

INDO RAMA

Indo Rama Synthetics (India) Ltd.

Dr GopalDas Bhawan, 28, Barakhamba Road, New Delhi 110 001

Press Release

For Immediate Publication

Indo Rama Synthetics PAT up by 49%

New Delhi, July 14, 2005: Indo Rama Synthetics (I) Ltd. (IRSL), India's largest dedicated Polyester manufacturing company, today announced its results for the first quarter ending June 30, 2005. The company's gross turnover increased to Rs. 572.5 crores as compared to Rs. 496.6 crores in the corresponding period last year, thereby registering a jump of 15.3%. The net turnover of the company also saw a jump of 19.8% on YOY basis to Rs. 499 crores from Rs. 416.6 crores.

Speaking on the occasion, Mr O.P. Lohia, Chairman & Managing Director, Indo Rama Synthetics (India) Ltd said: "Indo Rama is geared to harness the potential of the increase in demand and enhance its position as the leader in the manmade fiber industry. The increase in demand for the finished goods in the last quarter provides the insight on the growth in Textile sector".

"Prices of our key raw materials have sharply declined year on year despite an increase in crude prices this clearly indicates correction in the fibre intermediate prices. These developments strengthen my conviction that the polyester segment is on the cusp of significant growth", Mr. Lohia added.

IRSL's PAT increased to Rs. 10.03 crores from Rs. 6.71 crores in the corresponding period last year indicating a jump of 49% YOY.

The industry environment has been encouraging even from raw material perspective. With the reversal of up cycle of petrochemical intermediates, the costs of raw material i.e. PTA & MEG have declined and are expected to maintain at the current price levels.

A record high cotton crop resulted in increased supply and consequent depressed cotton prices. However, in last 3-4 months, cotton prices have shown signs of firming up as a result of which it is envisaged that demand for alternative fibres particularly Polyester will improve.

Continuation of this trend will contribute to a more conducive operating environment. Indicating, these results are likely to improve subsequently in coming quarters.