversed the downward trend
 - Focus on core areas of business solutions, banking and insurance
 - Strategic clients are being given special attention
 - Tie up with Steria to enable pursue opportunities in West European markets
 - Delivery and marketing capabilities are being further sharpened
 - May examine inorganic growth along strategic road map

VFY: Outlook

- **VFY Industry is going through challenging times**
 - Demand outlook is stable
 - Prices to remain under pressure due to higher industry stocks and cheaper imports
 - Rising trend in wood pulp prices to impact margins

- **Indian Rayon to improve profitability through focus on quality and increasing the share of value added products,**
 - Focus on improving quality to access high paying European market
 - *Technology upgradation is being pursued*
 - *Capex of Rs. 70 Crores on increasing CSY capacity and facilities for colored and dyed yarn underway*
 - Providing superior customer service and building RAY ONE Brand image
 - Examining to enhance captive power plant capacity to lower power cost

Carbon Black: Outlook



- **Positive demand outlook with continuing strong growth in Auto/ Tyre sector**
- **Pricing is under pressure due to**
 - Zero duty differential on carbon black and CBFS
 - Cheaper imports and
 - High sea freight
- **Business to leverage Brownfield expansion**
 - Exports growth with 33% additional volumes from new capacity
 - Proactively manage CBFS procurement
 - Sweat physical assets and control costs
 - Developing specialty/ value added products
- **We are also examining future expansion possibilities**

Insulators Outlook

- **Domestic Market outlook buoyant with power sector reforms**

- **Encouraging export prospects with**
 - With the stabilization of quality NGK is poised to push higher volumes in international market

- **Business to focus on**
 - Timely completion of ongoing
 - *Modernisation Rs.24 Crores and*
 - *Expansion plans Rs. 33 Crores to increase capacity by 8,000 TPA*
 - Yield improvement
 - Achieve consistent quality confirming IEC, ANSI, 2 Sigma acceptance criteria
 - Produce value added products like 21 T disc, 31 mm/ kV H and S3, 245kV H3
 - New products for evolving power sector requirements in the domestic market

Textiles: Outlook

- **Higher input costs and pressure on pricing impacting the industry**

- **Indian Rayon to focus on value addition and managing costs**
 - Worsted segment may benefit from stable wool prices
 - Synthetic segment moving towards value added speciality yarn
 - The Linen fabric has benefited from retailing initiatives
 - *The division's focus on retailing of linen fabrics will continue, given the encouraging market response*

