



Reliance Chemotex Industries Ltd.

Financial Highlights for H1 FY19

- Total Revenue at Rs. 164.83 crores, YoY growth of 13%
- Normalized EBITDA of Rs. 15.51 crores, YoY growth of 27%
- Normalized EBITDA margin grew by 103 bps to 9.64%
- Normalized Profit Before Tax is Rs. 6.96 crores, YoY growth of 90%

Press Release, 2nd November, 2018 Mumbai: Reliance Chemotex Industries Ltd., a leading Synthetic Yarn Manufacturer, has announced its unaudited financial results for the quarter and half year ended on 30th September, 2018. The Financials are prepared as per the new Indian Accounting Standards (Ind-AS).

Financial Highlights:

Particulars (Rs. Crores)	Q2 FY19	Q2 FY18	YoY Growth	H1 FY19	H1 FY18	YoY Growth
Total Revenue (incl. Other Income)	81.75	66.25	23.40%	164.83	145.79	13.06%
EBITDA	6.44	5.83	10.46%	12.64	11.82	6.94%
EBITDA Margin	7.88%	8.80%		7.67%	8.11%	
MTM against un utilised forward contracts	1.44	0.2	620.00%	2.87	0.4	617.50%
Normalized EBITDA	7.88	6.03	30.68%	15.51	12.22	26.92%
Normalized EBITDA Margin	9.64%	9.10%		9.41%	8.38%	
Dividend and DDT on Preference Shares	0.70	-		1.39	-	
Normalized PBT	3.55	1.57	126.11%	6.96	3.67	89.65%
Normalized PBT Margin	4.34%	2.37%		4.22%	2.52%	
Long Term Debt [^]				22.06	33.78	



Equity				70.96	64.84	
Net Debt/Equity				0.31	0.52	

* Normalized EBITDA is adjusted for Mark to Market Losses 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.

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

The Company has continued its strong performance in the second quarter of this financial year, building on momentum generated in the last few quarters. The continued growth is a strong indication that the economic slowdown faced by the Indian Industry in the last financial year due to demonetization and the implementation of the GST has largely been overcome.

Furthermore, the depreciation of the Rupee in recent months along with the pro-active steps taken by the government to support the Synthetic Textile Industry – the increase in import duties on synthetic fiber and fabric (amongst others) and the GST refund for synthetic fabric manufacturers - are extremely positive signals and we are confident that this will lead to improved demand in the local and export markets.

Strategic cost reduction and an unrelenting emphasis on a versatile, value-added product mix remains the prime focus of the company and has begun to bear fruits and has resulted in a 171 basis point improvement in Operating Margin, a 103 basis point improvement in Normalised EBITDA margin and a 170 basis point improvement in Normalised PBT margin in H1 FY19 as compared to H1FY18.

Furthermore, during H1 FY19, we have repaid debt of approximately Rs. 5.34 crores from our internal accruals.

The Company is pleased to report that our modernisation and expansion proposal has been appraised by the Rajasthan State Industrial Development & Investment Corporation (RIICO) and RIICO has sanctioned a term loan of Rs. 35.50 crores for this at very favourable terms. In this project the Company will expand existing capacity, replace older machinery and re-allocate certain machinery for research and development purposes. This exercise will result in increased operational efficiency, result in significant savings on repair and power cost, allow us to further expand our product offerings and enhance our margins.

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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