



RELIANCE
CHEMOTEX INDUSTRIES LIMITED

RCIL/SECR/19-20/
Dated: 09.09.2019

BSE Limited
24 PherozeJeejeebhoy Tower,
Dalal Street,
Mumbai-400 001

Sub: Investor Presentation on Financial Result of Q-1 FY 2019-20

Scrip Code: 503162

Dear Sir,

We are enclosing herewith Investor Presentation on the performance of Financial Result for the Quarter ended on 30th June, 2019 under Regulation 30 of SEBI (Listing Obligations and Disclosures Requirement) Regulation 2015.

Thanking You,

For Reliance Chemotex Industries Ltd

(Vimal Tank)

Company Secretary

Reliance Chemotex Industries Limited

Investor Presentation

August 2019



Safe Harbour



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Quarterly Highlights

Comments from Managing Director



“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.

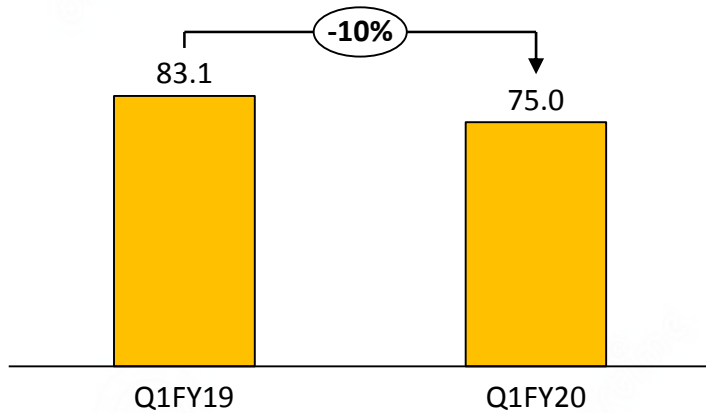
During the first quarter of this financial year, our domestic revenue has remained strong despite the weak domestic economic environment, especially in the textile sector. The export market remains the company’s strength and accounts for 57% of the company’s revenue this quarter.

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 30th June 2019 is Rs. 14.14 crores which translates to a Net Long-term Debt to Equity ratio of 0.15x.”

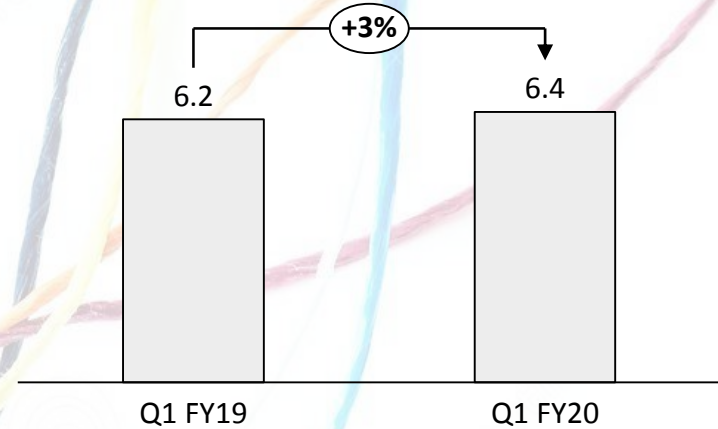
...Mr. Sanjiv Shroff

Q1 Financial Highlights

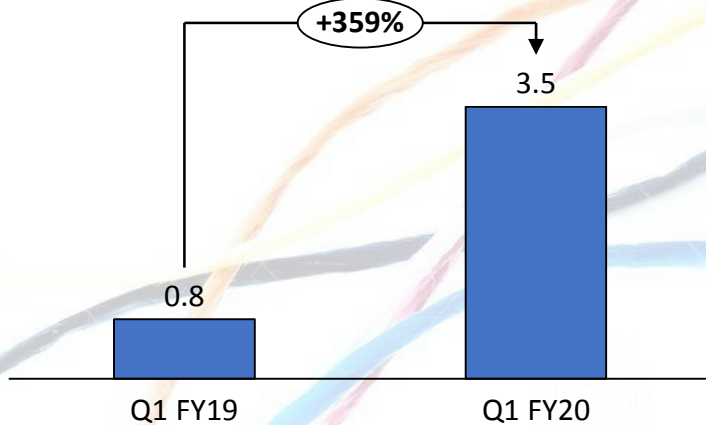
Total Revenue* (Rs Crs)



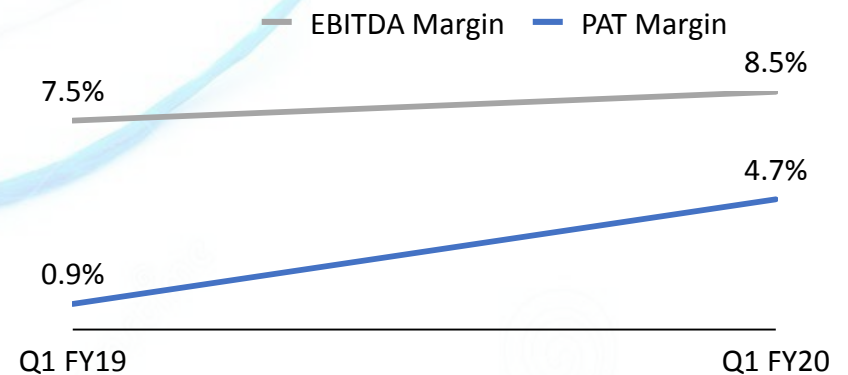
EBIDTA* (Rs Crs)



