



# Reliance Chemotex Industries Ltd.

## Q1 FY20 Operating Performance Improves

- Total Revenue at Rs. 75.00 crores
- EBITDA of Rs. 6.38 crores, YoY growth of 3%
- EBITDA Margin of 8.50%, YoY growth of 103 bps
- Profit Before Tax is Rs. 1.53 crores, YoY growth of 18%
- Profit After Tax is Rs. 3.49 crores, YoY growth of 357%

**Press Release, 10<sup>th</sup> August 2019, Mumbai:** Reliance Chemotex Industries Ltd., a leading Synthetic Yarn Manufacturer, has announced its unaudited financial results for the quarter ended on 30<sup>th</sup> June 2019.

### Financial Highlights:

Particulars (Rs. Crores)	Q1 FY20	Q1 FY19	YoY Growth
Total Revenue (incl. Other Income)	75.00	83.07	-10%
EBITDA	6.38	6.21	3%
EBITDA Margin	8.50%	7.47%	+103 bps
PBT	1.53	1.29	18%
PAT	3.49	0.76	357%
Long Term Debt <sup>^</sup>	14.14	24.36	
Equity <sup>^^</sup>	93.40	94.26	
Net Long-term Debt/Equity	0.15	0.26	

<sup>^</sup> Includes Current Maturities of Long-Term Borrowings and excludes Preference Shares and unsecured loans

<sup>^^</sup> Includes preference share capital.

### Update on Rights Issue:

- The Company has allotted 35,62,713 shares on rights basis at a price of Rs. 65 per share in the ratio of 1:1 on 30<sup>th</sup> July 2019
- Post the completion of the Rights Issue, the 10% Cumulative Redeemable Preference shares amounting to Rs. 19.75 crores are redeemed and the balance Rs. 3.25 crore will be redeemed shortly.
- The shareholding pre and post rights issue is as below:



Shareholder Category	Pre Rights Issue		Post Rights Issue	
	No. of Shares	%	No. of Shares	%
Promoter	20,07,679	50.43%	54,80,719	72.65%
Public	19,73,171	49.57%	20,62,844	27.35%
Total	39,80,850	100.00%	75,43,563	100%

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

“I am pleased to report that the Company has successfully closed its rights issue and raised Rs. 23 crores which will be used to strengthen the capital structure of the Company. The money raised through the rights issue will be primarily used to redeem the preference shares which in turn will reduce the company’s financial cost and improve the company’s profitability. Post the completion of the rights issue, the promoter shareholding increased to 72.65% from 50.43%.

Both functionally and operationally, the Company has performed well with its profit before tax growing by 18% year-on-year. Our continued focus on further improving our already versatile, value-added product mix and on strategic cost reduction has resulted in operating margin improvement of 100 basis points as compared to the first quarter of previous financial year.

During the first quarter of this financial year, our domestic revenue has remained strong despite the weak domestic economic environment, especially in the textile sector. The export market remains the company’s strength and accounts for 57% of the company’s revenue this quarter.

On the balance sheet front, the Company has repaid approximately Rs. 2.3 crores of its long term debt during the quarter. The Long-term debt as on 30<sup>th</sup> June 2019 is Rs. 14.14 crores which translates to a Net Long-term Debt to Equity ratio of 0.15x.”

**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](http://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.

### **For further details please contact:**

<b>Company</b>	<b>Investor Relations Advisors</b>
<b>Reliance Chemotex Industries Ltd.</b> CIN: L40102RJ1977PLC001994 Mr. Amar Inder Singh Jassar Email: <a href="mailto:finance@reliancechemotex.com">finance@reliancechemotex.com</a> Contact No.: 98190 64595 / +91 22 22028581	<b>Strategic Growth Advisors Pvt. Ltd.</b> CIN: U74140MH2010PTC204285 Mr. Jigar Kavaiya Email: <a href="mailto:jigar.kavaiya@sgapl.net">jigar.kavaiya@sgapl.net</a> Contact No: +91 9920602034