



RELIANCE
CHEMOTEX INDUSTRIES LIMITED

RCIL/SECR/19-20/
Dated: 21-11-2019

BSE Limited
24 P J Tower,
Dalal Street,
Mumbai- 400001

Subject: Press Release on Financial Result of Q-2 for F.Y. 2019-20

Scrip Code: 503162

Dear Sir,

We are enclosing herewith press release on performance for the Financial Result for the Quarter ended 30th September, 2019 under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015

Please acknowledge the receipt of the same.

Thanking You,

For Reliance Chemotex Industries Limited

(Vimal Tank)

Company Secretary and Compliance Officer



Reliance Chemotex Industries Limited

Q2 FY20 Operating Performance Improves Sequentially

- Total Revenue at Rs. 82.67 crores, QoQ growth of 10%
- EBITDA of Rs. 7.54 crores, QoQ growth of 18%
- EBITDA Margin of 9.13%, QoQ improvement of 62 bps
- Profit Before Tax of Rs. 2.63 crores, QoQ growth of 72%
- Net Long-Term Debt to Equity of 0.13x as on 30th September 2019

Press Release, 21st November 2019, Mumbai: Reliance Chemotex Industries Ltd., a leading Synthetic Yarn Manufacturer, has announced its Financial Results for the Quarter and the Half Year ended September 30th, 2019.

Financial Highlights:

Particulars (Rs. crores)	Q2FY20	Q1FY20	QoQ	Q2 FY19	YoY
Total Revenue (incl. Other Income)	82.67	75.00	10%	81.75	1%
EBITDA	7.54	6.38	18%	6.44	17%
EBITDA Margin	9.13%	8.50%	+62 bps	7.88%	+125 bps
PBT	2.63	1.53	72%	1.41	86%
PAT	1.84	3.49	-47%	0.24	662%
PAT Margin	2.23%	4.65%	-243 bps	0.30%	+193 bps
Long Term Debt [^]	12.18	14.14		22.06	
Equity	93.96	93.40 ^{^^}		94.03 ^{^^}	
Net Long-term Debt / Equity	0.13x	0.15x		0.25x	

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

^{^^} Includes preference share capital.

Update on the Rights Issue:

- The Company has allotted 35,62,713 shares on a Rights Basis at a price of Rs. 65 per share in the ratio of 1:1 on 30th July 2019



- Post the completion of the Rights Issue, the 10% Cumulative Redeemable Preference shares amounting to Rs. 23.07 crores have been redeemed fully
 - The redemption of Preference Shares has reduced the Company's dividend outgoing which is treated as an Interest Expense under IND-AS and has strengthened the balance sheet further
- Post the completion of the Rights Issues, the promoter shareholding has increased to 72.65% from 50.43%

Update on Expansion Project:

- Under the Expansion Project older machines will be replaced and certain machines will be re-allocated for research and product development purposes
- The project will be completed in 2 phases
 - Under Phase 1: 6,240 spindles to be replaced by March 2020
 - Under Phase 2: 10,560 spindles to be replaced by December 2020
- The project will increase the company's operational efficiencies and result in substantial cost savings
- The project has been appraised by Rajasthan State Industrial Development & Investment Corporation (RIICO)
 - RIICO has sanctioned the term loan of Rs. 35.50 crores
 - The loan has been sanctioned at a very attractive rate of interest of 9% and is eligible for 7% interest subvention
 - The Effective Rate of Interest will be 2%
 - Repayment tenure of 9 years
 - 3 Years of Moratorium on Principal repayment
 - 6 years of Principal repayment with a ballooning payment schedule (post moratorium)

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

We are pleased to report that the company has continued its growth journey in the current year with our revenue and operating profits growing at 10% and 18% respectively on a quarter-to-quarter basis.

Our continued focus on strategic cost reduction and on further improving our versatile and value-added product mix has begun bearing fruit as is evident from the 17% (year-on-year) improvement



in our operating profit. Furthermore, the company has successfully pursued businesses that require yarns of extremely high quality and yarns that are utilized in technical end-uses.

In our effort to further reduce our operating costs, the company has evaluated the feasibility of installing Solar Panels (up to a capacity of 3MW) on the rooftops of our manufacturing units in Udaipur. This endeavor will reduce the Company's carbon footprint, lead to significant cost savings and will, to a certain extent, insulate the Company from fluctuations in Industrial Power Tariff Rates.

Furthermore, we have embarked on an expansion and modernization project which will replace certain older machines while allocating others for research and product development purposes. This project will significantly reduce operating costs, improve profitability and further increase the flexibility of the company's manufacturing.

On the Balance Sheet front, the Company has repaid Rs. 4.31 crores of its long-term debt during the first six months of this financial year. The current outstanding long-term debt stands at Rs. 12.18 crores which translates to a comfortable net Long-term debt to equity of 0.13x."

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.

For further details please contact:

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