PAT (Rs Crs)



Margins %



*Includes Other Income

Profit & Loss Statement - Quarterly



Rs. Crores	Q1FY20	Q1FY19	Y-o-Y
Net Revenue	74.77	82.85	
Other Income	0.24	0.23	
Total Revenue	75.00	83.07	-10%
Direct Expenses	40.07	48.44	
Employee Expenses	9.95	9.17	
Power & Fuel	8.77	8.60	
Other Expenses	9.83	10.66	
EBITDA	6.38	6.21	3%
EBITDA Margin	8.50%	7.47%	+103 bps
Depreciation	1.65	1.67	
Finance costs*	2.51	2.55	
PBT*	2.22	1.99	12%
PBT Margin*	2.96%	2.39%	+57 bps
Dividend and DDT on Preference Shares	0.69	0.69	
Reported PBT	1.53	1.29	18%
Tax	-1.96	0.53	
PAT	3.49	0.76	359%
PAT Margin	4.65%	0.92%	+373 bps
Other Comprehensive Income (net of tax)	-0.01	0.01	
Total Comprehensive Income for the Period	3.48	0.77	352%
Cash Profit**	5.13	2.45	

* Excl. Dividend & DDT on Preference Shares

** Cash Profit = Total Comprehensive Income for the Period + Depreciation



Business Overview

A Leading Synthetic Yarn Manufacturer



Capacity

53,280 Spindles

Export Focused

~54% of the revenue comes from export to Developed Markets like North America, Europe etc.

High Value Added Yarns

Our yarn is used for upholstery, carpet, automotive, medical and other industrial end-uses

Versatile Product Portfolio with Customised Offering

Working with flexibility and versatility to provide the best option to our customers

Experienced Management

40+ years of business experience
Third generation has been inducted into the business

Philosophy

RCIL's growth has been strategically built upon creative product development, a highly flexible and consumer-centric marketing ideology, a recruiting philosophy that values long-term commitment and perhaps most importantly, an unconditionally strong value system.

We make the “Yarn of the future” ...



Global

High preference of Man Made Fibre

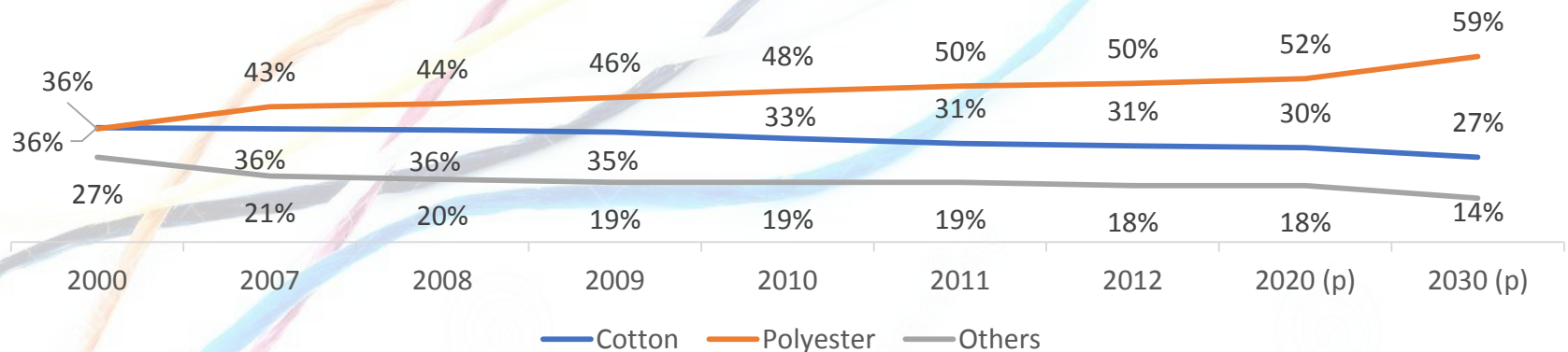
- Flexibility in manufacturing process
- Increasing new age end use (Technical & Medical)
- Higher Raw Material availability

India

Production of man-made fibre has been on an upward trend

- Production stood at 1.32 million tonnes in FY18 up from 1.07 million tonnes in FY09, a CAGR of 2.4% and reached 1.20 million tonnes during April 2018 –January 2019
- Indian exports MMF textiles to more than 146 countries
 - Turkey, Egypt, Indonesia, Brazil, and Germany are major importers of Indian man-made fibre yarns

Global Fibre Consumption Trend



...supported by Key Industry Tailwinds...

