

MICRO INKS LIMITED

Registered Office : Bilakhia House, Muktanand Marg, Chala, Vapi-396 191

www.microinks.com

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2008

(Rs. in Lakhs)

Sr. No.	Particulars	STANDALONE		CONSOLIDATED	
		Year ended 31/12/2008	Year ended 31/12/2007	Year ended 31/12/2008	Year ended 31/12/2007
		(Audited)	(Audited)	(Audited)	(Audited)
1	Gross Sales/Income from Operations				
	Domestic - India	69751	59703	69751	59703
	Export - Outside India	71833	62861	99261	98010
	Total	141584	122564	169012	157713
	Less : Excise Duty	8447	8046	8447	8046
2	Net Sales/Income from Operations	133137	114518	160565	149667
3	Other Operating Income	691	362	691	362
4	Total Income	133828	114880	161256	150029
5	Expenditure				
	a) Decrease / (Increase) in Stock in Trade and Work in Progress	1372	(521)	4086	(1021)
	b) Consumption of Raw Materials	86364	79183	92680	88230
	c) Purchase / Cost of Sales of Traded Goods	385	317	8137	11898
	d) Employees Cost	5113	4741	11202	10872
	e) Depreciation / Amortisation	3195	3103	5931	4519
	f) Other Expenditure	19127	17950	26718	25285
	g) Total	115556	104773	148754	139783
6	Profit from Operations before Other Income, Interest & Exceptional Items	18272	10107	12502	10246
7	Other Income	452	386	692	398
8	Profit before Interest and Exceptional items	18724	10493	13194	10644
9	Interest and Other Finance Charges (Net)	7617	2043	7747	2551
10	Profit after Interest but before Exceptional Items	11107	8450	5447	8093
11	Exceptional Items	-	(209)	-	-
12	Profit from Ordinary Activities before Tax	11107	8241	5447	8093
13	Provision for Taxation				
	a) Current Tax (Net)	2170	1020	2171	1021
	b) Deferred Tax	(138)	360	(138)	360
	c) Fringe Benefit Tax	47	49	47	49
	Total	2079	1429	2080	1430
14	Net Profit from Ordinary Activities after Tax	9028	6812	3367	6663
15	Extraordinary Item	-	-	-	-
16	Net Profit for the year	9028	6812	3367	6663
17	Paid-up Equity Share Capital (Face Value Rs.10/- per Share)	2487	2487	2487	2487
18	Reserves excluding Revaluation Reserves as per Balance sheet	43768	74700	44517	42186
19	Earnings Per Share - Basic and Diluted (Rs.) (Not Annualised)	36.30	27.39	13.54	26.79
20	Public Shareholding				
	-Number of Shares	6217986	6217986	6217986	6217986
	-Percentage of Shareholding	25	25	25	25

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE YEAR ENDED DECEMBER 31, 2008

(Rs. in Lakhs)

Sr. No.	Particulars	STANDALONE		CONSOLIDATED	
		Year ended 31/12/2008	Year ended 31/12/2007	Year ended 31/12/2008	Year ended 31/12/2007
		(Audited)	(Audited)	(Audited)	(Audited)
1	Segment Revenue				
	a) Inks & Intermediates	125649	107608	153035	142683
	b) Other Products & Services	8978	7788	9020	7862
	Total	134627	115396	162055	150545
	Less: Inter Segment Revenue	799	516	799	516
	Net Sales/Income from Operations (including Other Operating Income)	133828	114880	161256	150029
2	Segment Results-Profit before Tax and Interest				
	a) Inks & Intermediates	17788	9553	12239	9703
	b) Other Products & Services	881	1030	900	1031
	Total	18669	10583	13139	10734
	Less: Interest and Other Finance Charges (Net)	7617	2043	7747	2551
	Other Unallocable Expenditure minus Unallocable Income	(55)	299	(55)	90
	Total Profit Before Tax	11107	8241	5447	8093
3	Capital Employed (Segment Assets - Segment Liabilities)				
	a) Inks & Intermediates	76749	69419	91739	84539
	b) Other Products & Services	1758	2162	1783	2182
	Add: Unallocated Net Assets*	5762	40657	873	1766
	Total Capital Employed	84269	112238	94395	88487

* Include Investment in subsidiaries and exclude Loan Funds and Deferred Tax Liability.