Capex and Investment Plan



Rs. Crores

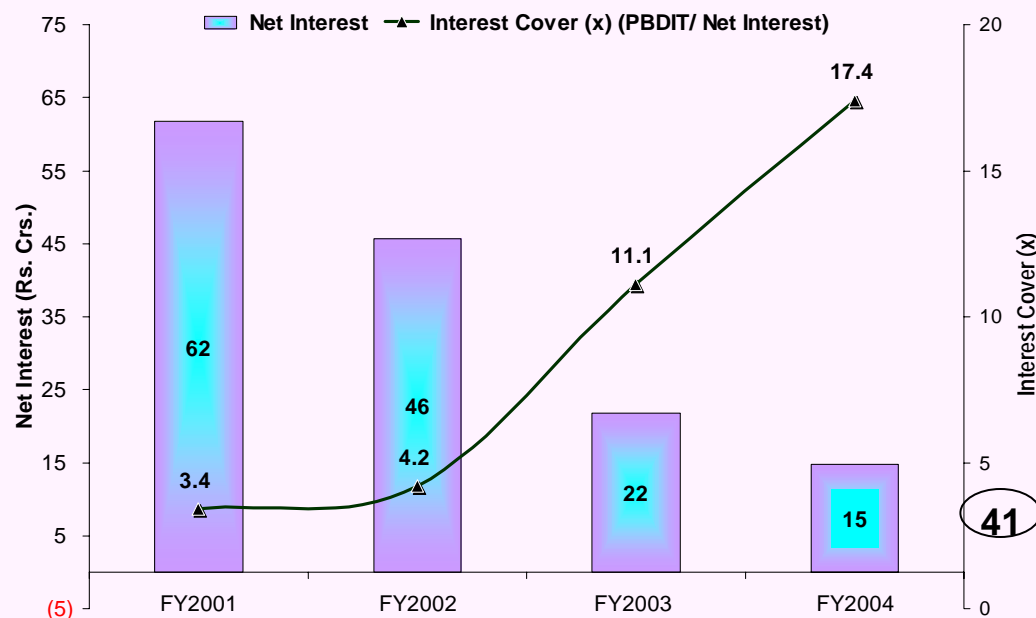
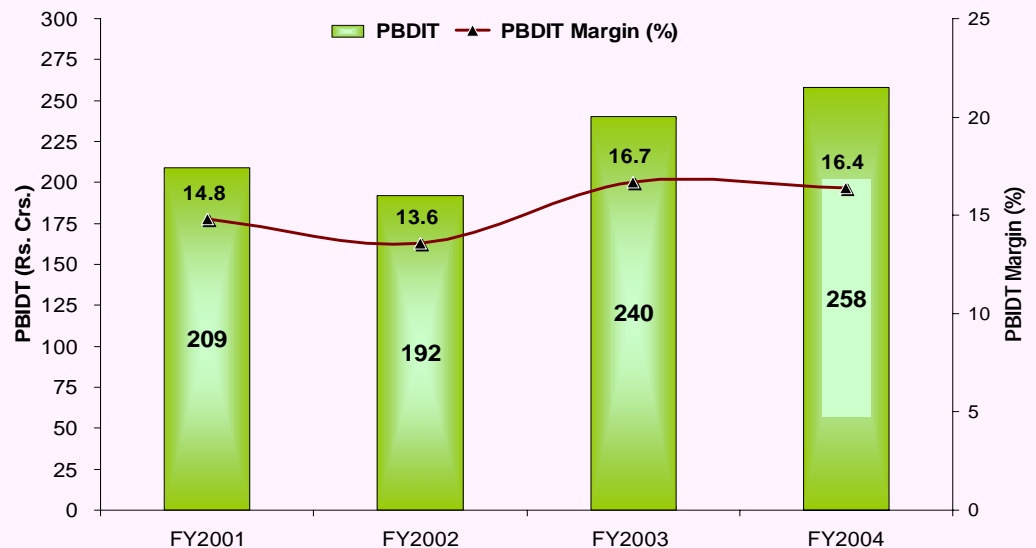
	Particulars	Spent FY 2004	Plan	Spending Plan		
			FY2005-FY2007	FY 2005	FY 2006	FY 2007
			Total			
A	<u>Project Based</u>					
	VFY	16.4	156.6	45.8	110.8	
	Carbon Black	51.7	10.6	10.6		
	Textiles	-	35.0	-	35.0	-
	Sub-Total A	68.1	202.3	56.5	145.8	-
B	<u>Modernization</u>					
	VFY	11.7	36.6	16.9	15.7	4.0
	Garments/ SATCOS	18.8	95.3	45.3	25.0	25.0
	Carbon Black	8.1	25.7	8.5	17.2	-
	Textiles	7.8	18.6	18.7	-	-
	Others	0.2	100.4	0.4	50.0	50.0
	Sub-Total B	46.6	276.4	89.6	107.9	79.0
C	Total Capex at IRIL (A+B)	114.6	478.7	146.1	253.7	79.0
D	<u>Investment in Subsidiaries</u>					
	Insurance	81.4	140.6	59.2	59.2	22.2
	BPO	69.1	-	-	-	-
D	Total Investments	150.5	140.6	59.2	59.2	22.2
E	Total Capital Outlay (C+D)	265.1	619.3	205.3	312.9	101.2
F	<u>Major Capex in JV/ Subsidiaries</u>					
	Insulators	26.0	30.8	30.8	-	-
	Software	0.6	1.7	1.7	-	-
	BPO	17.7	96.7	39.0	14.4	43.3
	Sub-Total E	44.3	129.2	71.5	14.4	43.3
	Grand Total (E+F)	309.5	748.5	276.8	327.3	144.5