Regulations

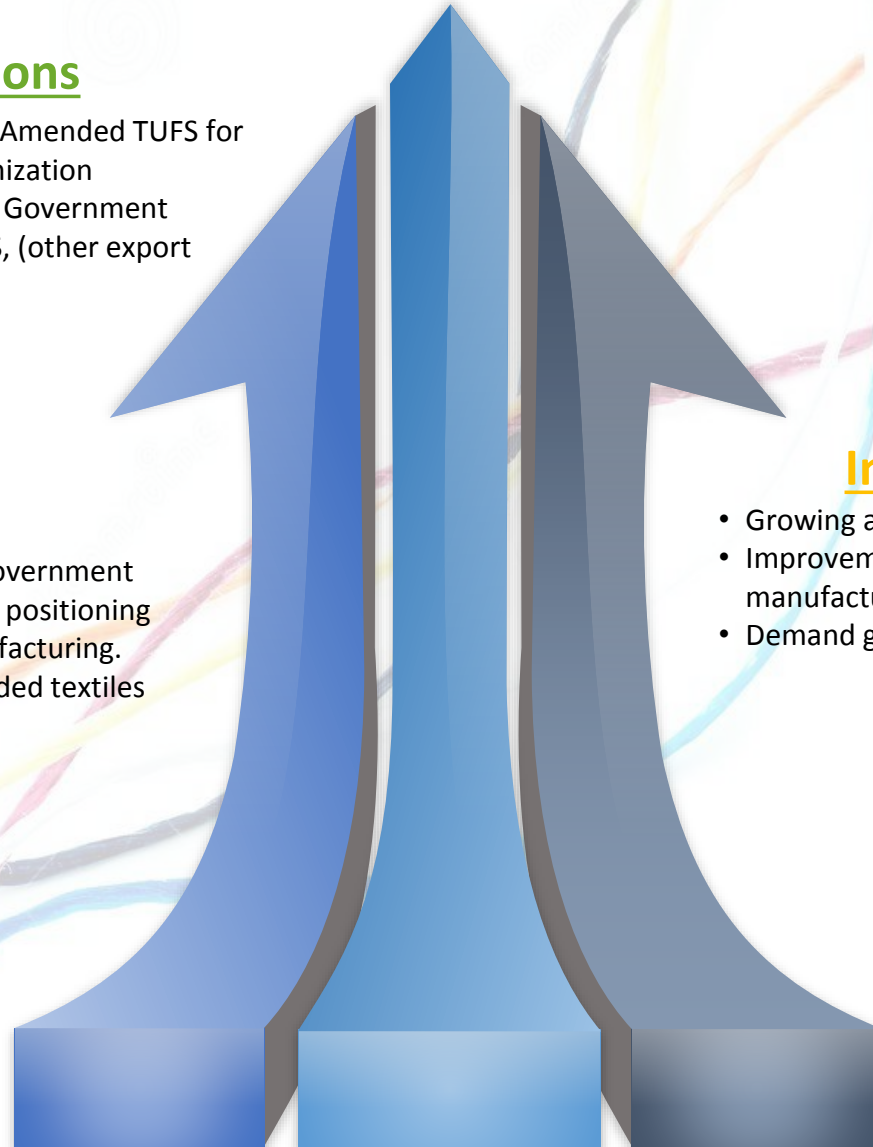
- Benefits continues from Amended TUFs for upgradation and modernization
- Continued Support from Government Schemes like TUFs, MEIS, (other export benefits)

Make in India

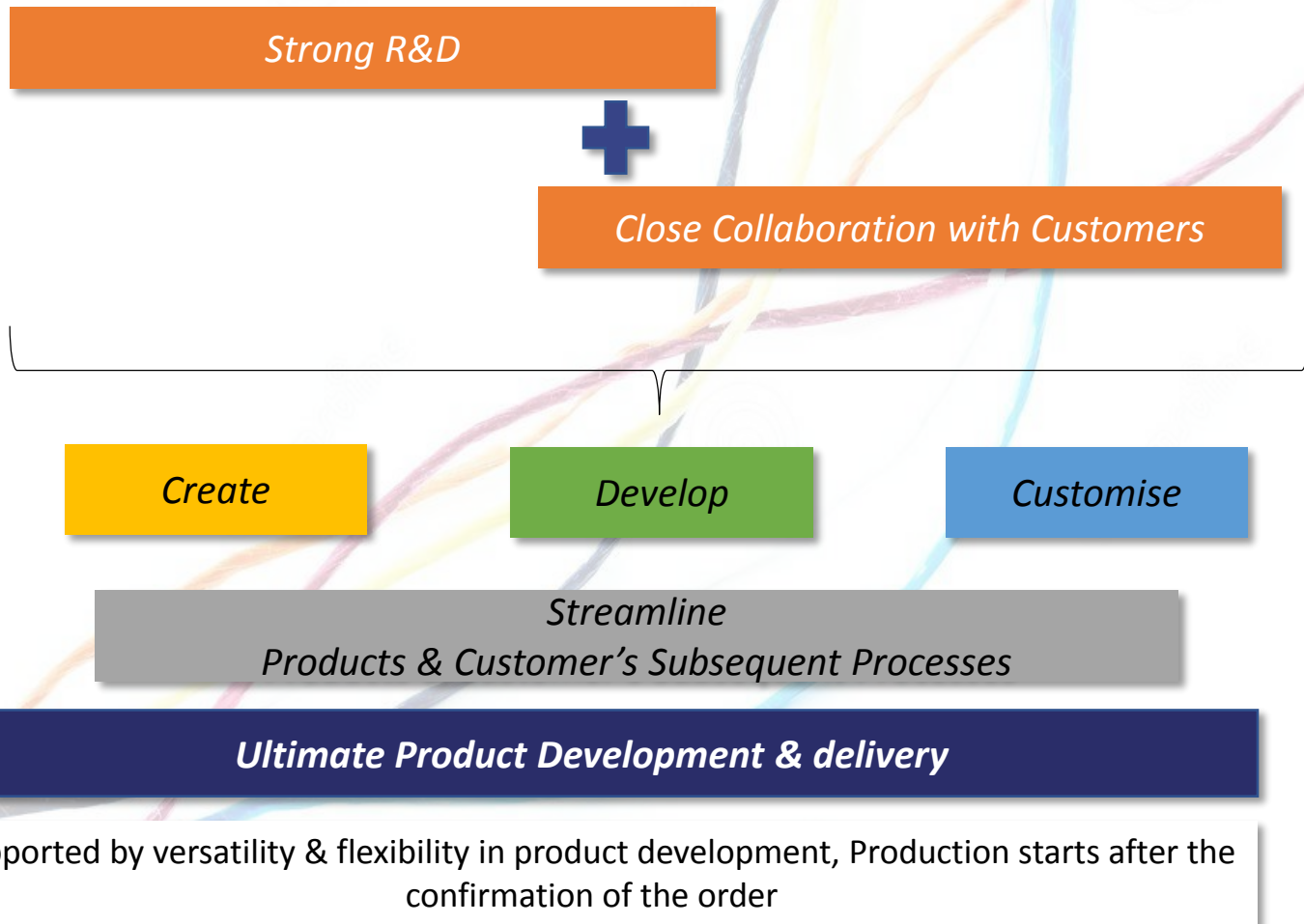
- Increasing thrust and support of Government
- More visibility in global markets by positioning India as a premier option for manufacturing.
- Growing demand for high value added textiles

