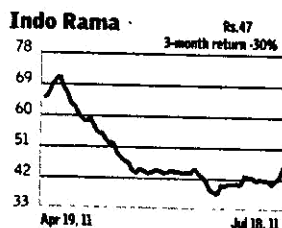


Indo Rama posts Rs 51-cr net in Q1



Our Bureau

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Polyester manufacturer Indo Rama Synthetics announced a net profit of Rs 51.44 crore during the first quarter of the current fiscal against a loss of Rs 12.53 crore posted during the corresponding quarter in 2010-11.

The company partly attributed the turnaround to cost reduction projects that has helped it arrest the decline in margins and said it expects some recovery to take off from the second quarter, with "clearing of old inventory and improvement in prices".

Gross sales during the quarter ended June 30, 2011 were up over seven per cent at Rs 667.28 crore.

The company said during the quarter the demand remained "depressed" due to sharp fall in cotton prices and downward movement in the prices of viscose and acrylic fibres.

Polyester fibre prices too moved down on account of "wide inventory build up" in the industry.

Mr O.P. Lohia, Chairman and Managing Director, said, "Delivering on important cost reduction projects has helped the company arrest the decline in margins in a soft demand phase of the business cycle. We remain buoyant on the prospects of the polyester business with newer and increased applications of the fibre taking place globally."

The Indo Rama share closed Monday's trade at Rs 47.90 on the BSE, up 2.13 per cent. The 52-week high for the stock was Rs 81 while the corresponding low was Rs 35.