Profitability Snapshot



Rs. Crores

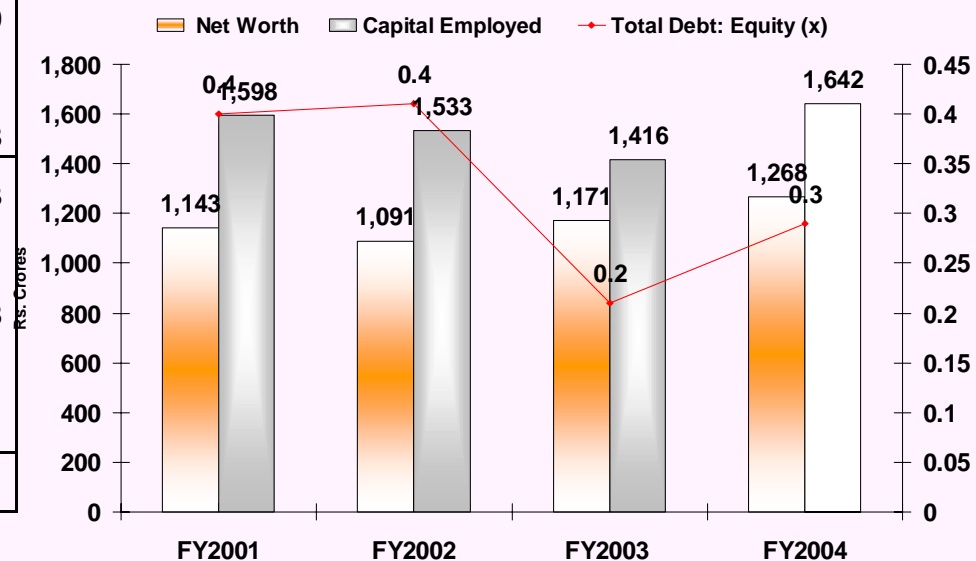
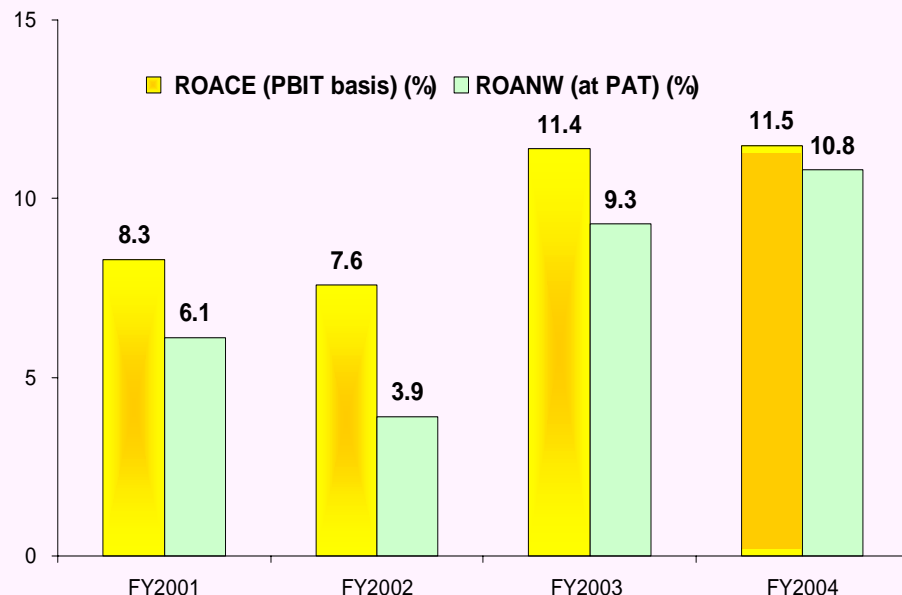
Particulars	Full Year			
	2003-04	2002-03	2001-02	2000-01
Gross Turnover	1,714.1	1,593.4	1,550.1	1,526.0
Net Turnover	1,573.8	1,442.4	1,410.6	1,416.2
PBDIT	257.8	240.2	192.0	209.0
PBDIT Margin (%)	16.4	16.7	13.6	14.8
Net Interest	14.8	21.7	45.7	61.8
PBDT	243.0	218.5	146.3	147.3
PAT	131.3	105.3	43.5	68.5
PAT Margin (%)	8.3	7.3	3.1	4.8
EPS (Rs.)	21.9	17.6	7.3	11.4
CEPS (Rs.)	36.5	33.8	23.8	23.6
Dividend (%)	40.0%	37.5%	33.0%	30.0%
Interest Cover (x) (PBDIT/ Net Interest)	17.4	11.1	4.2	3.4