Innovation

- Growing acceptance of Synthetics in apparels
- Improvement in processing and manufacturing technology
- Demand growth from newer applications

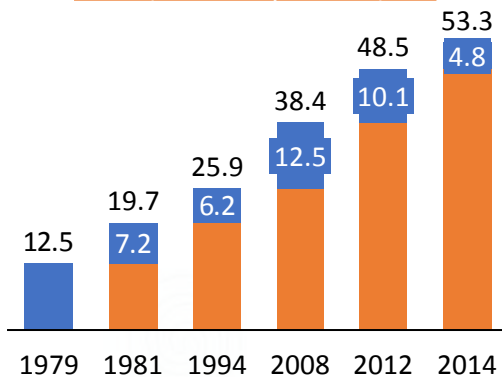


...captured through our Product Centric Approach...



...visible in our Journey so far

Capacity Additions
(No. of Spindles)



2014-16

2014: Augmented Capacity for production of dyed yarns

2001-13

2010 & 2013: 3rd generation, Rahul Shroff and Ameya Shroff joined the business
2006: Diversified to produce greige & fiber-dyed chenille yarns for high-end upholstery & carpet Industry

1984 - 2000

1994: Conceptualized and developed multifold, fibre-dyed viscose yarns, which later revolutionized the global artificial silk carpet industry
1987: Became one of the first Indian mill to export synthetic yarn

1980-83

1983: Mr. Sanjiv Shroff joined the business and shifted the Company's focus from Domestic market to Global Frontiers
1980: Pioneered the use of fibre-dyed Polyester/Viscose blended yarns in the production of school uniforms

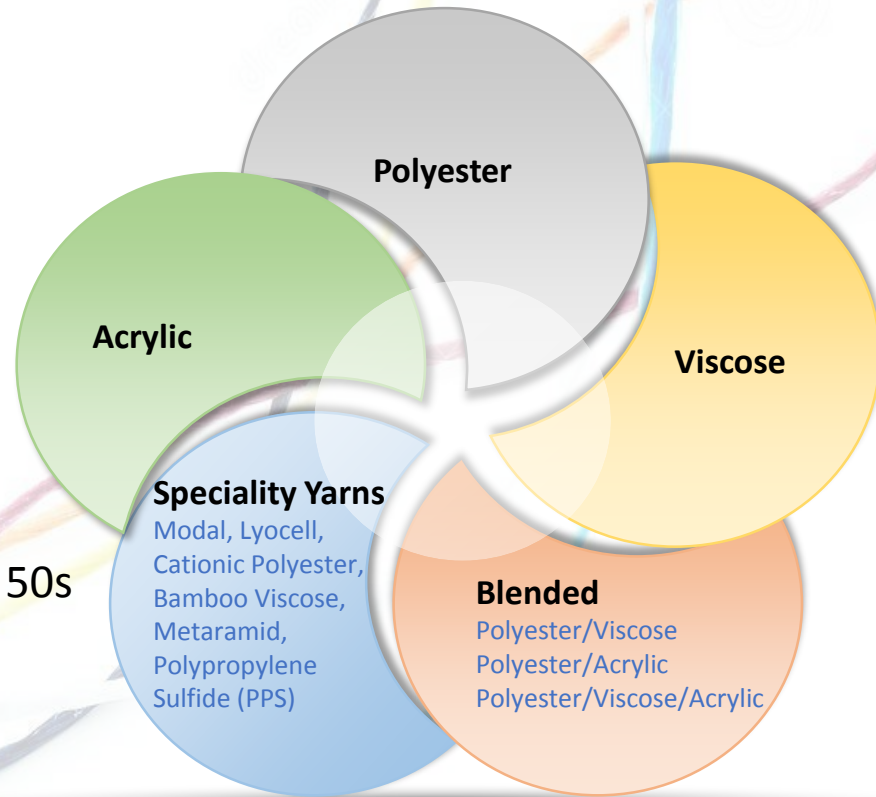
1977-79

1979: Started production under the brand 'Reliwool' our now legendary 100% Dyed Acrylic yarns for sweater knitting
1979: Listing on BSE
1977: Incorporated Reliance Chemotex Industries Limited (RCIL) as a public limited spinning mill in Udaipur, RJ

Our versatile product portfolio...



