

# **INDO RAMA**

## **Synthetics (India) Limited**

*Press Release*

*For immediate dissemination*

### **Indo Rama Synthetics announces Q1 FY11-12 results**

**Net Profit at Rs 51.44 cr vs. loss of Rs 12.53 cr**

**Gross Sales up at Rs 667.28 cr vs. Rs 622.19 cr**

**Gurgaon, July 18, 2011:** Indo Rama Synthetics (India) Limited, India's largest dedicated

polyester manufacturer, today announced its unaudited results for Q1 ended June 30, 2011.

Gross sales for the quarter stood at Rs 667.28 crore, an increase of 7.2% as compared to Rs 622.19 crore in the corresponding quarter of the previous year. Company recorded a Profit after Tax of Rs 51.44 crore over a Loss of Rs 12.53 crore in the corresponding period of the prior year.

The company managed an impressive sales performance despite a difficult quarter for the Textile industry. 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 southwards with wide inventory build up in the industry.

The company expects some recovery to take off from the second quarter with clearing of old inventory and improvement in prices. Meanwhile company continued its focus on operation efficiency projects to maximize gains when the volumes come back in the balance of the year.

The company is in the process of expanding the production capacity for its value added product Draw Texturized Yarn (DTY) from existing 64,800 Tonnes to 84,000 Tonnes by installation of 8 new machines.

To improve cost efficiency the company had planned to replace existing heat treatment media based on furnace oil to coal at a project cost of Rs 73 crores. The project is on track and is to be commissioned in the later part of this month.

The project to add 11MW of Power to utilize the spare boiler capacity for captive consumption will be commissioned by Q3 FY 12.

Commenting on the results, O P Lohia, Chairman and Managing Director said:

*"Despite a challenging quarter we could achieve sales growth. Delivering on important cost reduction projects has helped 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."*

### **About Indo Rama Synthetics (India) Limited**

Indo Rama Synthetics (India) Limited is India's largest dedicated polyester manufacturer with an Integrated Manufacturing Complex at Butibori near Nagpur in Maharashtra, with capacity of 6,10,050 tonnes per annum of Polyester Staple Fibre, Filament Yarn, Draw Texturized Yarn, Fully Drawn Yarn and Textile grade Chips.

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