

INDO RAMA SYNTHETICS (INDIA) LTD



Q3/9M FY2010 PERFORMANCE



20th FLOOR, DLF SQUARE
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HIGHLIGHTS: QUARTER ENDED 31 December 2009

- ❖ Net Sales up by 15% to Rs 6,133.3 million
- ❖ Operating EBITDA increases to Rs. 494.5 million, a growth of 474%
- ❖ Profit Before Tax stood at Rs. 1.4 million, as against a loss of Rs. 544.3 million in the corresponding period last year
- ❖ Profit After Tax for Q3FY10 at Rs. 0.9 million, as compared to a loss of Rs. 363.6 million

HIGHLIGHTS: NINE MONTHS ENDED 31 December 2009

- ❖ Net Sales at Rs. 18,979.4 million, up by 4%
- ❖ Operating EBITDA amounted to Rs. 1,607.6 million, as compared to Rs. 31.7 million in 9MFY2009
- ❖ Profit Before Tax stood at Rs. 31.8 million as compared to a loss of Rs. 1,783.8 million in 9MFY2009
- ❖ Profit After Tax was at Rs. 21 million, as compared to a loss of Rs. 1,186.5 million

Commenting on the performance, Mr. O P Lohia, Chairman & Managing Director, Indo Rama Synthetics (India) Ltd. said,

“During the quarter we witnessed continuing higher prices of our key inputs namely PTA and MEG on the back of a rise in the crude oil prices. Considering the signs of improvement being seen in market conditions, the resultant increase in cost will be passed on further down the value chain.”

FINANCIAL OVERVIEW

SALES

(Rs. million)						
Particulars	Q3FY2010	Q3FY2009	Shift(%)	9MFY2010	9MFY2009	Shift(%)
GROSS SALES	6,486.6	5,646.7	14.87%	19,913.7	19,345.3	2.93%
NET SALES	6,133.3	5,361.4	14.39%	18,979.4	18,275.6	3.85%

- Gross sales for the quarter under review stood at Rs 6,486.6 million, up by 14.87% compared to Rs 5,646.7 million in the corresponding period last year.
- Net sales for the quarter under review amounted to Rs. 6,133.3 million, an increase of 14.39%, as against Rs. 5,361.4 million for the corresponding period last year.

OPERATING PERSPECTIVE

(Rs. million)						
Particulars	Q3FY2010	Q3FY2009	Shift(%)	9MFY2010	9MFY2009	Shift(%)
EBIDTA	494.5	86.1	474.3%	1607.6	31.7	4,971.2%
PROFIT BEFORE TAX	1.4	(544.3)	-	31.8	(1,783.8)	-
PROFIT AFTER TAX	0.9	(363.6)	-	21	(1,186.5)	-

- Earnings before Interest, depreciation, taxes and other income (EBIDTA) increased 474.3% during the current quarter to reach Rs. 494.5 million (Q3FY09: Rs. 86.1 million).
- Profit Before Taxes (PBT) amounted to Rs 1.4 million in Q3 FY10 as against a loss of Rs (544.3) million in Q3 FY09.
- Profit after Taxes (PAT) stood at Rs. 0.9 million during Q3 FY10 as against a loss of Rs. 363.6 million during Q3 FY09.

EARNINGS PER SHARE

Basic and Diluted EPS of the Company was at:

- Rs 0.01 per share (not annualised) for the quarter ended December 31, 2009 as against Rs (2.39) for the corresponding period last year.