- Yarns Produced with
 - Raw-white Fibre
 - Dope-dyed Fibre
 - Fibre-dyed Fibre
- Count Range from Ne 6s to Ne 50s
 - In single, double, Multi-ply



...caters to High Value Added end use...

Upholstery



Carpet



Medical



Towel



Artificial Leather

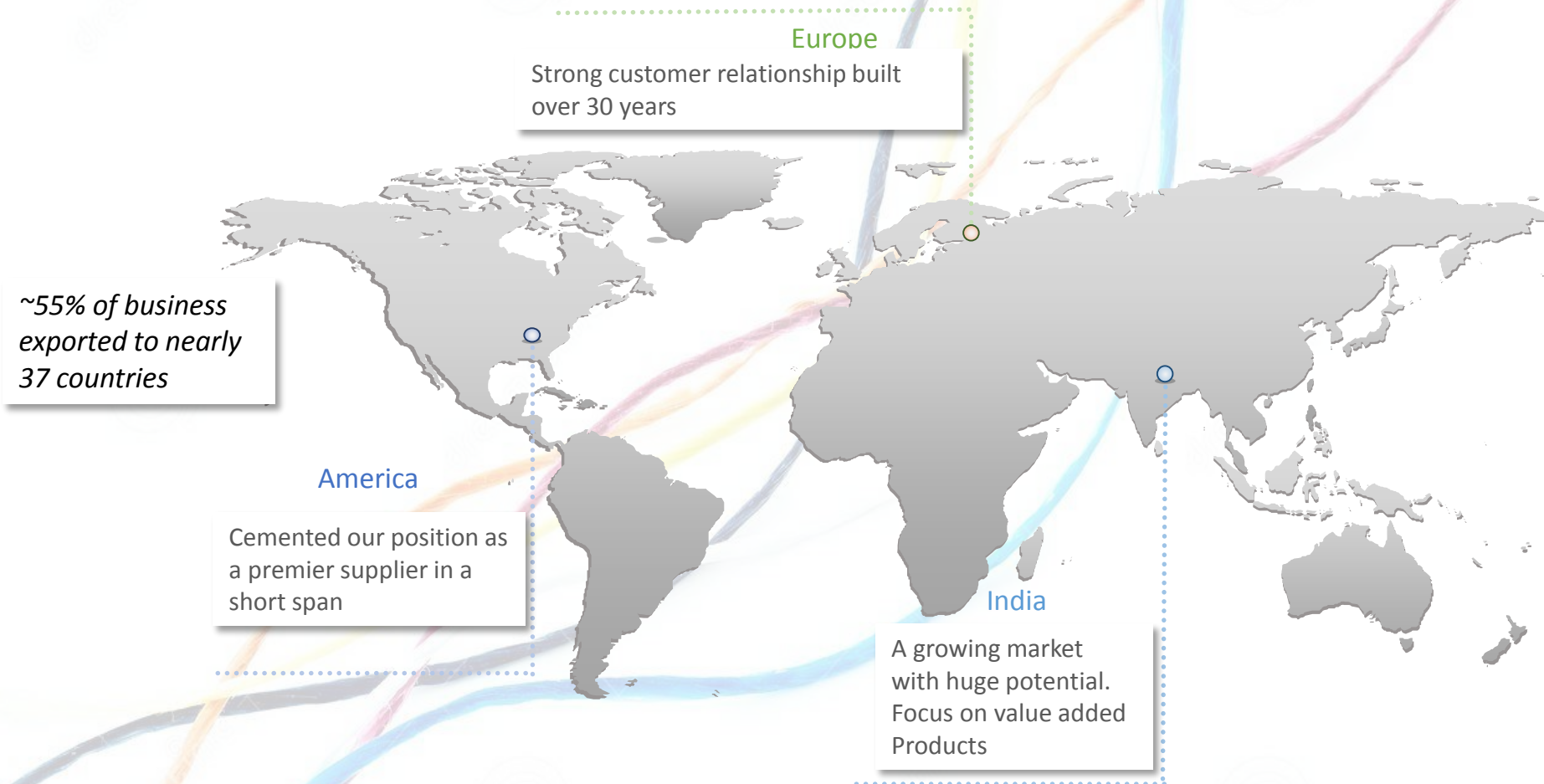


Sports apparel



Automotive

...across the most demanding markets



Our Manufacturing capabilities...



Spinning Facility

Facility based in Udaipur, Rajasthan

Capacity of

- 53,280 spindles
- Production of 14,936 MTPA in FY19

Dyeing Unit

Fibre Dyeing unit for customization as per client requirements

Capacity of 12 Tonnes per Day

"A Zero Discharge Facility"

Quality Control

Follow strict Quality Control

Oeko-Tex Standard 100 certifications
GRS Certified



... provides us with Competitive Edge...



