

# Reliance Chemotex Industries Limited

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Investor Presentation  
February 2018



# Safe Harbour



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# A Leading Synthetic Yarn Manufacturer



## Capacity

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53,280 Spindles

## Export Focused

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~70% of the revenue comes from export to Developed Markets like North America, Europe etc.

## High Value Added Yarns

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

## Versatile Product Portfolio with Customised Offering

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

## Experienced Management

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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 “Fibre of the future” ...

## Global

High preference of Man Made Fibre

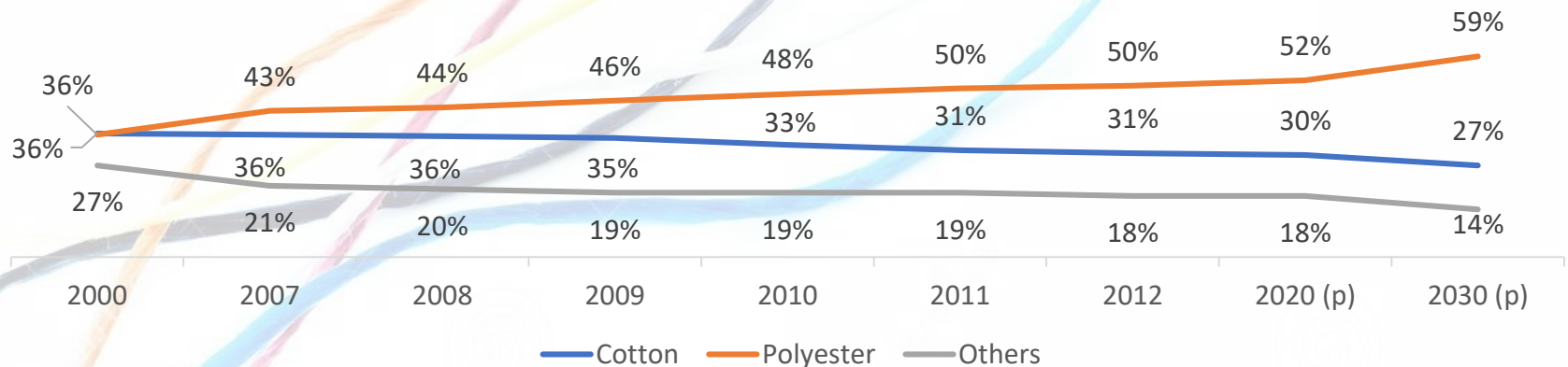
- Flexibility in manufacturing process
- Increasing new age end use (Technical & Medical)
- Higher Raw Material availability

## India

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

- Production stood at 1.34 million tonnes in FY15 up from 1.07 million tonnes in FY09 a CAGR of 4%
- 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)

