INDO RAMA

Indo Rama Synthetics (India) Limited

# INDO RAMA SYNTHETICS (INDIA) LTD

# Q2/H1 FY2010 PERFORMANCE


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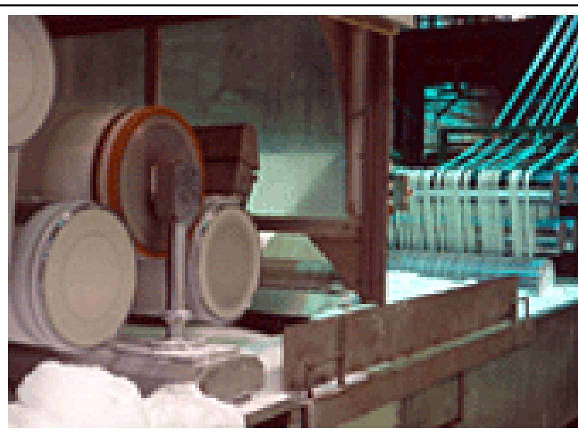

# HIGHLIGHTS: QUARTER ENDED 30 September 2009

- Gross Sales up by 22.40% to Rs 6,327.8 million
- Net Sales increased by 22.32% to Rs 5973.7 million
- Operating EBITDA increases to Rs. 341.9 million, a growth of 129%
- Operating Cash Profit at Rs 183.4 million, as against a loss of Rs. 550.6 million

With recovery being witnessed in our domestic economy, the demand situation has further improved during the quarter and the trend is expected to continue in the coming months. There are also indications of recovery happening in the US, EU and other global markets. Going forward this is expected to also have a positive impact.

The power business continues to do well and further improved performance is expected in this business.

# FINANCIAL OVERVIEW

## SALES

(Rs. million)

| Particulars | Q2FY2010 | Q2FY2009 | Shift(%) | H1FY2010 | H1FY2009 | Shift(%) |
|---|---|---|---|---|---|---|
| GROSS SALES | 6,327.8 | 5,169.7 | 22.40% | 13,427.1 | 13,698.6 | (2.0)% |
| NET SALES | 5,973.7 | 4,883.6 | 22.32% | 12,846.1 | 12,914.2 | (0.5)% |

- Gross sales up by 22.40% over the corresponding quarter of 2008-09 to reach Rs. 6,327.8 million.
- Net sales for the quarter under review amounted to Rs. 5,973.7 million, an increase of 22.32%, as against Rs. 4,883.6 million for the corresponding period last year.

# OPERATING PERSPECTIVE

(Rs. million)

| Particulars | Q2FY2010 | Q2FY2009 | Shift(%) | H1FY2010 | H1FY2009 | Shift(%) |
|---|---|---|---|---|---|---|
| OPERATING EBIDTA | 341.9 | 149.2 | 129% | 1,201.5 | 819.0 | 47% |
| OPERATING CASH PROFIT | 183.4 | (550.6) | 133% | 792.2 | (488.8) | 262% |

- Operating Earnings before Interest, depreciation, taxes, other income and exceptional items (Operating EBIDTA) increased 129% during the current quarter to reach Rs. 341.9 million (Q2 2008-09: Rs. 149.2 million).

# PROFIT AFTER TAX

(Rs. million)

| Particulars | Q2FY2010 | Q2FY2009 | Shift(%) | H1FY2010 | H1FY2009 | Shift(%) |
|---|---|---|---|---|---|---|
| PAT | (132.5) | (614.8) | 78% | 20.1 | (822.9) | 102% |

- Profit after Taxes (PAT) reflected a loss of Rs. 132.5 million during Q2 FY10 as against a loss of Rs. 614.8 million during Q2 FY09.

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# BUSINESS DIVISION OVERVIEW

## Division wise performance by Value

| PARTICULARS | H1FY10 | | H1FY09 | | Shift% |
|---|---|---|---|---|---|
| | Value (Rs mn) | % of Total Sales | Value (Rs mn) | % of Total Sales | |
| PFY(POY+FDY+DTY) | 6,288.4 | 46.84% | 6,332.2 | 46.23% | (0.69)% |
| PSF | 5,802.2 | 43.22% | 5,354.8 | 39.09% | 8.36% |
| POLYESTER CHIPS | 128.0 | 0.95% | 1,324.7 | 9.67% | (90.34)% |
| WASTE SALES | 50.0 | 0.37% | 44.1 | 0.32% | 13.38% |
| TRADING GOODS | 238.1 | 1.77% | - | 0.00% | 238.10% |
| POWER | 920.4 | 6.85% | 642.8 | 4.69% | 43.19% |
| **TOTAL** | **13,427.1** | **100.00%** | **13,698.6** | **100.00%** | |

## Division wise Sales by Quantity

| PARTICULARS | H1FY10 | H1FY09 | Shift% |
|---|---|---|---|
| | Quantity (MT) | Quantity (MT) | |
| PFY(POY+FDY+DTY) | 92,805 | 83,569 | 11.05% |
| PSF | 94,184 | 78,583 | 19.85% |
| POLYESTER CHIPS | 2,449 | 19,300 | (87.31)% |
| WASTE SALES | 2,814 | 1,752 | 60.62% |
| TOTAL | 192,252 | 183,204 | |
| POWER (in lakh KWH) | 1,324 | 777 | 70.40% |