Quality

Willingness to embrace change along with Cutting-edge technology and state-of-the-art machinery leads to maintain world-class quality standards

Consistency

Delivering yarns that are the products of choice in the most demanding applications across an imposing breadth of textile-related industries around the world

Customer Centricity

Relationship with Key Customers of Over 30 years nurtured with Quality, Mutual Learning, Respect & Trust

...developed by Experienced Management team...



Mr. S. L. Shroff
Chairman Emeritus

A first generation entrepreneur started as a stock broker in 1950s and established business interests in textiles in 1960s with export of jute fibre to US

Mr. Rahul Shroff
Executive Director

A BS & MS from MIT, USA. Joined in 2010 and has been instrumental in streamlining the company's manufacturing processes and diversification into industrial and medical textiles

Mr. P. K. Mishra
Plant Head

B. Tech having 24+ years of experience working as President (Works). Handling operations at Udaipur plant

Mr. Sanjiv Shroff
Managing Director

Bachelor of Science in Chemistry (Honors) from Kolkata University.
Has been MD of the company since 1988 and has been associated with industry for last 30 years

Mr. Ameya Shroff
Executive Director

A BS & MS from MIT, USA. Joined in 2013, he has revamped the administrative framework with focus on ERP, Inventory Management and store procurement and has been driving value added products sales in the domestic markets

Mr. Amar Inder Singh Jassar
Chief Financial Officer

A Chartered Accountant with a rich experience of more than 25 years in various levels of management positions

...guided by Strong Board of Directors...



Mr. Ramadoss Srinivasan
Chairman & Independent Director



Mr. Sanjiv Shroff
Managing Director



Mr. Rahul Shroff
Executive Director



Mr. Ameya Shroff
Executive Director



Mr. N.G. Khaitan
Non-Executive Director



Ms. Dipika Shroff
Non-Executive Director



Mr. R.N. Sharma
Non-Executive Director



Mr. K.L. Sonthalia
Independent Director



Mr. Narayan Shroff
Independent Director

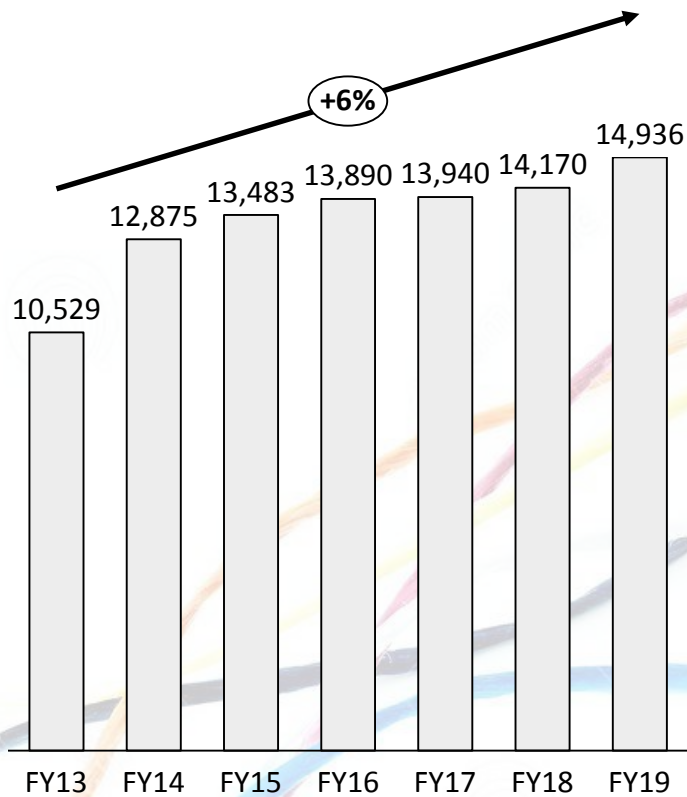


Financials

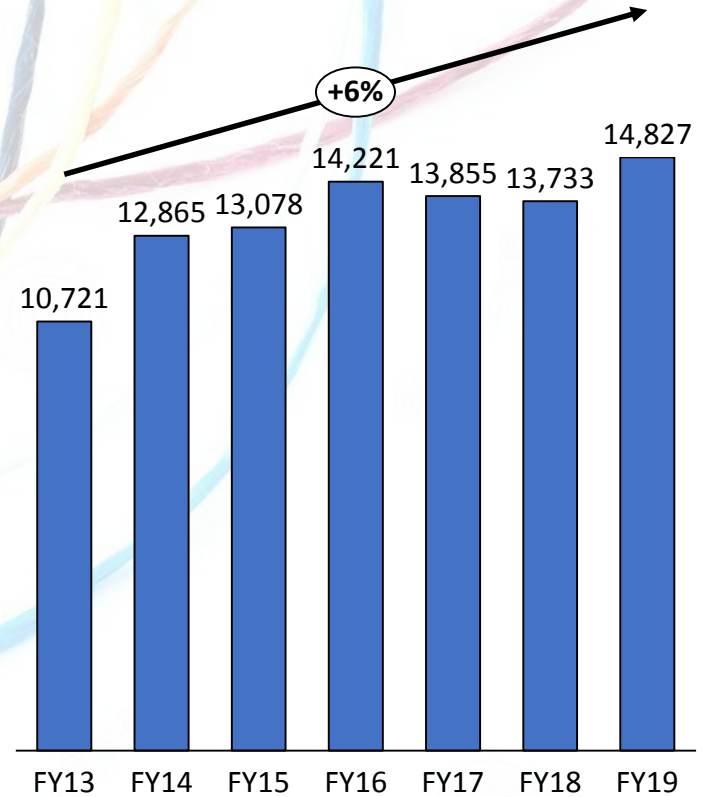
Operational Capacity



Yarn Production (MT)