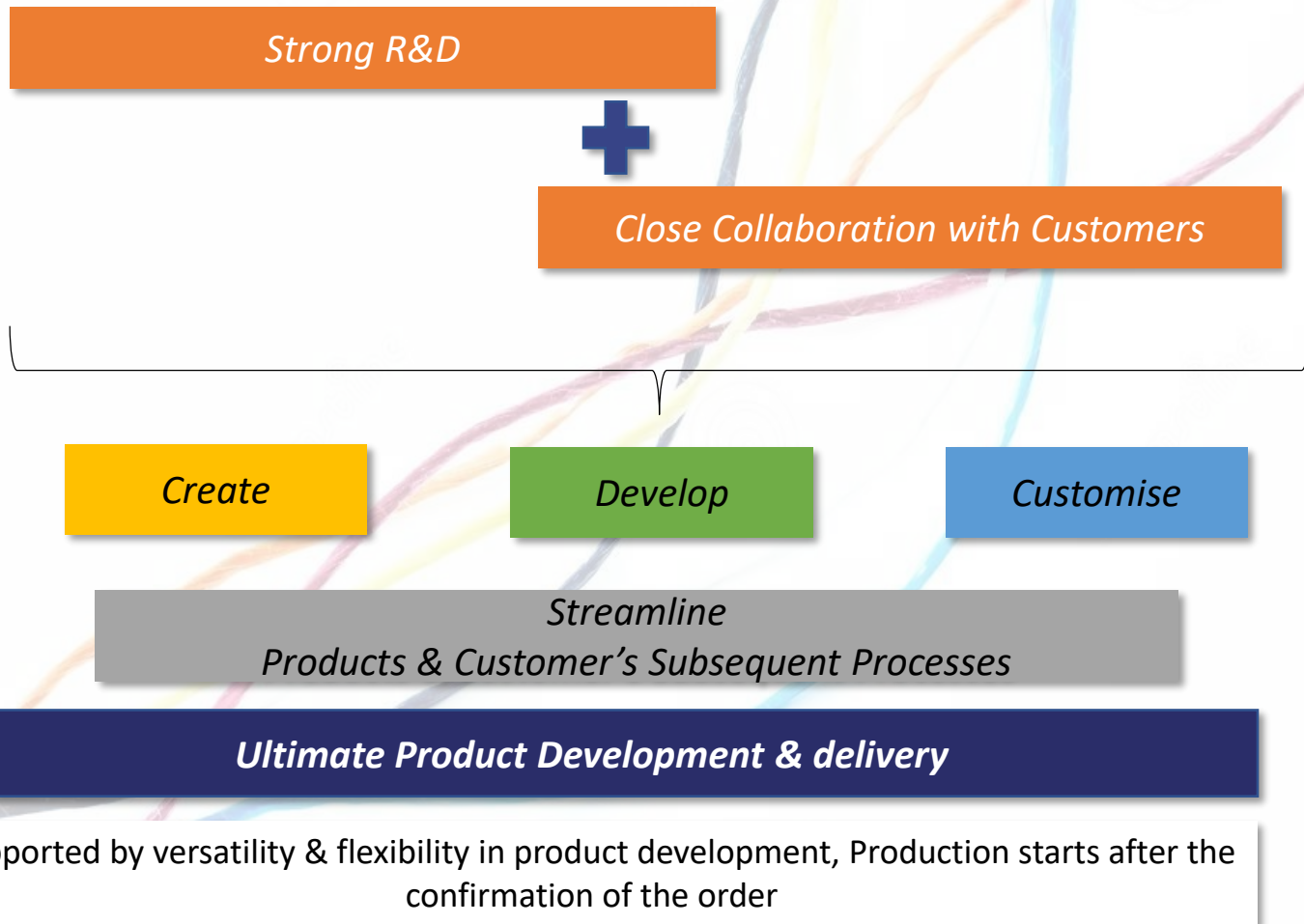
## Make in India

- 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

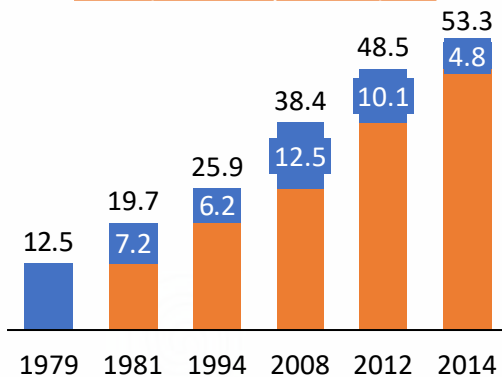
- Growing acceptance of Synthetics in apparels
- Improvement in processing and manufacturing technology
- Demand growth from newer applications

...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: 3<sup>rd</sup> generation, Rahul and Ameya Shroff joined the business  
 2006: Diversified to produce greige & fiber-dyed chenille yarns for high-end upholstery & carpet Industry  
 2001: Listing on BSE