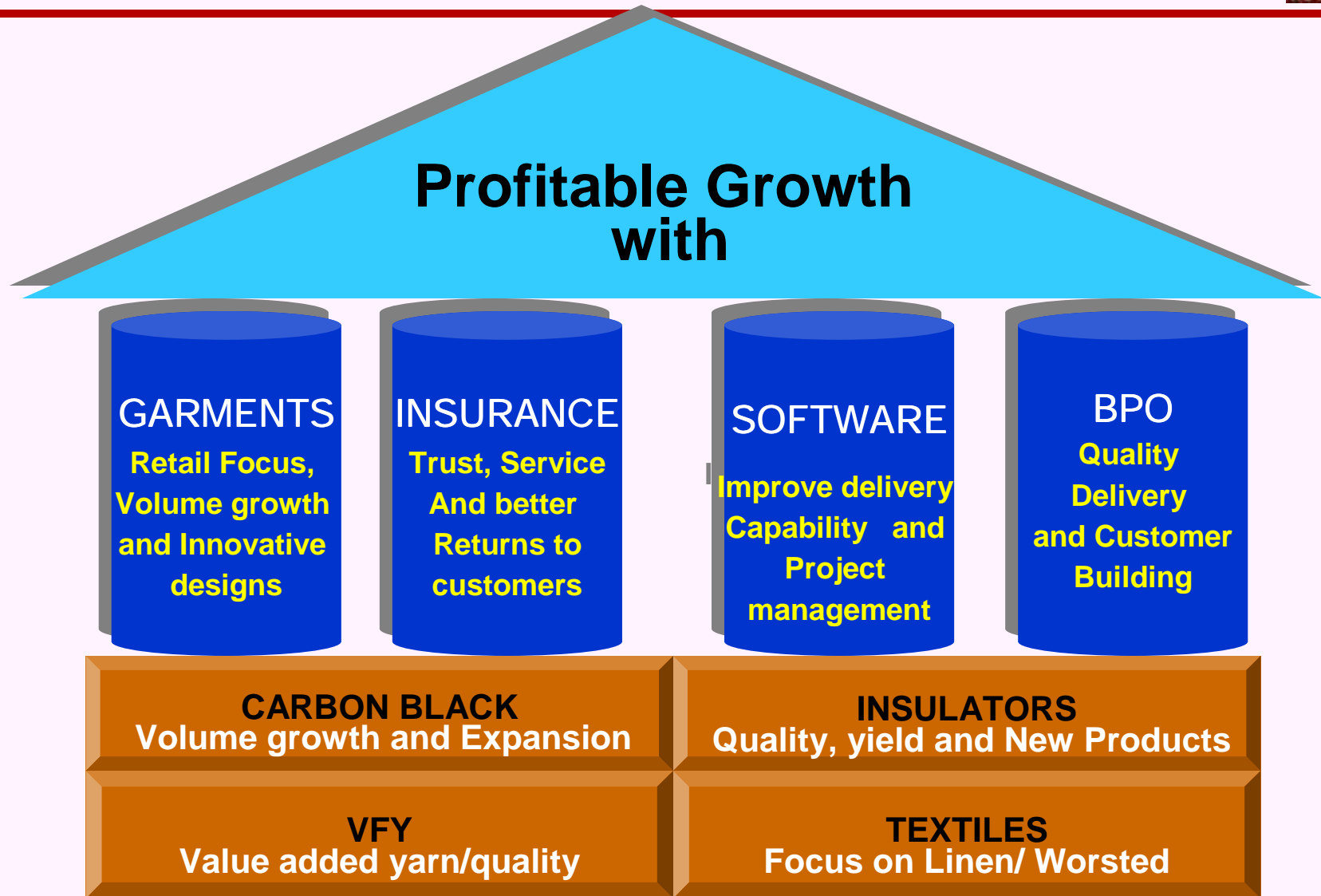
Balance Sheet Snapshot

Rs. Crores

Particulars	Full Year			
	2003-04	2002-03	2001-02	2000-01
Equity	59.9	59.9	59.9	59.9
Net Worth	1,267.7	1,170.8	1,090.8	1,142.7
Long Term Debt	184.3	175.2	265.5	304.6
Short Term Debt	190.0	70.1	176.4	150.6
Total Debts	374.3	245.3	441.9	455.3
Capital Employed	1,642.0	1,416.1	1,532.7	1,597.9
Net Block	740.4	691.0	772.6	809.1
Net Working Capital	287.5	337.2	421.5	445.0
Deferred Tax Liabilities	(127.5)	(126.4)	(101.2)	-
Investments	741.6	514.3	439.8	343.8
ROACE (at PBIT) (%)	11.5	11.4	7.6	8.3
ROANW (at PAT) (%)	10.8	9.3	3.9	6.1
Book Value (Rs.)	211.7	195.5	182.2	190.8
Total Debt Equity (x)	0.3:1	0.21:1	0.41:1	0.4:1
Long Term Debt Equity (x)	0.15:1	0.15:1	0.24:1	0.27:1
Market Capitalisation	1,131.4	450.9	429.6	481.1



Business Outlook



In Sum...

Our traditional businesses are strong and have leadership positions. While we will continue to strengthen leadership and profitability of these businesses, the new businesses will provide quantum jump to achieve leadership positions and profitable growth from each of these new initiatives.

- Dedicated to deliver better results quarter after quarter

Thank You

Cautionary Statement

Statements in this “Presentation” describing the Company’s objectives, projections, estimates, expectations or predictions may be “forward looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include global and Indian demand supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in the Company’s principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the company conducts business and other factors such as litigation and labour negotiations. The Company assume no responsibility to publicly amend, modify or revise any forward looking statement, on the basis of any subsequent development, information or events, or otherwise.

Segmental Performance: FY2004

Rs. Crores

Particulars	Revenue		PBIT		Average Capital Employed		ROCE (%) (PBIT basis)	
	2003-04	2002-03	2003-04	2002-03	2003-04	2002-03	2003-04	2002-03
VFY	335.2	338.0	77.9	97.1	262.7	272.6	29.7	35.6
Garments	391.9	326.1	(1.8)	(14.5)	221.3	213.4	(0.8)	(6.8)
Carbon Black	340.3	327.8	64.7	58.6	300.9	286.0	21.5	20.5
Textiles	393.2	348.3	6.6	9.9	164.1	172.6	4.0	5.7
Insulators	72.5	63.0	21.4	14.7	12.0	71.3	178.7	20.6
Others (Argon Gas, Trading)	40.7	39.2	4.5	2.0	19.4	30.5	23.3	6.4
Total Operating Assets	1,573.9	1,442.5	173.3	167.7	980.3	1,046.4	17.7	16.0
Corporate Assets	-	-	3.0	0.7	548.7	427.9	0.6	0.2
Total	1,573.9	1,442.5	176.3	168.5	1,529.0	1,474.4	11.5	11.4

Production: FY2004



Particulars	Units	Full Year: 2003-04			Full Year: 2002-03		
		Capacity	Production	%	Capacity	Production	%
VFY	Tons	15,000	16,060	107%	15,000	15,873	106%
Carbon Black*	Tons	118,333	116,757	99%	110,000	112,563	102%
<u>YARNS</u>		<u>Spdl/Ton</u>	<u>Ton</u>		<u>Spdl/Ton</u>	<u>Tons</u>	
Worsted		11,889	-		11,889	-	
Flax		2,975	-		2,975	-	
Synthetic		32,038	-		32,038	-	
Total		46,901	-		46,901	-	

* Effective Capacity

Sales Volume and Realization: FY2004

Particulars	Volume	Volume		Realisation		
	Units	Full Year		Units	Full Year	
		2003-04	2002-03		2003-04	2002-03
VFY	Tons	15,694	15,422	Rs./Kg.	178	189
Garments	Lac Pcs.	74.3	61.7	-		
Carbon Black	Tons	118,182	114,232	Rs./Ton	28,795	28,699
<u>YARNS</u>						
Worsted	Tons	4,302	3,917	Rs./Kg.	446	398
Flax	Tons	1,041	672	Rs./Kg.	381	345
Synthetic	Tons	10,676	10,673	Rs./Kg.	114	106
Total Yarn	Tons	16,019	15,262	Rs./Kg.	-	-



