

# INDO RAMA Synthetics (India) Limited

*Press Release*

*For immediate dissemination*

## Indo Rama Synthetics (India) Ltd. reports financial results for the quarter ended June 30, 2013

### Editor's Synopsis

#### Q1FY13-14 Results (all comparisons with Q1FY12-13)

- Net Sales at Rs. 706.26 crore vis-à-vis Rs. 754.13 crore
- Loss at Rs. 30.03 crore vis-à-vis Rs. 26.10 crore
- Operational EBIDTA at Rs.14.28 crore vis-à-vis Rs.(-)13.57 crore

**Gurgaon, August 8, 2013:** Indo Rama Synthetics (India) Limited, India's largest dedicated polyester manufacturer, today announced its un-audited financial results for the quarter ended June 30, 2013.

For the quarter ended June 30, 2013, the net sales stood at Rs. 706.26 crore as compared to Rs. 754.13 crore for the corresponding quarter in the previous year. The net loss stood at Rs. 30.03 crore compared Rs 26.10 crore in Q1FY12-13. Operational EBIDTA stood at Rs. 14.28 crore as compared to loss of Rs.13.57 crore in the same period last year.

Results of this quarter were impacted by the volatility in the Indian Rupees resulted in forex loss due to the mark-to-market adjustment. With the Rupee expected to stabilize, due to the number of measures being initiated by government, this will improve the profitability in the coming quarters.

The company holds a positive outlook for the future and expects the business to bounce back with the domestic demand getting revived. The company feels that, it will be better poised to take on the market opportunity by strengthening its cost competitiveness by virtue of backward integration and cost rationalisation. Therefore, positioning itself as a reliable supplier of high quality raw materials to downstream industries.

The Indian economy is currently in a tough phase. Although stimulus measures are the need of the hour, but the government is yet to announce anything concrete. The Textile Ministry is working towards implementing a slew of steps to boost the overall sector with special attention at ramping up the exports. Greater emphasis is being laid by modernizing the industry by Textile Upgradation Fund (TUF) support, which is bringing industrial competitiveness.

The government have recognised the need for a fibre neutral policy for the textile industry, in order to realise the immense potential for growth that exists in the Man Made Fibre (MMF) based products and also to remedy the mismatch between the fibre consumption patterns in India and our major importing countries. In India the per capita consumption of MMF is around 2.8 kg, whereas in Europe, the per capita consumption of MMF is more than 7.0 kg. There is a wide gap and tremendous opportunity for MMF in India. A reduction in Excise Duty rate in Man Made Fibre would help in achieving this objective partly, since natural fibers are not subject to excise duty.

Commenting on the Company's performance, **Mr. O. P. Lohia, Chairman & Managing Director, Indo Rama Synthetics (India) Ltd.** said, *"Presently, the Indian economy is passing through a difficult phase with business activities at a lower side for most of the sectors due to depreciation in the value of rupee, rising crude oil prices and increasing raw material costs. However, the market conditions for the man-made fibres are showing signs of improvement and we are hopeful that the demand for polyester will pick up in the months to come. With demand going up in the domestic and international market, we are hopeful that we will be able to utilize higher production capacity in the following quarters"*.

#### **About Indo Rama Synthetics (India) Ltd.**

Indo Rama Synthetics (India) Ltd. is India's largest dedicated polyester manufacturer with an Integrated Manufacturing Complex in Butibori near Nagpur in Maharashtra, with production 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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#### ***For further information, please contact:***

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