



RELIANCE
CHEMOTEX INDUSTRIES LIMITED

Dated: June 30, 2020

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

Subject: Press Release on Financial Result of Q-4 for F.Y. 2019-20

Scrip Code: 503162

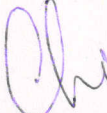
Dear Sir/Madam

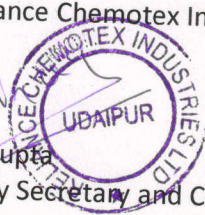
We are enclosing herewith press release on performance for the Financial Result for the Quarter and Year ended on March 31, 2020 under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

Please acknowledge the receipt of the same.

Thanking You,

For Reliance Chemotex Industries Limited


Chirag Gupta
Company Secretary and Compliance Officer



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Reliance Chemotex Industries Limited

Reports Robust FY20 Results

- Total Revenue at Rs. 300.85 crore
- Operating Profit of Rs. 29.44 crore, YoY growth of 6%
- Operating Profit Margin of 9.79%, YoY improvement of 124 bps
- Profit After Tax of Rs. 9.33 crore, YoY growth of 128%
- Net Long-Term Debt to Equity of 0.11x as on 31st March 2020
- The Board of Directors have recommended a dividend of 10% on Equity Shares (FV of Rs. 10) for FY2019-20

Press Release, 30th June 2020, Mumbai: Reliance Chemotex Industries Ltd., a leading Synthetic Yarn Manufacturer, has announced its Financial Results for the Quarter and the full year ended March 31st, 2020.

Financial Highlights:

Particulars (Rs. crores)	FY20	FY19	YoY
Total Revenue (incl. Other Income)	300.85	325.50	-8%
EBITDA	29.44	27.82	6%
EBITDA Margin	9.79%	8.55%	+124 bps
PBT	10.77	8.04	34%
PAT	9.33	4.09	128%
PAT Margin	3.10%	1.26%	+184 bps
Long Term Debt [^]	16.25*	16.50	
Equity	98.13	89.96 ^{^^}	
Net Long-term Debt / Equity	0.11x	0.14x	

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

^{^^} Includes preference share capital.

* - Includes Rs. 7.48 crores of debt taken for expansion and modernization project



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

“The Company’s performance for the financial year has been in line with our expectations. However, our performance in the 4th quarter of this fiscal was impacted by the national lockdown announced by the Government of India in response to the COVID-19 pandemic. Our manufacturing facilities remained closed from March 22nd, 2020 and the dispatches of our products to customers (both in the domestic and international markets) were adversely impacted.

The consistent improvement in our profitability is a vindication of our two-pronged strategy: a continued focus on further improving our already versatile, value-added product mix and on strategic cost reduction. Furthermore, during the year, the company has successfully pursued businesses that require yarns of extremely high quality and those that are utilized in technical end-uses.

Our Operating Margin has improved by 124 basis points from 8.55% in FY19 to 9.79% in the current financial year, while the Net Profit Margin has improved by 184 basis points from 1.26% in FY19 to 3.10% in the year under review. Given the Company’s strong financial performance, the Board of Directors has recommended a Dividend of 10% on Equity Shares (FV of Rs. 10).

In an effort to further reduce our operating costs, the Company has begun to install Solar Panels on the rooftops of our manufacturing units in Udaipur. The first 300Kw of solar capacity has been successfully commissioned and is operating satisfactorily. We endeavor to strategically scale this capacity up to 3MW. This project 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.

Our expansion and modernization project was delayed due to the COVID-19 lockdown, however, the first phase of this project is now back on track and is proceeding well. This project will significantly reduce operating costs, improve profitability and further increase the flexibility of the company’s manufacturing capabilities.

On the Balance Sheet front, the Company has repaid Rs. 1.69 crore of its long-term debt in the fourth quarter of this financial year. The current outstanding long-term debt as on March 31st, 2020 stands at Rs. 16.25 crores, which translates to a comfortable net long-term debt to equity ratio of 0.11x. Considering the on-going uncertainty brought about by the COVID-19 pandemic, we have further intensified our strategic cost reduction efforts and have availed of the moratorium facility on the repayment of interest and installments of long-term loans announced by the Reserve Bank of India.”



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:

Company	Investor Relations Advisors
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