PRESS RELEASE

Mumbai, 29th April 2004

**THE ADITYA BIRLA GROUP'S
INDIAN RAYON AND INDUSTRIES LIMITED**

**REPORTS IMPRESSIVE PERFORMANCE
FOR THE FOURTH QUARTER AND THE YEAR ENDED 31ST MARCH 2004**

**Sales at Rs. 1,573.83 Crores up by 9.1%
Profit Before Tax and Exceptional Items at Rs. 161.47 Crores up by 10.0%
Net Profit at Rs. 131.27 up by 24.6%**

Rs. Crores

Particulars	Three Months ended 31st March			For the year ended 31st March		
	2004	2003	Growth %	2004 Audited	2003 Audited	Growth %
Net Sales	396.61	334.18	18.7	1,573.83	1,442.42	9.1
Profit before Depreciation & Tax	60.79	57.70	5.4	242.99	218.48	11.2
Depreciation & Amortisation	20.30	17.63	15.1	81.52	71.74	13.6
Profit Before Tax and Exceptional Items	40.49	40.07	1.0	161.47	146.74	10.0
Exceptional Items	-	(18.65)		19.95	(7.18)	
Profit After Exceptional Items	40.49	21.42	89.0	181.42	139.56	30.0
Provision for Tax	12.94	3.63	256.5	50.15	34.22	46.6
Net Profit for the current period	27.55	17.79	54.9	131.27	105.34	24.6
Exceptional items						
Gain on sale of IGFL Shares				19.95		
Loss on sale on Investment-MRPL		(57.08)			(57.08)	
Gain on Insulator Demerger		38.42			38.42	
Tax Provision No Longer Required Written Back		0.01			11.48	
Total	-	(18.65)		19.95	(7.18)	

Indian Rayon, a major Aditya Birla Group Company, has reported a turnover of Rs. 1,573.83 Crores for the year ended 31st March 2004, up by 9.1%, vis-à-vis Rs. 1,442.42 Crores achieved in the previous year.

The Company has provided for an additional depreciation of Rs. 4.12 Crores, on trade marks/brands as required, on Accounting Standard 26 becoming effective, and higher depreciation on fast depreciating items like computers, vehicles and furniture, which has resulted in additional depreciation amounting to Rs.6.15 Crores for the year. Had these changes not been made, the profit (net of tax) for the year would have been up by Rs. 6.59 Crores.

Profit Before Tax and Exceptional Items is higher by 10.0% at Rs. 161.47 Crores. Net profit for the year is up by 24.6% to Rs. 131.27 Crores as against Rs.105.34 Crores in the previous year.

The net profit for this year is not strictly comparable to that of the previous year because of exceptional items. During the year the Company gained Rs. 19.95 Crores on the sale of its shares in Indo Gulf Fertiliser Limited. In the previous year the Company had benefited by Rs. 38.42 Crores on account of the demerger of the Insulator Division, but incurred a loss of Rs. 57.08 Crores on account of its disinvestments in MRPL. The Company also wrote back tax provisions of Rs. 11.48 Crores.

Dividend

The Board of Directors has recommended a dividend of 40% as compared to 37.5% paid in the previous year. The company will also pay a divided tax of 12.81%. The dividend outgo will therefore be Rs. 27.02 Crores.

Division-wise Performance

Particulars	Sales Volume		Net Sales (Rs. Crores.)		
	Unit	Year ended 31st March		Year ended 31st March	
		2004	2003	2004	2003
Viscose Filament Yarn	Tons	15,694	15,422	335.17	338.02
Garments	Lac Pcs.	74.3	61.7	391.94	326.07
Carbon Black	Tons	118,182	114,232	340.30	327.84
Textiles		-	-	393.20	348.30

Rayon Division

Rayon Division sustained revenues at Rs. 335.17 Crores. Even as VFY sales volumes were higher by 272 Tons and capacity utilisation at 107%, realisations were impaired due to the industry wide high stock levels built at the time of weavers and transporters strike. Import of low price yarns from China further impacted sales. Higher volumes and better realisation from Caustic Soda and Chlorine have enabled to maintain revenue levels.

While in the short-term, VFY prices would remain under pressure, the overall demand is expected to remain stable. To focus on enhancing the share of value added yarns, a Capex of Rs. 70 Crores is underway. This will result in raising the Continuous Spinning Yarn (CSY) capacity by 1,000 tonnes and taking total capacity to 16,000 tonnes p.a. Facilities for superior quality of coloured/dyed yarns for the international markets will be provided in the next phase. These quality-oriented measures will help the business being profitable.

Madura Garments

The Garments Division has maintained its market leadership. Revenues have grown by 20.4% to Rs. 391.94 Crores vis-à-vis Rs. 326.07 Crores achieved in the previous year. Sales volumes were up by 20.4% to 74.3 Lac pieces with improved consumer sentiments despite intense competition. This has resulted in business showing a very small segment loss of Rs.1.84 Crores against Rs. 14.52 Crores incurred last year.