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

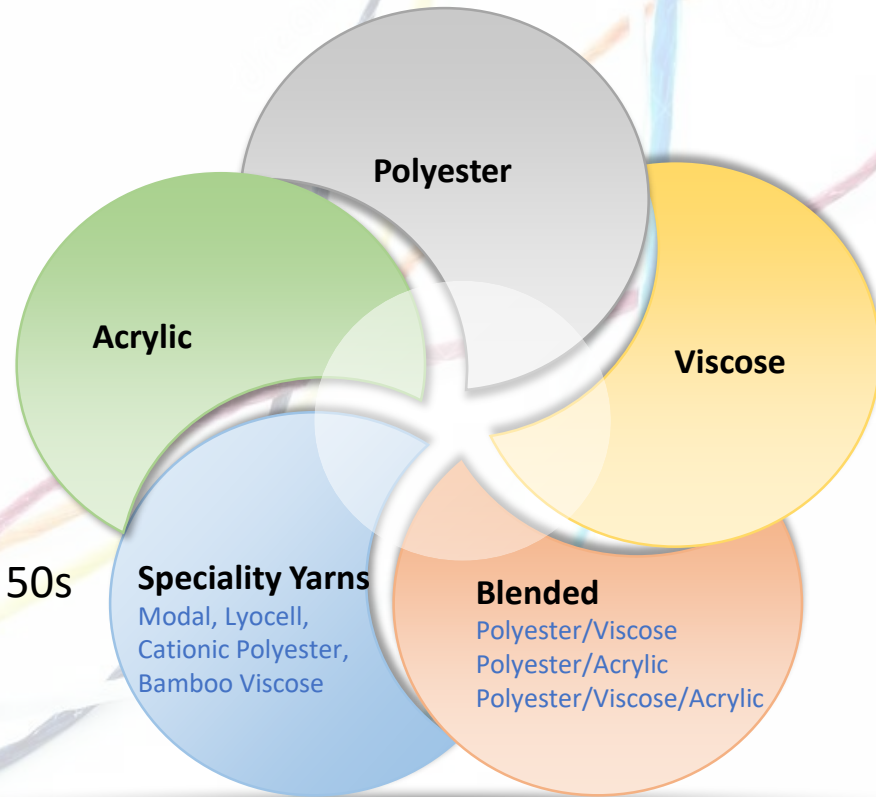
1977-79

1979: Started production under the brand 'Reliwool' our now legendary 100% Dyed Acrylic yarns for sweater knitting  
 1977: Incorporated Reliance Chemotex Industries Limited (RCIL) as a publicly traded 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**

