

INDO RAMA

Indo Rama Synthetics (India) Ltd.

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Q4 & FY2009 Financial Results
Communication

New Delhi, May 22, 2009

Q4 FY09 EBITDA up 114% at Rs.99.32 crore

Indo Rama Synthetics (India) Limited (IRSL), India's largest dedicated polyester manufacturer today announced its financial performance for the quarter and year ended March 31, 2009.

In the quarter ended March 31, 2009 Net Sales stood at Rs 616.92 crore as against Rs 656.37 crore in the corresponding period last year. Firm demand of PSF and POY resulted in EBITDA increasing 114% to Rs 99.32 crore as compared to Rs 46.30 crore in the corresponding quarter. Net profit for the quarter stood at Rs 20.82 crore as against Net Loss of Rs 18.26 crore in the corresponding quarter last year.

Q4FY2009 Financial Performance Review (Jan - Mar 2009 vs. Jan - Mar 2008)

- Net sales stood at Rs. 616.92 crore as against Rs. 656.37 crore
- EBITDA stood at Rs. 99.32 crore compared to Rs. 46.30 crore
- PBT at Rs. 31.69 crore compared with Rs. (26.49) crore
- PAT at Rs. 20.82 crore compared with Rs. (18.26) crore
- EPS: Rs. 1.37 compared to Rs. (1.20) per share

FY2009 Financial Performance Review (Apr 2008 - Mar 2009 vs. Apr 2007 - Mar 2008)

- Net sales at Rs. 2,444.48 crore compared to Rs. 2,557.72 crore
- EBITDA at Rs. 244.94 crore compared to Rs. 212.66 crore
- PBT at Rs. (146.69) crore compared to Rs. 7.11 crore
- PAT at Rs. (97.83) crore compared with Rs. 3.02 crore
- EPS: Rs.(6.44) compared to Rs. 0.20

Note: Net loss of Rs. 97.83 crore for FY 2009 includes Foreign Exchange loss of Rs. 141.37 crore.

Finished Goods Overview

Finished goods inventories as on March 31, 2009 were lower at 9,044 MT compared to 38,457 MT on 31 March 2008. During the quarter under review, the demand for finished goods was healthy.

*Sales Volumes**(in MT)*

Product	Q4 FY09	Q4 FY08	FY09	FY08
PSF	42,618	37,557	156,186	165,455
POY	37,904	46,624	133,547	162,132
FDY	3,385	800	10,034	6,525
Yarn	9,106	11,894	36,363	40,908
Chips	4,534	8,139	29,273	32,516
TOTAL	97,547	105,014	365,403	407,536

*Production Volumes**(in MT)*

Product	Q4 FY09	Q4 FY08	FY09	FY08
PSF	40,883	31,839	134,681	183,908
POY	44,938	48,110	160,571	196,364
FDY	2,906	954	8,195	8,822
Yarn	9,737	11,149	34,043	43,816
Chips	2,464	8,007	29,163	29,967
TOTAL	100,928	100,059	366,653	462,877

Raw material perspective

With easy availability and commissioning of new capacities over the next year, raw material prices are expected to remain favourable.

Financial management overview

- Total debt stood at Rs 1,013 crore as on March 31, 2009 compared with Rs 1,096 crore as on March 31, 2008.
- Net interest outgo for the year amounted to Rs 108.61 crore compared to Rs 95.65 crore in the corresponding previous year.
- Depreciation cost for the period was Rs 151.47 crore compared to Rs 147.33 crore.

Power

The power division contribution to sales continues to be healthy. During the year under review sales amounted to Rs 253.14 crore respectively, a 37% year on year increase. Operating profits amounted to Rs 69.43 crore.

The Company has upgraded its power evacuation facility as a result of which it has doubled its export capacity from 24 MW to 50 MW.

Outlook

Improved demand and consumption is expected to drive growth of the polyester sector in India. The future of the industry looks better as no additional capacity is coming up.

Raw material prices are expected to be benign with new capacities being set up for both PTA and MEG in FY10.

The Government has taken several initiatives that are expected to enhance the business environment and also be beneficial to the textile industry. These measures include the reduction of excise duties on key raw materials as well as finished goods, reduction in interest rates and the extension of the DEPB scheme which is of significant benefit to exporters.

Going forward, IRSL will look to enhance capacity utilization. The Company will also focus on expanding its market share in the Polyester segment. Concurrently the thrust will be on enhancing efficiencies and innovating.

Power will be another growth driver. Having doubled evacuation, there is expectation of considerable enhancement in contribution from this business.

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Attached: Results table

About Indo Rama Synthetics Limited

Indo Rama Synthetics (I) Limited is the country's largest dedicated polyester manufacturer with an Integrated Manufacturing Complex at Butibori, near Nagpur in Maharashtra producing around 600,000 tonnes per annum of Polyester Staple Fibres, Filament Yarns, Textured Yarns and Textile grade Chips.

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