



Reliance Chemotex Industries Ltd.

Reports Strong Performance with Normalized PBT up by 201%

- Total Revenue at Rs. 325.50 crores, YoY growth of 13%
- Normalized EBITDA of Rs. 26.60 crores, YoY growth of 24%
- Normalized Profit Before Tax is Rs. 10.83 crores, YoY growth of 201%
- Net Long-term Debt to Equity Ratio of 0.18x, repaid Rs. 10.70 crores during FY19
- The Board of Directors recommends a dividend of 10% on Equity Shares (FV of Rs. 10) for FY 2018-19
- The Board of Directors also recommends a Special Dividend of 5% on Equity Shares (FV of Rs. 10) on the Completion of 40 years of Commercial Production

Press Release, 6th May 2019, Mumbai: Reliance Chemotex Industries Ltd., a leading Synthetic Yarn Manufacturer, has announced its audited financial results for the quarter and full year ended on 31st March 2019. The Financials are prepared as per the new Indian Accounting Standards (Ind-AS).

Financial Highlights:

Particulars (Rs. Crores)	FY19	FY18	YoY Growth
Total Revenue (incl. Other Income)	325.50	286.86	13%
EBITDA	27.83	20.59	35%
EBITDA Margin	8.55%	7.18%	+137 bps
MTM Loss / (gain) against un-utilized forward contracts	(1.23)	0.47	
Normalized EBITDA	26.60	21.05	26%
Normalized EBITDA Margin	8.17%	7.34%	+83 bps
Dividend and DDT on Preference Shares	2.78	2.78	
Normalized PBT	10.83	3.59	201%
Reported PBT	8.04	0.81	893%
PAT	4.09	2.60	57%
Long Term Debt [^]	16.50	27.20	
Equity ^{^^}	89.97	93.49	



Net Long-term Debt/Equity	0.18	0.29	
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* Normalized EBITDA and Normalized PBT are adjusted for Mark to Market Losses/(Gains) provided against unutilized Foreign Exchange Forward Contracts

**Normalized Profit Before Tax is adjusted for Dividend and DDT on Preference Shares and Mark to Market Losses provided against unutilized Foreign Exchange Forward Contracts

^ Includes Current Maturities of Long-Term Borrowings and excludes Preference Shares and unsecured loans

^^ Includes preference share capital.

Commenting on the results, Mr. Sanjiv Shroff, Managing Director of Reliance Chemotex Industries Limited said:

“The company’s performance for the financial year 2018-19 has been outstanding. We have reported a growth of 13% in Total Revenues, 201% in Normalized PBT and 57% in Net Profits. Based on the performance for the FY 2018-19, the Board of Directors has recommended a Final Dividend of 10% on Equity Shares (FV of Rs. 10). In addition to the Final Dividend, the Board of Directors has also recommended a Special Dividend of 5% on Equity Shares on completion of 40 years of commercial production.

We were extremely positive about our prospects in the domestic market in FY 18-19 and had anticipated increased domestic demand. Our performance this fiscal has confirmed our beliefs. We are pleased to report that the company’s domestic sales have grown by 37% year-on-year and now account for 44% of its revenue (as compared to 37% in FY17-18). This growth was driven by an increased focus on value-added products in the domestic market. Our focus on exports continues to remain an integral part of the company’s marketing philosophy. In value terms, our exports have also witnessed a growth of 5% (177.09 crores in FY 18-19 compared to 169.05 in FY 17-18) in the current fiscal.

Operationally, our continued cost reduction efforts and relentless focus on optimizing our product mix have borne fruit. Our EBITDA margin has further strengthened to 8.55% as compared to 7.18% in the previous fiscal, an increase of 137 basis points.

The company has continued to strengthen its balance sheet. In this financial year, the company has reduced its debt by 10.75 crores, thereby reducing its net long-term debt to equity ratio from 0.24x in FY 17-18 to 0.13x in FY 18-19. Additionally, the company has approved the raising of funds through the issuance of equity shares on a rights basis. This has been approved by the Board of Directors and the company has already filed the Draft Letter of Offer with SEBI.



In an effort to further improve our performance in the coming fiscal, we intend to modernize two of our units which will also increase the production capacity by 12-13% per annum for these two units only. As part of this modernisation exercise we will also re-allocate some machinery for research and development purposes which will help us to offer new and more value-added products to our customers. During the year, RIICO has approved a term loan of approximately Rs. 35 crores at very attractive terms for this modernization. This loan also qualifies under Rajasthan Investment Promotion Scheme-2014 (RIPS-2014) for Interest subsidy of 7% for 5 years from start of commercial production. The exercise will be completed in 2 phases and post the completion, we expect significant savings in power consumption and repairs & maintenance cost which will further enhance operating profits.

About Reliance Chemotex Industries Ltd.

Reliance Chemotex Industries Ltd. (“Reliance Chemotex”) was established in 1977. The company manufactures Synthetic, Blended Yarn. The Company currently operates 53,280 spindles and a high temperature / high pressure fibre-dyeing plant. The company has been exporting yarn since 1987 and has a loyal customer base around the world. Its competitive advantage lies in its versatile product range and commitment to quality. The company manufactures 100% Polyester, 100% Viscose, 100% Acrylic, 100% Bamboo Viscose as well as Polyester / Viscose, Polyester / Acrylic, Polyester / Viscose / Acrylic blended yarns which are used for knitting, weaving, upholstery, carpet, medical and other industrial end-uses.

For more information about Reliance Chemotex, please visit www.reliancechemotex.com

Safe harbor statement

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.



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