

# **INDO RAMA**

## **Synthetics (India) Limited**

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Press Release

For Immediate Publication

### **Indo Rama Synthetics (India) Ltd. announces Q2 FY10-11 Results**

#### **Q2 Profit After Tax at Rs.4.18 crore as against Loss of Rs.13.25 crore**

**Gurgaon, November 9, 2010:** Indo Rama Synthetics (India) Limited, India's largest dedicated polyester manufacturer, today announced its unaudited results for Q2 ended September 30, 2010.

Net sales for the quarter stood at Rs. 705.21 crore, an increase of 18% as compared to Rs. 597.37 crore in the corresponding quarter.

EBIDTA for the quarter has been Rs.57.62 crore as compared to Rs. 37.45 crore in the same period last year, a robust increase of 54%. During the quarter, the Profit after Tax was Rs.4.18 crore as against a Loss of Rs.13.25 crore in the corresponding period.

The performance of polyester business during the quarter has been quite encouraging. The demand for polyester products has been continuously rising, resulting into higher sales for the quarter. Domestic as well as export segments both are showing increase in demand across all the products of the company. The increase in demand has resulted in improvement in margins of the company.

The polyester demand is expected to further rise on back of high prices of cotton and other alternate fibres. Cotton prices have already reached 140 year high, and are continuously rising because of short supply. Existing constraints in polyester capacities coupled with increase in demand, both domestic and exports, will augur well for the company in the coming quarters.

The Company has issued 2,00,00,000 preferential convertible warrants to the promoter group companies convertible into equal number of equity shares within a period of 18 months from the date of allotment i.e. 9th November 2010. This fund is being raised to meet the current expansion projects of replacing Furnace Oil (FO) based heat treatment media (HTM) with coal based plant, expansion in high capacity Draw Texturised Yarn (DTY) machines and setting up Steam turbine generator of 11 MW capacity.

In addition to above, Indo Rama is also planning to set up a 45 MW power project in addition to its existing generation capacity of 82.5 MW. The company has got coal linkages for 30 MW in hand and is contemplating to enhance the same to 45 MW.