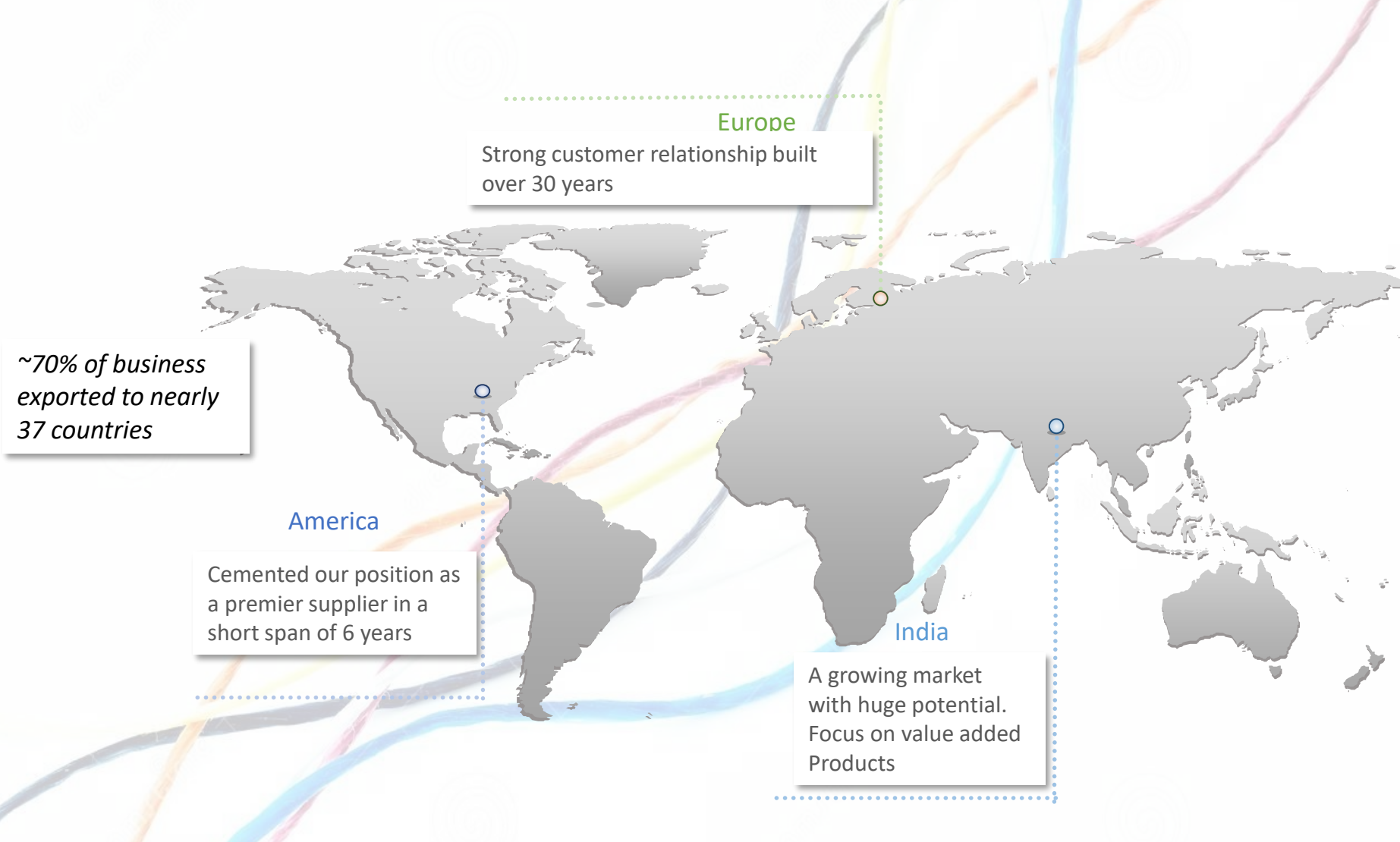


**Sports apparel**



**Automotive**

# ...across the most demanding markets



# Our Manufacturing capabilities...



## Spinning Facility

Facility based in Udaipur, Rajasthan

Capacity of

- 53,280 spindles
- Production of 13,940 MTPA

## 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*

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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*

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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. A. S. Arya**  
*Plant Head*

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B. Tech having 35+ years of experience working as President (Works). Handling operations at Udaipur plant

**Mr. Sanjiv Shroff**  
*Managing Director*

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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*

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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*

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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