BUSINESS DIVISION OVERVIEW

Division wise performance by Value

PARTICULARS	Q3FY10		Q3FY09		Shift%	9MFY10		9MFY09		Shift%
	Value (Rs mn)	% of Total Sales	Value (Rs mn)	% of Total Sales		Value (Rs mn)	% of Total Sales	Value (Rs mn)	% of Total Sales	
PSF	2,676	43.63	1,890	35.25	41.59	8,187	43.13	6,942	37.98	17.93
POY	1,795	29.27	1,943	36.24	(7.62)	5,941	31.30	6,123	33.50	(2.97)
FDY	185	3.02	230	4.29	(19.57)	645	3.40	522	2.86	23.56
YARN	797	13.00	603	11.25	32.17	2,200	11.59	2,090	11.44	5.26
Chips	261	4.26	254	4.74	2.76	382	2.01	1,475	8.07	(74.10)
POWER	384	6.26	421	7.85	(8.79)	1,305	6.88	1,064	5.82	22.65
TRADING SALES	15	0.24		0.00		253	1.33	0	0.00	
WASTE	20	0.33	20	0.37		67	0.35	60	0.33	11.67
TOTAL	6,133	100.00	5,361	100.00	14.40	18,980	100.00	18,276	100.00	3.85

Division wise Sales by Quantity

PARTICULARS	Q3FY10	Q3FY09	Shift%	9MFY10	9MFY09	Shift%
	Quantity (MT)	Quantity (MT)		Quantity (MT)	Quantity (MT)	
PSF	44,796	34,985	28.04	138,980	113,568	22.38
POY	29,091	34,138	(14.78)	96,836	95,643	1.25
FDY	2,243	3,180	(29.47)	7,732	6,649	16.29
YARN	10,972	8,662	26.67	30,542	27,257	12.05
Chips	4,878	5,439	(10.31)	7,327	24,739	(70.38)
WASTE	1,094	945	15.77	3,908	2,697	44.90
TOTAL	93,074	87,349	6.55	285,325	270,553	5.46
POWER (in lakh KWH)	555	535	3.74	1,878	1,312	43.14

Division wise Production by Quantity

PARTICULARS	Q3FY10	Q3FY09	Shift%	9MFY10	9MFY09	Shift%
	Quantity (MT)	Quantity (MT)		Quantity (MT)	Quantity (MT)	
PSF	44,620	36,446	22.43	142,968	94,008	52.08
POY	37,281	49,119	(24.10)	124,512	116,145	7.20
FDY	2,097	2,943	(28.75)	8,651	5,143	68.21
Yarn	10,610	8,288	28.02	31,590	24,278	30.12
Chips	4,772	7,465	(36.08)	7,285	26,691	(72.71)
TOTAL	99,380	104,261	(4.68)	315,006	266,265	18.31

Raw material perspective

Cost of key raw material like PTA and MEG increased during the quarter on the back of a rise in crude oil prices but are expected to stabilize as a result of easier availability arising from the commissioning of new capacities.

Finished goods perspective

PSF sales reported strong growth during the quarter under review, an increase of 42% on a quarter to quarter basis. Because of cost competitiveness, the Company has been able to explore new markets across geographies. During the quarter under review the total exports of the Company amounted to Rs 1,498.9 million as against Rs 833.2 million in the corresponding period last year. The Company is further planning to explore new markets for PSF and POY.

Power

The power division contribution to sales continues to be stable. During the nine months under review, sales amounted to Rs. 2,183.3 million as against Rs 1,799 million in 9M FY09, an increase of 21.36%.

- ENDS -

Attached: Results table

INDO RAMA **Synthetics (India) Limited**

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. The Company's existing Power Division has a generation capacity of 82.5 MW (F.O. based Power Plant capacity of 52.5 MW and coal based Power plant capacity of 30 MW).

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Note: Some statements contained in this document, which describe the Company's or management's objectives, projections, estimates, expectations or predictions of the future may be "forward-looking statements" that, by their nature, involve risk and uncertainty. Actual actions or results could differ materially from those expressed or implied in such forward-looking statements. Important factors, which could cause such differences, include supply and demand conditions for the Company's products, changes in raw material costs and availability, changes in government regulations, socio-economic developments, relationships with and financial and operating conditions of customers and suppliers, and other factors relating to the Company's ongoing operations. IRSL undertakes no obligation to publicly update these forward-looking statements to reflect subsequent circumstances or events.

INDO RAMA SYNTHETICS (INDIA) LIMITED

Registered Office : 31-A, MIDC Industrial Area, Butibori-441122, District Nagpur, Maharashtra.