The power brands – Louis Philippe, Van Heusen, Allen Solly, and Peter England in the popular segment continue to maintain their cutting edge positions through innovative product development, design differentiation and range extensions. The festive collections launched by premium brands such as Louis Philippe's Gods & Kings have been welcomed by the fashion and style conscious consumers. The Peter England turnaround strategy has started yielding positive results from the second quarter. The Outerwear Jackets, Suits, Allen Solly Women's Wear, SF Jeans and Knitwear launched last year are on the growth trajectory.

The division was adjudged "The Best Apparel Company of the Year" at the Images Fashion Award. The other accolades received include "Allen Solly – Best Trouser Brand of the Year", "Allen Solly Women's Wear – the Best Women's Wear Brand of the Year" and "SF Jeans – the Best Brand Launch of the Year".

The long-term outlook for the business is encouraging with positive consumer sentiment, enhanced buying power and the growth in economy. However competition has intensified with the entry of global brands and new players (in store brands / regional brands) for prime retail space in high street and top malls. In such a scenario, Madura Garment's business shall capitalize on opportunities with well-crafted strategies in place to drive profitable growth. To augment its profitability it shall continue to focus on enhancing brand equity, providing differentiated merchandise, full wardrobe solutions, reinforcing Peter England as a mega brand, effective and contemporary retail strategy and move towards providing a lifestyle solution for its Power Brands.

Carbon Black Division

The Carbon Black Division's revenues at Rs. 340.30 Crores are up by 3.8% vis-à-vis Rs. 327.83 Crores attained in the previous year. Sales volumes at 118,182 tons have grown by 3.5% with higher exports and the growth of the auto and tyre industry in India. Average realizations have been maintained.

The outlook for the business is positive. However, going forward margins may remain under pressure on account of removal of duty differential between Carbon Black Feed Stock (CBFS) and Carbon Black, cheaper imports, rising trend in CBFS prices and sea freight. The Division is geared to leverage its new capacity to increase exports volumes, as the Brown field expansion commissioned in February'2004 has added 40,000 tonnes at the Gummidipoondi plant, raising the total capacity to 1,60,000 MT. Besides proactively managing CBFS procurement, it additionally intends to develop speciality/ value added products.

Textiles Division

The Textiles Division's revenues have gone up a significant 12.9% to Rs. 393.20 Crores against Rs. 348.30 Crores in the corresponding year. Exports constitute about 48% of the Division's revenues. Realisation has remained under pressure in the Worsted segment as the increase in wool prices could only be partially passed on to the customers. The Synthetic segment is moving towards value added speciality yarn to improve margins. Flax yarn performance has improved after the modernisation of the plant. The Linen fabric has benefited from retailing initiatives. The division's focus on retailing of linen fabrics will continue, given the encouraging market response.

Insulators Domestic Marketing

The Division's revenues stood at Rs. 72.52 Crores. The outlook for the insulator business is promising given the power sector reforms, which will unleash demand in the transmission and in the distribution segment.

Joint Venture and Subsidiaries

The Company's subsidiaries and joint ventures are on track.

BIRLA NGK Insulators Private Limited has registered a turnover of Rs. 163.67 Crores. The insulator business has instituted strict compliance with IEC standards. The yield improvement efforts guided by NGK experts are progressing well. The overall performance of the business will be bettered, as a Capex of Rs. 57 Crores slated for completion, will add to capacity and improved quality.

Birla Sun Life Insurance Company has recorded a jump of 274% in Premium Income of Rs. 537.5 Crores and the Annualised Premium has grown by 253% to Rs. 462.6 Crores. The business continues to retain the number two position amongst private life insurance Companies. The Company is a front-runner in group insurance business and unit-linked products.

The Software business has reversed the downward trend in performance and has grown revenues by 21% to Rs. 86 Crores. With concentrated efforts it has acquired new customers, improved revenue flow and curtailed losses. The focus is now on further strengthening marketing and delivery capabilities.

The BPO business has had a very strong year. Revenues leapfrogged from Rs. 27.50 Crores in the previous year to Rs. 69.43 Crores. The current revenue run rate has increased to Rs. 8 Crores per month, and the business has achieved net profit from January'2004 onwards, in line with expectations. Its 3rd call centre has become operational at Bangalore, which has enhanced seat capacity to 1,600.

Future Outlook

The sector wise future outlook for the Company is promising

- VFY will gain from superior quality and larger share of value added yarns on completion of the Capex initiatives underway.
- Garments will maintain its profitable growth momentum through market leadership, growing volumes and retail expansion
- Carbon Black will grow volumes aided by new capacity
- Textiles will ride on the retailing of linen and improving margins from the worsted segment.
- Insulators operations will gain from higher yield and power sector reforms
- Insurance business will continue to grow at an enhanced rate and maintain its market position
- Software is geared to enhance its performance
- BPO will benefit from expanded capacity and growth in industry

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Please note our new address from 10th May, 2004:

Indian Rayon And Industries Limited
Corporate Finance Division
Aditya Birla Centre, 4th Floor, A-Wing,
S.K.Ahira Marg
Worli, Mumbai – 400 025
Tel: (Board) 56525000 / 24995000