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Notes :

- (1) The aforesaid results have been approved by the Board of Directors of the Company at its meeting held on February 14, 2009.
- (2) The Board of Directors of the Company has recommended dividend of Rs.6 per equity share (60%) aggregating to Rs.1746 lakhs, including dividend distribution tax of Rs.254 lakhs, for the year ended December 31, 2008.
- (3) Arising out of revaluation of foreign currency loans, interest and other finance charges for the year ended December 31, 2008, includes loss of Rs. 4971 lakhs (previous year gain of Rs. 533 lakhs).
- (4) In compliance with the Announcement on 'Accounting for Derivatives' by The Institute of Chartered Accountants of India, the Company has provided for losses aggregating to Rs. 2275 lakhs for the year ended December 31, 2008 (previous year not applicable) on all outstanding derivative contracts by marking them to market, keeping in view the principle of prudence, other than for forward contracts to which Accounting Standard (AS) 11 - 'The Effect of Change in Foreign Exchange Rates' has been applied.
- (5) Until the previous year processing fees paid on availment of loans from banks was being amortised during the tenure of such loans. This year, the processing fee have been charged upfront to the Profit & Loss account when incurred. As a result, the charge on account of loan processing fee, included in other expenditure is higher by Rs.235 lakhs.
- (6) Pursuant to the approval of the members of the Micro Inks Limited at the extraordinary general meeting (EOGM) held on August 30, 2008 and in accordance with Section 78, 80 and 100 of the Companies Act, 1956, read with Article 9 of the Articles of Association of the Company and as confirmed by the Honourable High Court of Gujarat at Ahmedabad vide its order dated October 15, 2008, the Security Premium Account (Rs. 33714 lakhs) and Capital Redemption Reserve Account (Rs. 4500 lakhs) aggregating to Rs. 38214 lakhs has been utilised to write-off Investments in the subsidiary companies namely Micro Inks GmbH, Austria amounting Rs. 22336 lakhs and Hostmann-Steinberg Inc., USA amounting Rs.15878 lakhs.
- (7) Consequent to write-off of investments in standalone accounts of the Company, as stated in the note no.6 above, unamortised balance of goodwill on consolidation of Rs.1341 Lakhs has been fully amortised during the year.
- (8) During the quarter, the Company has invested by way of subscription to Non-cumulative Redeemable Preferred Stocks aggregating to Rs. 4881 lakhs equivalent to USD 100 lakhs in Hostmann-Steinberg Inc., USA, a wholly owned subsidiary company.
- (9) On receipt of sale proceeds of Micro Inks International Trading (Shanghai) Co. Ltd., China, Micro Inks (Singapore) Pte. Ltd., Singapore a wholly owned subsidiary of the Company has bought back 2359477 Ordinary Shares from the Company at a face value of SGD 1 per share aggregating to SGD 24 lakhs (equivalent to Rs. 763 lakhs).
- (10) The Board, subject to necessary consent, approval and permission that may be required, has decided to acquire entire Common Stocks (including Additonal Paid-in Capital) of Hostmann-Steinberg Inc., USA from Micro Inks GmbH, Austria, a wholly owned subsidiary of the Company, thereby making Hostmann-Steinberg Inc., USA a direct wholly owned subsidiary of the Company and then to de-register Micro Inks GmbH, Austria.
- (11) The Board, subject to necessary consent, approval and permission that may be required, has decided to de-register Micro Inks (Hong Kong) Ltd., Hong Kong a wholly owned subsidiary of Micro Inks (Singapore) Pte. Ltd., Singapore and then to de-register Micro Inks (Singapore) Pte. Ltd., Singapore, a wholly owned subsidiary of the Company.
- (12) There was no investor complaint pending at the beginning of the quarter. After resolving 3 complaints received during the quarter, no complaint was pending at the end of the quarter i.e. December 31, 2008.
- (13) The figures of the previous year have been regrouped wherever necessary .

For and on behalf of the Board

Place : Vapi
Date : February 14, 2009

Anjum Bilakhia
Chairman