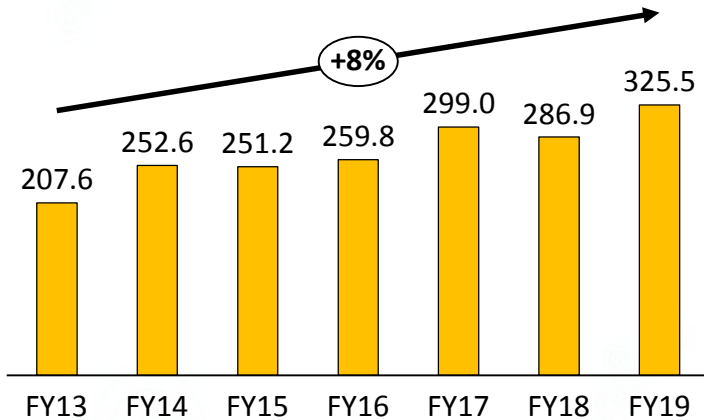


Sales (MT)

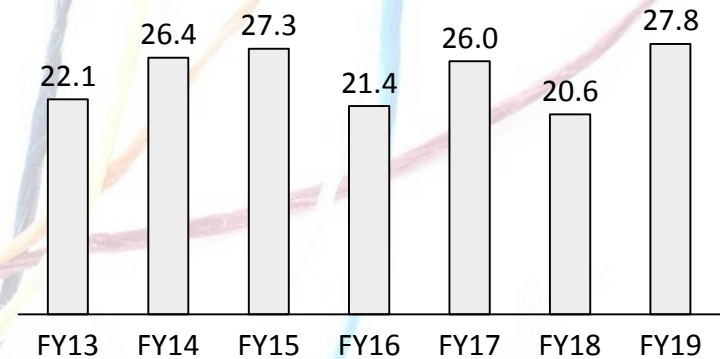


Financial Performance

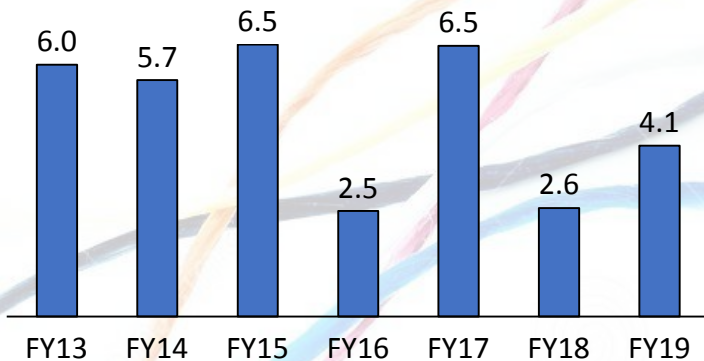
Total Revenue* (Rs Crs)



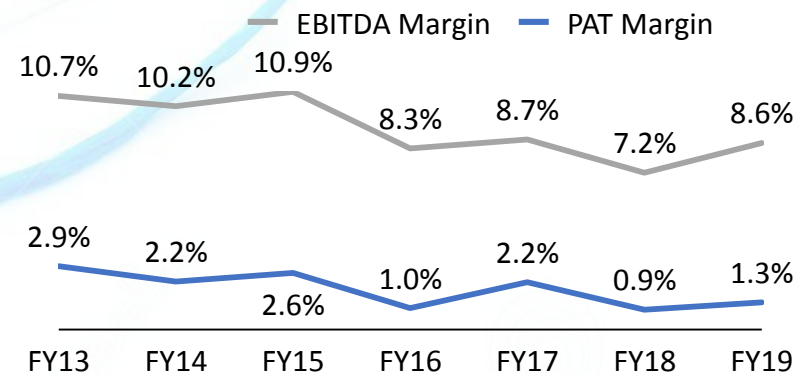
EBIDTA* (Rs Crs)



PAT (Rs Crs)



Margins %



*Includes Other Income
Financials as per IGAAP, FY17 & FY18 numbers are as per IND-AS

Profit & Loss Statement – Full Year



Rs. Crores	FY19	FY18	Y-o-Y
Net Revenue	323.19	285.46	
Other Income	2.30	1.40	
Total Revenue	325.50	286.86	13%
Direct Expenses	187.29	155.26	
Employee Expenses	37.59	36.75	
Power & Fuel	34.61	35.42	
Excise Duty	0.00	0.91	
Other Expenses	38.20	37.93	
EBITDA	27.82	20.59	35%
EBITDA Margin	8.55%	7.18%	+137 bps
Depreciation	6.71	7.39	
Finance costs*	10.29	9.60	
Normalised PBT*	10.81	3.59	201%
Normalised PBT Margin*	3.32%	1.25%	+207 bps
Dividend and DDT on Preference Shares	2.78	2.78	
Reported PBT	8.04	0.81	893%
Tax	3.95	-1.78	
PAT	4.09	2.60	58%
PAT Margin	1.26%	0.91%	+35 bps
Other Comprehensive Income (net of tax)	-0.04	0.21	
Total Comprehensive Income for the Period	4.05	2.81	44%
Cash Profit**	10.76	10.20	5%