Corporate Office : 20th Floor, DLF Square, DLF City Phase II, Gurgaon -122002, Haryana

FINANCIAL RESULTS FOR THE QUARTER / NINE MONTHS ENDED DECEMBER 31, 2009

(Rs. in Crores, unless otherwise indicated)

S.No.	Particulars	Third Quarter Ended		Nine Months Ended		Year Ended
		31.12.2009	31.12.2008	31.12.2009	31.12.2008	31.03.2009
		Un-audited		Un-audited		Audited
1	Gross Turnover	648.66	564.67	1,991.37	1,934.53	2,573.97
	Less : Excise Duty on Sales	35.33	28.53	93.43	106.97	129.49
	Net Turnover	613.33	536.14	1,897.94	1,827.56	2,444.48
2	Other operating Income	7.60	1.79	9.15	9.30	12.88
3	Total Income	620.93	537.93	1,907.09	1,836.86	2,457.36
		(1+2)				
4	Expenditure :					
	A. Decrease / (Increase) in Stock-in-Trade and work in progress	9.33	(19.68)	(28.27)	195.79	213.12
	B. Movement in Excise Duty on Stocks-in-Trade	(1.05)	0.18	3.54	(16.89)	(17.82)
	C. Consumption of Raw - materials	453.51	393.16	1,429.53	1,203.18	1,606.97
	D. Purchase of traded goods	1.40	-	22.36	-	18.83
	E. Employees Cost	14.27	13.18	42.68	40.22	53.78
	F. Other Expenditure	94.02	142.48	276.49	411.39	478.91
	Total	571.48	529.32	1,746.33	1,833.69	2,353.79
5	Earning Before Depreciation, Other income, Interest, and Taxes	49.45	8.61	160.76	3.17	103.57
		(3-4)				
6	Depreciation / Amortisation	37.39	38.61	113.57	114.08	151.47
7	Profit / (Loss) Before Other income, Interest and Tax	12.06	(30.00)	47.19	(110.91)	(47.90)
		(5-6)				
8	Other Income	2.20	2.60	7.55	8.41	9.82
9	Profit / (Loss) Before Interest and Tax	14.26	(27.40)	54.74	(102.50)	(38.08)
		(7+8)				
10	Interest	14.12	27.03	51.56	75.88	108.61
11	Profit / (Loss) Before Tax	0.14	(54.43)	3.18	(178.38)	(146.69)
		(9-10)				
12	Provision for Taxation					
	-Income Tax (MAT)	0.05	-	0.57	-	-
	-Less: MAT Credit Entitlement	(0.05)	-	(0.57)	-	-
	-Fringe Benefit Tax	-	0.24	-	0.64	0.74
	-Deferred Tax Charge / (Benefit)	0.05	(18.31)	1.08	(60.37)	(49.60)
	- Total tax expense	0.05	(18.07)	1.08	(59.73)	(48.86)
13	Profit / (Loss) After Tax	0.09	(36.36)	2.10	(118.65)	(97.83)
		(11-12)				
14	Paid-up Equity Share Capital (Face Value of Rs.10 per share)	151.82	151.83	151.82	151.83	151.82
15	Reserves (excluding Revaluation Reserve)					270.98
16	Basic and diluted EPS for the period (Not Annualised) (Rs.)	0.01	(2.39)	0.14	(7.81)	(6.44)
17	Total Public Shareholding :					
	- Number of Shares (Nos.)	45,087,886	45,796,027	45,087,886	45,796,027	45,413,445
	- Percentage of Shareholding (%)	29.70	30.16	29.70	30.16	29.91
18	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	96,202,996		96,202,996		95,877,437
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00		100.00		100.00
	- Percentage of shares (as a % of the total share capital of the company)	63.36		63.36		63.15

**Reporting of Segment Wise Revenue, Results and Capital Employed under clause 41
of the Listing Agreement for the Quarter / Nine months ended December 31, 2009.**

(Rs. in Crores)