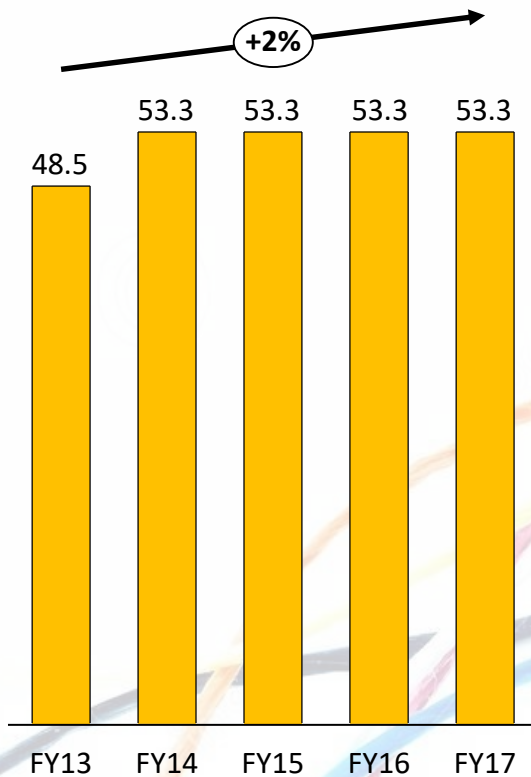


## Financials

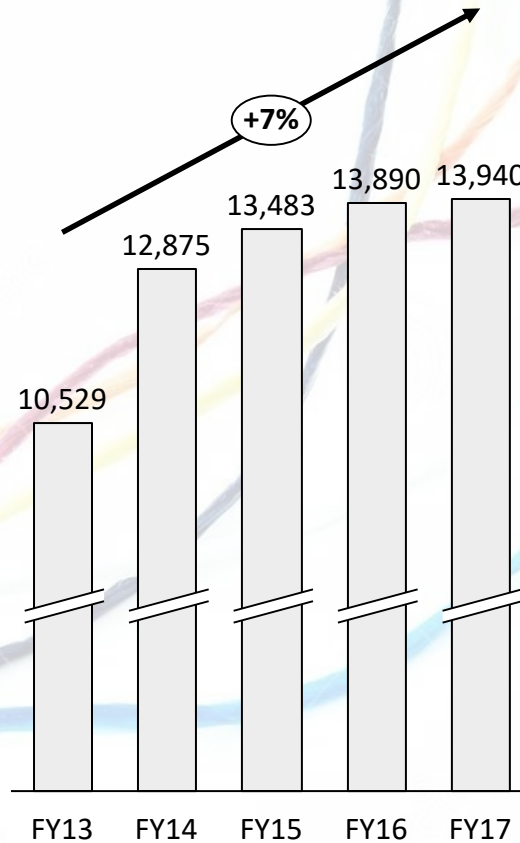
# Operational Capacity



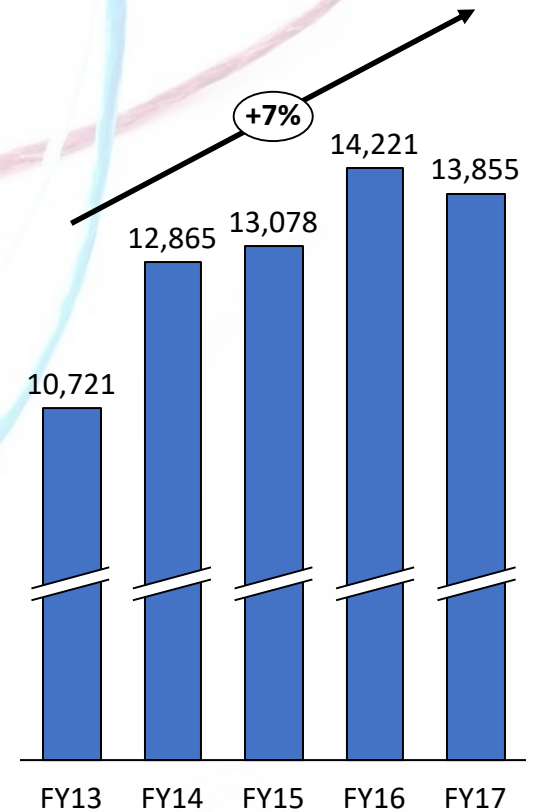
Spindles ('000)



Yarn Production (MT)



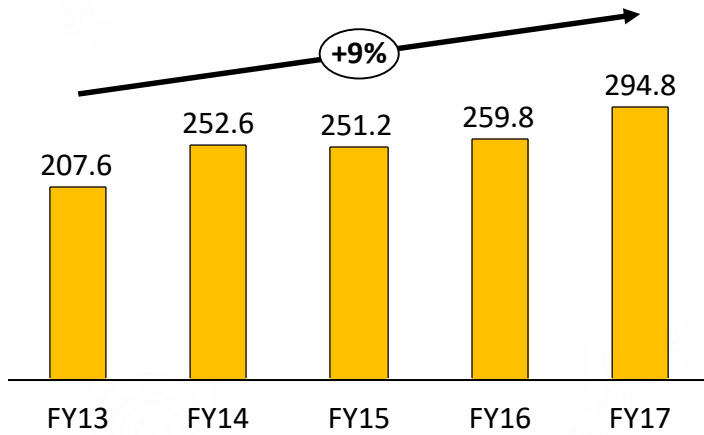
Sales (MT)