* Excl. Dividend & DDT on Preference Shares

** Cash Profit = Total Comprehensive Income for the Period + Depreciation

Balance Sheet

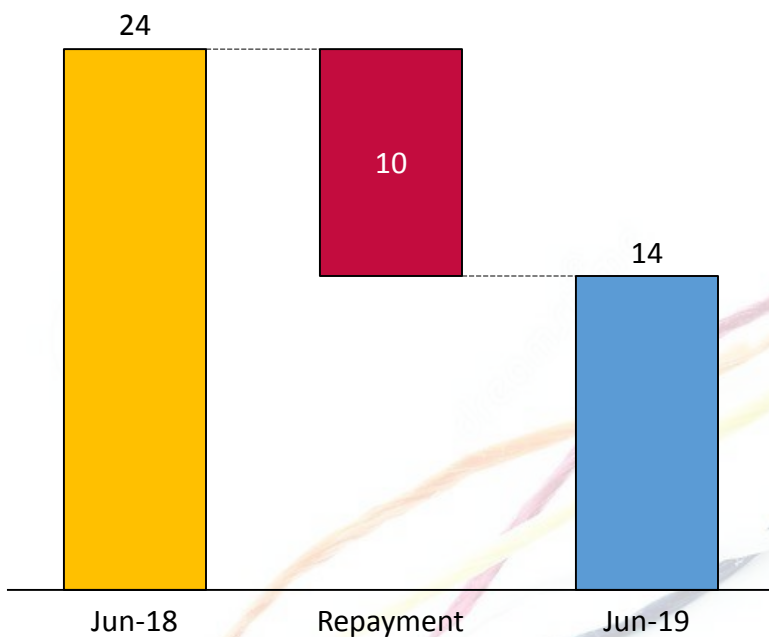


Rs. Crores	Mar-19	Mar-18
Non-Current Assets	143.30	148.04
Property, plant and equipment	137.32	143.09
Investment – Property	2.14	2.18
Other intangible assets	0.09	0.16
Financial assets		
Other financial assets	3.74	2.60
Current Assets	74.78	79.73
Inventories	37.88	41.45
Financial assets		
Trade receivables	17.52	17.27
Cash and cash equivalents	0.13	0.23
Bank balances	3.96	4.13
Other financial assets	7.00	5.07
Current Tax Assets (Net)	0.73	0.98
Other current assets	7.56	10.60
TOTAL ASSETS	218.07	227.77

Rs. Crores	Mar-19	Mar-18
Shareholders Fund	66.89	70.42
Share Capital	4.00	4.00
Other Equity	62.89	66.42
Non-Current Liabilities	71.62	64.66
Financial liabilities		
Borrowings	50.32	51.70
Other financial liabilities	0.82	0.70
Provisions	0.72	1.86
Deferred tax liabilities (net)	19.75	10.40
Current Liabilities	79.57	92.68
Financial liabilities		
Borrowings	23.52	31.47
Trade payables	35.88	35.70
Other financial liabilities	16.73	21.94
Other current liabilities	2.60	3.15
Provisions	0.84	0.42
TOTAL EQUITY & LIABILITIES	218.07	227.77

Debt Profile

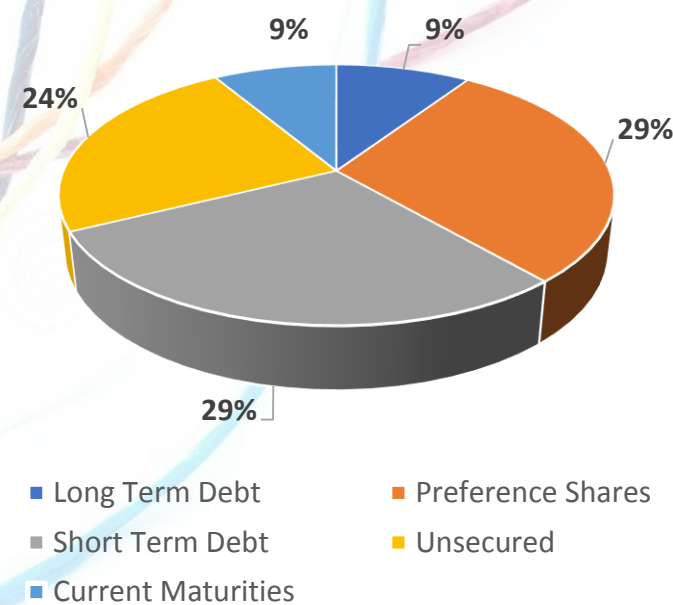
Long Term Debt Movement[^]



Net Long-term Debt to Equity of 0.18x

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

Gross Debt Break-up (Rs. 79 Crs*)



* Includes Current Maturities of Long-Term Borrowings



For further information, please contact:

Company :

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