	Particulars	Third Quarter Ended		Nine Months ended		Year ended
		31.12.2009	31.12.2008	31.12.2009	31.12.2008	31.03.2009
		Un-audited		Un-audited		Audited
1	Segment Revenue (Net Sales/Income)					
	a) Segment - Polyester	582.32	495.72	1,776.08	1,730.20	2,306.45
	b) Segment - Power	64.19	70.01	218.33	179.90	253.14
	c) Unallocated	0.02	-	0.14	0.14	0.14
	Total	646.53	565.73	1,994.55	1,910.24	2,559.73
	Less : Inter Segment Revenue	25.60	27.80	87.46	73.38	102.37
	Net Sales/Income from operations	620.93	537.93	1,907.09	1,836.86	2,457.36
2	Segment Results (Profit / (Loss) before tax and interest from each Segment)					
	a) Segment - Polyester	1.37	(43.87)	8.88	(91.65)	(59.70)
	b) Segment - Power	12.86	25.41	50.27	46.23	69.43
	Total	14.23	(18.46)	59.15	(45.42)	9.73
	Add : Unallocable income net of unallocable expenditure	0.03	-	-	-	-
	Less:					
	i. Interest	14.12	27.03	51.56	75.88	108.61
	ii. Other unallocable expenditure net of unallocable income	-	8.94	4.41	57.08	47.81
	Total Profit / (Loss) Before Tax	0.14	(54.43)	3.18	(178.38)	(146.69)
3	Capital Employed (Segment Assets - Segment Liabilities)					
	a) Segment - Polyester	1,295.70	1,480.39	1,295.70	1,480.39	1,386.74
	b) Segment - Power	189.16	160.30	189.16	160.30	163.92
	c) Unallocated	(1,058.69)	(1,230.22)	(1,058.69)	(1,230.22)	(1,127.85)
	Total	426.17	410.47	426.17	410.47	422.81

Notes:-

1. The results for the quarter / nine months ended 31 December 2009 have been reviewed by the Auditors and were taken on record at the Board of Director's Meeting held on 23 January 2010.
2. In pursuance of notification no. GSR 225 (E) dated 31 March 2009 of Ministry of Corporate Affairs with retrospective amendment (with effect from 7 December 2006) to Accounting Standard (AS 11) on "Effects of changes in Foreign exchange rates", the Company has adopted the option for exchange difference arising on reporting of long term foreign currency monetary items, by adjusting the same with carrying cost of depreciable assets to the extent they relate to acquisition of such asset, and in other cases, by accumulating the same in Foreign Currency Monetary Item Translation Difference Account to be amortised over the balance life of such asset or liability but not beyond 31 March 2011. During the quarter and nine months ended 31 December 2008, based on the legal opinion obtained, the Company had adjusted foreign exchange fluctuations on amounts borrowed for acquisition of imported fixed assets in such assets, which was at variance to the treatment prescribed in AS 11. If the Company had followed the requirements of AS 11, the loss after tax for the quarter and nine months ended 31 December 2008 would have increased by Rs.7.89 Crores and Rs. 26.98 Crores respectively.

However, during the current quarter and nine months ended 31 December 2009, the Company has followed the aforesaid notification no. GSR 225 (E) dated 31 March 2009.

3. During the quarter ended 31 March 2009, the Company had changed its accounting policy with regard to accounting for mark to market loss on outstanding derivative instruments as at 31 March 2009. During the quarter and nine months ended 31 December 2008, the Company had not provided for mark to market loss aggregating Rs.7.49 Crores in respect of outstanding derivative instruments as at 31 December 2008.

During the current quarter and nine months ended 31 December 2009, the Company has recorded gain of Rs. 2.78 crores, with a similar impact on profit before tax, in respect of forward contracts taken for highly probable/ forecasted transactions, pursuant to the principles under AS 30 "Financial Instruments: Recognition and Measurement", which has been recommendatory from periods commencing on or after 1 April 2009.

4. There was no investor complaint pending at the beginning of the quarter. During the quarter ended 31 December, 2009, 15 investor complaints were received and all the 15 complaints were suitably disposed-off and no complaint was pending as on 31 December 2009.
5. Previous figures have been regrouped / recast, wherever necessary, to make them comparable.

For and on behalf of the Board of Directors

Place : New Delhi
Date : January 23, 2010

O. P. Lohia
Chairman & Managing Director