# Financial Performance

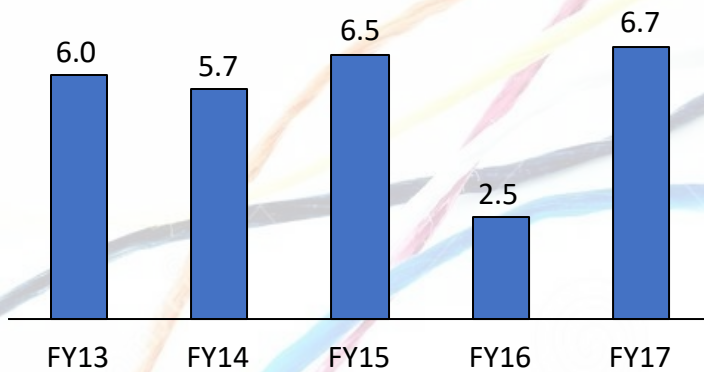
**Total Revenue\* (Rs Crs)**



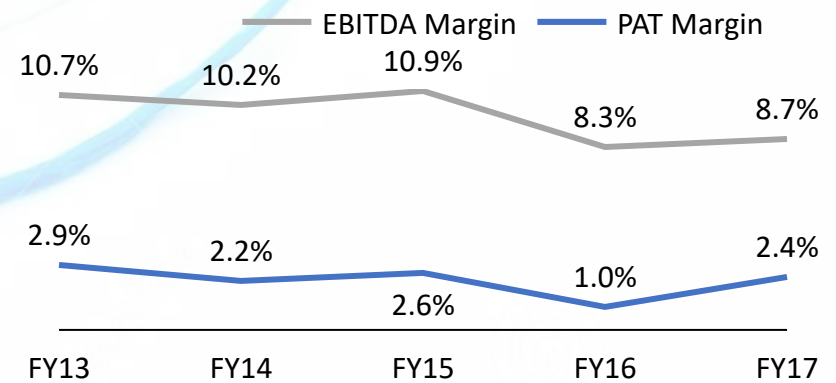
**EBIDTA\* (Rs Crs)**



**PAT (Rs Crs)**



**Margins %**



\*Includes Other Income  
Financials as per IGAAP

# Quarterly & Nine Month Profit & Loss Statement



Rs. Crores	Q3FY18	Q3FY17	9M FY18	9M FY17
<b>Net Revenue</b>	<b>70.01</b>	<b>67.57</b>	<b>215.00</b>	<b>214.11</b>
Other Income	0.33	0.52	1.12	1.47
<b>Total Revenue</b>	<b>70.33</b>	<b>68.09</b>	<b>216.12</b>	<b>215.58</b>
Direct Expenses	37.35	36.17	116.32	117.09
Employee Expenses	9.65	9.07	26.71	26.27
Power & Fuel	8.79	6.66	25.59	19.36
Excise Duty	-	0.83	0.91	3.00
Other Expenses	9.24	9.84	29.45	30.26
<b>EBITDA</b>	<b>5.31</b>	<b>5.51</b>	<b>17.14</b>	<b>19.60</b>
<b>EBITDA Margin</b>	<b>7.55%</b>	<b>8.09%</b>	<b>7.93%</b>	<b>9.09%</b>
Depreciation	1.84	1.68	5.54	5.01
<b>EBIT</b>	<b>3.47</b>	<b>3.83</b>	<b>11.60</b>	<b>14.59</b>
<b>EBIT Margin</b>	<b>4.94%</b>	<b>5.62%</b>	<b>5.37%</b>	<b>6.77%</b>
Finance costs	4.61	4.85	9.48	10.80
<b>PBT</b>	<b>(1.14)</b>	<b>(1.02)</b>	<b>2.12</b>	<b>3.79</b>
Tax	(0.38)	0.50	1.10	1.50
<b>PAT</b>	<b>(0.76)</b>	<b>(1.52)</b>	<b>1.03</b>	<b>2.29</b>
<b>PAT Margin</b>	<b>(1.09%)</b>	<b>(2.23%)</b>	<b>0.48%</b>	<b>1.06%</b>
Other Comprehensive Income (net of tax)	(0.04)	0.05	(0.08)	0.03
<b>Total Comprehensive Income for the Period (net of tax)</b>	<b>(0.80)</b>	<b>(1.47)</b>	<b>0.94</b>	<b>2.32</b>
<b>Additional Provision on account of Preference Shares Dividend and DDT included in Quarter 3</b>	1.39	1.39	-	-
<b>Normalized PAT*</b>	<b>0.63</b>	<b>(0.13)</b>	<b>0.94</b>	<b>2.32</b>

\* Normalised PAT = PAT + Additional Provision Done during the Quarter  
Financials as per IND-AS

# Half Yearly Balance Sheet



Rs. Crores	Sep-17
<b>Shareholders Fund</b>	<b>64.84</b>
Share Capital	3.99
Reserves & Surplus	60.85
<b>Non Current Liabilities</b>	<b>76.48</b>
Financial liabilities	
Borrowings	55.51
Other financial liabilities	0.66
Provisions	1.10
Deferred tax liabilities (net)	19.22
<b>Current Liabilities</b>	<b>95.93</b>
Financial liabilities	
Borrowings	28.74
Trade payables	37.68
Other financial liabilities	24.95
Other current liabilities	4.56
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>237.25</b>