Rs in Crores

CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2004

AUDITED FINANCIAL RESULTS	FY 2003-04	FY 2002-03	SEGMENT REPORTING	FY 2003-04	FY 2002-03
Net Sales / Income from operation	2,405.31	1,771.98	Segment Revenue		
Other Income	16.72	10.47	Garments	391.94	326.07
Total Income	2,422.03	1,782.45	Rayon Yarn	335.17	338.01
			Carbon Black	340.30	327.84
Total Expenditure:			Insulators	154.35	130.57
Decrease / (Increase) in Stock in Trade	(19.80)	0.11	Textiles	394.08	348.40
Cost of Materials	857.68	714.39	Insurance	549.88	150.99
Salaries, Wages and other benefits	262.16	221.26	Software	86.01	71.28
Other Operating Expenditure	720.40	556.98	BPO	57.28	-
Change in valuation of liability in respect of life policies in force	397.44	91.17	Telecom	55.56	39.05
			Others	47.73	49.67
			Total Segment Revenue	2,412.29	1,781.87
			Less: Inter Segment Revenue	(6.98)	(9.90)
Profit Before Interest, Depreciation & Tax	204.14	198.54	Net Sales/ Income from operation	2,405.31	1,771.98
Interest Expenses	41.07	62.57	Segment Results (Profit before Interest and Tax - PBIT)		
Add: Interest Income	8.71	21.82	Garments	(1.84)	(14.52)
Profit Before Depreciation & Tax	171.79	157.79	Rayon Yarn	77.93	97.11
Depreciation and Amortisation	126.84	108.47	Carbon Black	64.68	58.59
			Insulators	12.87	22.94
Profit Before Tax and Exceptional Items	44.95	49.33	Textiles	6.55	9.90
Exceptional Items	17.26	(10.28)	Insurance	(77.63)	(60.01)
			Software	(15.07)	(28.09)
Profit After Exceptional Items	62.21	39.05	BPO	(1.87)	0
Provision for Current Tax	45.28	10.72	Telecom	2.72	(1.98)
Provision for Deferred Tax	4.05	27.15	Others	5.95	5.40
Add: Tax Provision no longer required written back	-	(11.48)	Total Segment Result	74.28	89.33
Net Profit After Tax	12.88	12.66	Less: Interest & Finance Expenses (Net)	(32.36)	(40.75)
Minority Interest in loss of Subsidiaries	(19.64)	(24.02)	Add: Net of Unallocable Income/ (Expenditure)	3.03	0.75
			Profit Before Tax and Exceptional Items	44.95	49.33
Consolidated Net Profit	32.52	36.68	Exceptional Items	17.26	(10.28)
Paid up Equity Share Capital (Face Value of Rs.10 each)	59.88	59.88	Profit After Exceptional Items	62.21	39.05
Basic and Diluted EPS (Rs)	5.43	6.13	Capital Employed (Segment Assets - Segment Liabilities)	As on 31st March, 04	As on 31st March, 03
			Garments	242.24	200.33
			Rayon Yarn	264.42	260.90
			Carbon Black	332.98	268.80
			Insulators	96.33	76.03
			Textiles	153.39	174.88
			Insurance	106.91	74.65
			Software	25.29	37.70
			BPO	53.79	-
			Telecom	137.30	130.45
			Others	35.36	87.78
			Total Segment Capital Employed	1,448.00	1,311.51
			Add: Unallocated Corporate Assets	219.34	201.03
			Total Capital Employed	1667.34	1512.54



AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2004

(Rs in Crores)

Nine Months Ended 31 st Dec.'03	Quarter Ended 31st Mar		SEGMENT REPORTING	Year Ended 31 st Mar'04 (Audited)	Year Ended 31 st Mar'03 (Audited)
	2004	2003			
			Segment Revenue		
302.64	89.30	66.42	Garments	391.94	326.07
250.28	84.89	79.08	Rayon Yarn (Including Caustic & Allied Chemicals)	335.17	338.01
250.40	89.90	89.50	Carbon Black	340.30	327.84
50.82	21.70	2.26	Insulators (See Note 2)	72.52	63.20
290.25	103.83	88.60	Textiles (Spun Yarns & Fabrics)	394.08	348.40
33.20	7.51	8.32	Others	40.71	39.17
1,177.59	397.13	334.18	Total Segment Revenue	1,574.72	1,442.69
(0.37)	(0.51)		Less : Inter segment revenue	(0.88)	(0.27)
1,177.22	396.62	334.18	Net Sales / Income from operation	1,573.84	1,442.42
			Segment Results (Profit before Interest and Tax - PBIT)*		
(1.89)	0.05	(8.68)	Garments	(1.84)	(14.52)
58.91	19.02	23.99	Rayon Yarn (Including Caustic & Allied Chemicals)	77.93	97.11
49.54	15.14	17.15	Carbon Black	64.68	58.59
14.81	6.62	2.00	Insulators (See Note 2)	21.43	14.69
3.39	3.16	4.90	Textiles (Spun Yarns & Fabrics)	6.55	9.90
3.18	1.34	0.75	Others	4.52	1.94
127.94	45.33	40.11	Total Segment Result	173.27	167.71
(18.73)	(5.26)	(7.73)	Less: Interest and Finance Expenses	(23.99)	(43.70)
7.45	1.72	8.92	Add: Interest Income	9.17	21.98
4.31	(1.28)	(1.23)	Add: Net of Unallocable Income / (Expenditure)	3.03	0.75
120.97	40.51	40.07	Profit Before Tax and Exceptional items	161.48	146.74
19.95	-	(18.66)	Exceptional Items	19.95	(18.66)
140.92	40.51	21.41	Profit After Exceptional items	181.43	128.08
As on 31st Dec'03			Capital Employed	As on	
			(Segment assets - Segment liabilities)	31st Mar'04	31st Mar'03
240.59			Garments	242.24	200.33
266.13			Rayon Yarn (Including Caustic & Allied Chemicals)	264.42	260.90
285.09			Carbon Black	332.98	268.80
16.72			Insulators (See Note 2)	19.97	4.01
159.43			Textiles (Spun Yarns & Fabrics)	153.39	174.88
21.18			Others	16.85	21.89
989.14			Total Segment Capital Employed	1029.85	930.81
586.97			Add: Unallocated Corporate assets	612.18	485.26
1576.11			Total Capital Employed	1642.03	1416.07

