

IRSL:STEXCH:2014-15:
16th March 2015

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Bandra - Kurla Complex,
Bandra (E)
Mumbai -400 051.
Fax: 022-2659 8237 / 8238 / 8347 / 8348

BSE Limited
Floor 25,
P. J. Towers,
Dalal Street,
Mumbai - 400 001.
Fax: 022-2272 3121

Sub: Credit Rating - Indo Rama Synthetics (India) Limited

Dear Sir,

We are pleased to inform you that our Credit Rating as assigned by CARE as under:

Facilities	Amount (Rs. Crore)	Ratings
Long-term Bank Facilities	31.55	CARE BBB- (Triple B Minus)
Short-term Bank Facilities	80.00	CARE A3 (A Three)
Long/Short-term Bank Facilities	788.45	CARE BBB- / CARE A3 (Triple B Minus / A Three)
Total Bank Facilities	900.00	

Copy of Rating Rationale as received is attached.

This is for your kind information and record.

Thanking you.

Yours faithfully,
for **Indo Rama Synthetics (India) Limited**

Jayant K Sood
Head-Corporate & Company Secretary



Encl.: As above.

MARCH 12, 2015

CARE ASSIGNS 'CARE BBB-' AND 'CARE A3' RATINGS TO THE BANK FACILITIES OF INDO RAMA SYNTHETICS (INDIA) LIMITED

Rating

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities	31.55	CARE BBB- (Triple B Minus)	Assigned
Short-term Bank Facilities	80.00	CARE A3 (A Three)	Assigned
Long/ Short-term Bank Facilities	788.45	CARE BBB-/CARE A3 (Triple B Minus/A Three)	Assigned
Total Bank Facilities	900		

Rating Rationale

The ratings assigned to the bank facilities of Indo Rama Synthetics (India) Limited (IRSL) derive strength from the promoter's experience in polyester business, established track record and market position of the company, economies of scale owing to large capacities and fiscal benefits available with the company.

The ratings, however, are constrained on account of moderate financial risk profile of the company, low capacity utilization levels and its exposure to raw material price fluctuations risk and foreign exchange fluctuation risk.

Going forward the company's ability to improve its capacity utilizations while improving profitability and manage its liquidity position would be the key rating sensitivities.

Background

Incorporated in 1986, IRSL commenced polyester manufacturing in 1989 and currently is India's second largest polyester manufacturer. The Company manufactures a wide range of polyester products which include Polyester Staple Fiber (PSF), Partially Oriented Yarn (POY), Draw Texturised Yarn (DTY), Fully Drawn Yarn (FDY) and Polyester Chips. IRSL has an integrated manufacturing complex spread over 250 acres at Butibori, near Nagpur with installed capacity of 610,050 metric tons per annum (MTPA) of polyester. The company has several technical collaborations with companies like DuPont of USA, Toyobo of Japan, Zimmer AG of Germany among others. IRSL is promoted by Mr O P Lohia (current Chairman & Managing Director) and family.

During FY14 (refers to the period April 1 to March 31), IRSL reported net loss of Rs.8 crore on a total operating income of Rs.2640 crore as against Rs.41crore of PAT on a total income of Rs.2922 crore in FY13. Based on the provisional financials, the company has reported net loss of Rs.52 crore on total operating income of Rs.2130 crore during 9MFY15.

Analyst Contact

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

¹ Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Disclaimer: CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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