## Division wise Production by Quantity

| PARTICULARS | H1FY10 | H1FY09 | Shift% |
|---|---|---|---|
| | Quantity (MT) | Quantity (MT) | |
| PFY(POY+FDY+DTY) | 114,765 | 85,216 | 34.68% |
| PSF | 98,348 | 57,562 | 70.86% |
| POLYESTER CHIPS | 2,512 | 19,226 | (86.93)% |
| **TOTAL** | **215,625** | **162,004** | |

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## Power

The power division contribution to sales continues to be healthy. During the half year under review sales amounted to Rs. 1541.4 million a 40.26% year on year increase. Operating profit amounted to Rs. 374.1 million.

***- ENDS -***

***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. 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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# INDO RAMA SYNTHETICS (INDIA) LIMITED

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

Corporate Office : Dr. Gopal Das Bhawan, 28 Barakhamba Road, New Delhi - 110001

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / HALF YEAR ENDED SEPTEMBER 30, 2009**

(Rs. in Crores, unless otherwise indicated)

| S.No. | Particulars | | Second Quarter Ended | | Half Year Ended | | Year Ended |
|---|---|---|---|---|---|---|---|
| | | | 30.09.2009 | 30.09.2008 | 30.09.2009 | 30.09.2008 | 31.03.2009 |
| | | | Un-audited | | Un-audited | | Audited |
| 1 | **Gross Turnover** | | **632.78** | **516.97** | **1,342.71** | **1,369.86** | **2,573.97** |
| | Less : Excise Duty on Sales | | 35.41 | 28.61 | 58.10 | 78.44 | 129.49 |
| | **Net Turnover** | | **597.37** | **488.36** | **1,284.61** | **1,291.42** | **2,444.48** |
| 2 | Other operating Income | | 2.74 | 1.90 | 6.22 | 7.51 | 12.88 |
| 3 | **Total Income** | **(1+2)** | **600.11** | **490.26** | **1,290.83** | **1,298.93** | **2,457.36** |
| 4 | **Expenditure :** | | | | | | |
| | A. (Increase) / Decrease in Stock-in-Trade and work in progress | | (17.34) | 81.88 | (37.60) | 215.47 | 213.12 |
| | B. Movement in Excise Duty on Stocks-in-Trade | | 3.93 | (5.98) | 4.59 | (17.07) | (17.82) |
| | C. Consumption of Raw - materials | | 463.94 | 306.96 | 976.02 | 810.02 | 1,606.97 |
| | D. Purchase of traded goods | | 2.28 | - | 20.96 | - | 18.83 |
| | E. Employees Cost | | 14.15 | 13.34 | 28.41 | 27.04 | 53.78 |
| | F. Other Expenditure | | 98.96 | 79.14 | 178.30 | 181.57 | 337.54 |
| | **Total** | | **565.92** | **475.34** | **1,170.68** | **1,217.03** | **2,212.42** |
| 5 | **Earning Before Other income, Exceptional items, Interest, Depreciation and Taxes** | **(3-4)** | **34.19** | **14.92** | **120.15** | **81.90** | **244.94** |
| 6 | Depreciation / Amortisation | | 38.50 | 37.98 | 76.18 | 75.47 | 151.47 |
| 7 | **(Loss) / Profit Before Other income, Interest, Exceptional items and Tax** | **(5-6)** | **(4.31)** | **(23.06)** | **43.97** | **6.43** | **93.47** |
| 8 | Other Income | | 1.23 | 1.74 | 5.35 | 5.81 | 9.82 |
| 9 | **(Loss) / Profit Before Interest, Exceptional items and Tax** | **(7+8)** | **(3.08)** | **(21.32)** | **49.32** | **12.24** | **103.29** |
| 10 | Interest | | 19.31 | 24.30 | 37.44 | 48.85 | 108.61 |
| 11 | **(Loss) / Profit Before Exceptional items and Tax** | **(9-10)** | **(22.39)** | **(45.62)** | **11.88** | **(36.61)** | **(5.32)** |
| 12 | Exceptional items-Foreign Exchange fluctuation Gain / (Loss) | | 2.07 | (47.23) | (8.84) | (87.34) | (141.37) |
| 13 | **Net (Loss) / Profit Before Tax** | **(11+12)** | **(20.32)** | **(92.85)** | **3.04** | **(123.95)** | **(146.69)** |
| 14 | Provision for Taxation | | | | | | |
| | -Income Tax (MAT) | | (2.11) | - | 0.52 | - | - |
| | -Less: MAT Credit Entitlement | | 2.11 | - | (0.52) | - | - |
| | -Fringe Benefit Tax | | (0.16) | 0.19 | - | 0.40 | 0.74 |
| | -Deferred Tax (Benefit) / Charge | | (6.91) | (31.56) | 1.03 | (42.06) | (49.60) |
| | **- Total tax expense** | | **(7.07)** | **(31.37)** | **1.03** | **(41.66)** | **(48.86)** |
| 15 | **(Loss) / Profit after Tax** | **(13-14)** | **(13.25)** | **(61.48)** | **2.01** | **(82.29)** | **(97.83)** |
| 16 | Paid-up Equity Share Capital (Face Value of Rs.10 per share) | | 151.82 | 151.83 | 151.82 | 151.83 | 151.82 |
| 17 | Reserves (excluding Revaluation Reserve) | | | | | | 270.98 |
| 18 | Basic and diluted EPS for the period (Not Annualised) (Rs.) | | (0.87) | (4.05) | 0.13 | (5.42) | (6.44) |
| 19 | 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 |
| 20 | 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) | | 63.37 | - | 63.37 | - | 63.15 |