* After providing additional depreciation of Rs 10.28 Crores (Garments Rs 5.95 crores, Rayon Yarn Rs 1.69 crores, Carbon Black Rs 1.21 crores, Textiles Rs 0.88 crores, Others Rs 0.55 crores) (Refer Note 1)

INDIAN RAYON AND INDUSTRIES LIMITED

Regd. Office: Veraval 362266, GUJARAT.

Web Site: <http://www.adityabirla.com>

An Aditya Birla Group Company



AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2004

(Rs. in Crores)

Nine Months Ended 31 st Dec'03	Quarter Ended 31st Mar		FINANCIAL RESULTS	Year Ended 31 st Mar'04 (Audited)	Year Ended 31 st Mar'03 (Audited)
	2004	2003			
1,282.80	431.26	367.92	Sales	1,714.06	1,593.35
105.58	34.64	33.74	Less: Excise Duty	140.22	150.93
1,177.22	396.62	334.18	Net Sales / Income from Operation	1,573.84	1,442.42
10.98	3.29	1.44	Other Income	14.27	10.00
1,188.20	399.91	335.62	Total Income	1,588.11	1,452.42
			Total Expenditure:		
3.82	(24.83)	(0.87)	Decrease / (Increase) in Stock in Trade	(21.01)	(3.87)
582.58	229.92	162.20	Consumption of Raw Materials, etc.	812.50	686.81
87.51	30.30	28.90	Staff Cost	117.81	122.83
315.36	100.17	87.88	Other Expenditure	415.53	398.28
198.93	64.35	57.51	Profit Before Interest, Depreciation, Royalty & Tax	263.28	248.37
18.73	5.26	7.73	Interest and Finance Expenses	23.99	43.70
7.45	1.72	8.92	Add: Interest Income	9.17	21.98
187.65	60.81	58.70	Profit Before Depreciation, Royalty & Tax	248.46	226.65
5.46	-	1.00	Royalty to Wholly-owned Subsidiary	5.46	8.17
61.22	20.30	17.63	Depreciation and Amortization	81.52	71.74
120.97	40.51	40.07	Profit Before Tax and Exceptional Items	161.48	146.74
19.95	-	(18.66)	Exceptional Items	19.95	(18.66)
140.92	40.51	21.41	Profit After Exceptional Items	181.43	128.08
32.18	12.07	1.53	Provision for Current Tax	44.25	9.00
5.03	0.87	2.10	Provision for Deferred Tax	5.90	25.22
-	-	(0.01)	Tax provision no longer required, written back	-	(11.48)
103.71	27.57	17.79	Net Profit	131.28	105.34
59.88	59.88	59.88	Paid up Equity Share Capital (Face Value of Rs.10 each)	59.88	59.88
-	-	-	Reserves	1,207.80	1,110.91
17.32	4.60	2.97	Basic and Diluted Earning Per Share (Rs.)	21.92	17.59
			Aggregate of Non-Promoter Shareholding		
			Number of Shares	42,776,227	43,752,582
			Percentage of Shareholding	71.43%	73.07%
			Dividend	40%#	37.5%

Recommended

Notes:

- The Company has provided additional depreciation as under:-
 - On revising useful lives of fast moving items, office computers, vehicles and furniture & fixtures, Rs.0.61 crores for the quarter and Rs.6.15 crores for the year.
 - On revising the amortisation period of Intangible assets from 15 years to 10 years, Rs.1.03 crores for the quarter and Rs.4.12 crores for the year.
- The results for the year are strictly not comparable with those for the year ended 31.3.03 as the Insulator Business of the Company was demerged with effect from 1st August 2002. The Company has acquired domestic marketing rights of Insulator in February 2003, on formation of Joint Venture with NGK Insulators Limited, Japan.
- There was one Investor complaint pending at the beginning of the quarter. During the quarter ended 31st March, 2004, eight complaints were received. Out of total nine complaints, eight have since been resolved. The remaining one complaint is pending for receipt of certain documents from Investor.
- Previous year's/period's figures are regrouped/ rearranged wherever necessary.
- The above audited results, have been taken on record at a meeting of the Board of Directors held on 29th April, 2004.

Place: Mumbai
Date: 29th April, 2004

B.L.SHAH
Director

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