**Reporting of Segment Wise Revenue, Results and Capital Employed under clause 41 of the Listing Agreement for the Quarter ended September 30, 2009.**

(Rs. in Crores)

| | Particulars | Seceond Quarter Ended | | Half year | | Year ended |
|---|---|---|---|---|---|---|
| | | 30.09.2009 | 30.09.2008 | 30.09.2009 | 30.09.2008 | 31.03.2009 |
| | | Un-audited | | Un-audited | | Audited |
| 1 | Segment Revenue (Net Sales/Income ) | | | | | |
| | a) Segment - Polyester | 570.80 | 457.95 | 1,198.43 | 1,234.48 | 2,306.45 |
| | b) Segment - Power | 60.24 | 50.70 | 154.14 | 109.89 | 253.14 |
| | c) Unallocated | 0.04 | 0.13 | 0.12 | 0.14 | 0.14 |
| | **Total** | **631.08** | **508.78** | **1,352.69** | **1,344.51** | **2,559.73** |
| | Less : Inter Segment Revenue | 30.97 | 18.52 | 61.86 | 45.58 | 102.37 |
| | **Net Sales/Income from operations** | **600.11** | **490.26** | **1,290.83** | **1,298.93** | **2,457.36** |
| 2 | Segment Results (Profit(+)/Loss(-) before tax and interest from each Segment) | | | | | |
| | a) Segment - Polyester | (2.91) | (50.88) | 7.83 | (47.78) | (59.30) |
| | b) Segment - Power | 6.69 | 11.66 | 37.41 | 20.82 | 69.43 |
| | **Total** | **3.78** | **(39.22)** | **45.24** | **(26.96)** | **10.13** |
| | Less: | | | | | |
| | I. Interest | 19.31 | 24.30 | 37.44 | 48.85 | 108.61 |
| | ii. Other unallocable expenditure net of unallocable income | 5.04 | 29.33 | 4.44 | 48.14 | 47.81 |
| | iii. Eliminaton of Profit / (Loss) due to Inter Segment Revenue | (0.25) | - | 0.32 | - | 0.40 |
| | **Total (Loss) / Profit Before Tax** | **(20.32)** | **(92.85)** | **3.04** | **(123.95)** | **(146.69)** |
| 3 | Capital Employed ( Segment Assets - Segment Liabilities ) | | | | | |
| | a) Segment - Polyester | 1,306.30 | 1,481.54 | 1,306.30 | 1,481.54 | 1,386.74 |
| | b) Segment - Power | 190.87 | 167.54 | 190.87 | 167.54 | 163.92 |
| | c) Unallocated | (1,071.34) | (1,202.35) | (1,071.34) | (1,202.35) | (1,127.85) |
| | **Total** | **425.83** | **446.73** | **425.83** | **446.73** | **422.81** |

**INDO RAMA SYNTHETICS (INDIA) LIMITED**
**FINANCIAL RESULTS FOR THE QUARTER / HALF YEAR ENDED 30 SEPTEMBER 2009**

**Notes:-**

1. The results for the quarter and half year ended 30 September 2009 have been reviewed by the Auditors and were taken on record at the Board of Directors Meeting held on 28 October 2009.

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 2011. During the quarter and half year ended 30 September 2008, based on the legal opinion obtained, the Company had adjusted foreign exchange fluctuations on amount borrowed for acquisition of imported fixed assets, which was at variance to the treatment prescribed in AS 11. If the Company had followed the requirements of AS 11, then the loss after tax for the quarter and half year ended 30 September 2008 would have decreased by Rs. 1.42 Crores and increased by Rs. 19.09 Crores respectively.

   However, during the current quarter and half year ended 30 September 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 has effected a change in accounting policy with regard to accounting for mark to market loss on outstanding derivative instruments as at 31 March 2009. During the quarter and half year ended 30 September 2008, the Company had not provided for mark to market loss aggregating Rs. 26.37 Crores in respect of outstanding derivatives instrument as at 30 September 2008.

4. There was no investor complaint pending at the beginning of the quarter. During the quarter ended 30 September 2009, 22 investor complaints were received and all the 22 complaints were suitably disposed-off and no complaint was pending as on 30 September 2009.

5. Previous year/ half year / quarter figures have been regrouped / recasted wherever necessary, to make them comparable.

For and on behalf of the Board of Directors

**O. P. Lohia**
Chairman & Managing Director

Place : New Delhi
Date : 28 October 2009