Rs. Crores	Sep-17
<b>Non Current Assets</b>	<b>151.02</b>
Property, plant and equipment	148.81
Other intangible assets	0.19
<b>Financial assets</b>	
Other financial assets	2.03
<b>Current Assets</b>	<b>86.23</b>
Inventories	34.76
<b>Financial assets</b>	
Trade receivables	20.08
Cash and cash equivalents	0.30
Bank balances	3.99
Other financial assets	6.75
Current Tax Assets (Net)	0.29
Other current assets	20.04
<b>TOTAL ASSETS</b>	<b>237.25</b>

Financials as per IND-AS

# Profit & Loss Statement



Rs. Crores	FY17	FY16	Y-o-Y
<b>Net Revenue</b>	<b>284.74</b>	<b>257.13</b>	<b>10.74%</b>
Other Income	10.06	2.67	
<b>Total Revenue</b>	<b>294.80</b>	<b>259.80</b>	<b>13.47%</b>
Direct Expenses	163.32	140.76	
Employee Expenses	35.84	33.11	
Other Expenses	70.05	64.49	
<b>EBITDA</b>	<b>25.59</b>	<b>21.43</b>	<b>19.42%</b>
<b>EBITDA Margin</b>	<b>8.68%</b>	<b>8.25%</b>	
Depreciation	6.71	6.60	
<b>EBIT</b>	<b>18.88</b>	<b>14.83</b>	<b>27.30%</b>
<b>EBIT Margin</b>	<b>6.40%</b>	<b>5.71%</b>	
Finance costs	10.99	13.13	
<b>PBT</b>	<b>7.89</b>	<b>1.71</b>	<b>361.40%</b>
Tax	1.19	-0.82	
<b>PAT</b>	<b>6.70</b>	<b>2.53</b>	<b>164.82%</b>
<b>PAT Margin</b>	<b>2.27%</b>	<b>0.97%</b>	

Financials as per IGAAP

# Balance Sheet

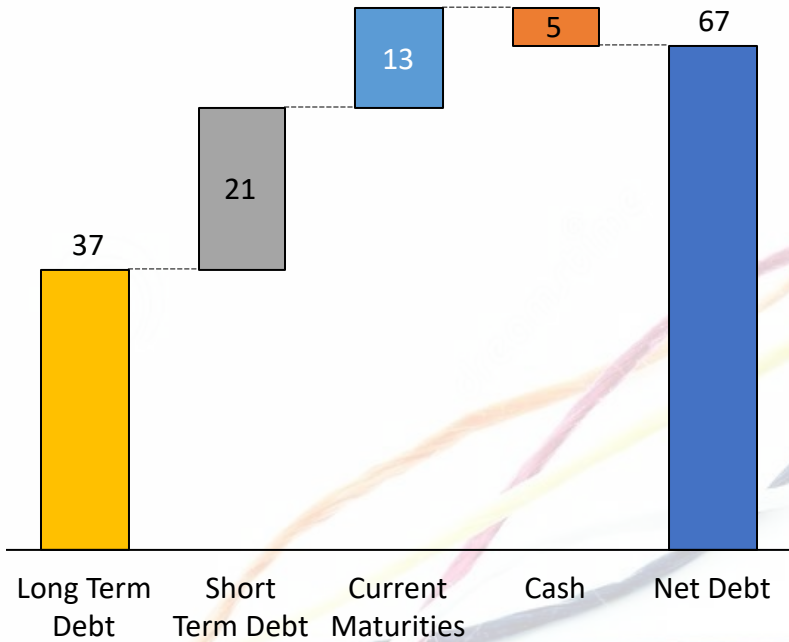


Rs. Crores	Mar-17	Mar-16
<b>Shareholders Fund</b>	<b>62.11</b>	<b>58.67</b>
Share Capital	27.07	27.07
Reserves & Surplus	35.04	31.60
<b>Non Current Liabilities</b>	<b>45.04</b>	<b>58.35</b>
Long Term Borrowings	37.06	50.80
Deferred Tax Liabilities(Net)	5.74	4.92
Other Long Term Liabilities	0.79	0.71
Long Term Provisions	1.45	1.91
<b>Current Liabilities</b>	<b>84.04</b>	<b>84.40</b>
Short Term Borrowings	21.24	23.59
Trade Payables	35.13	32.29
Other Current Liabilities	22.81	24.92
Short Term Provisions	4.87	3.61
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>191.19</b>	<b>201.42</b>

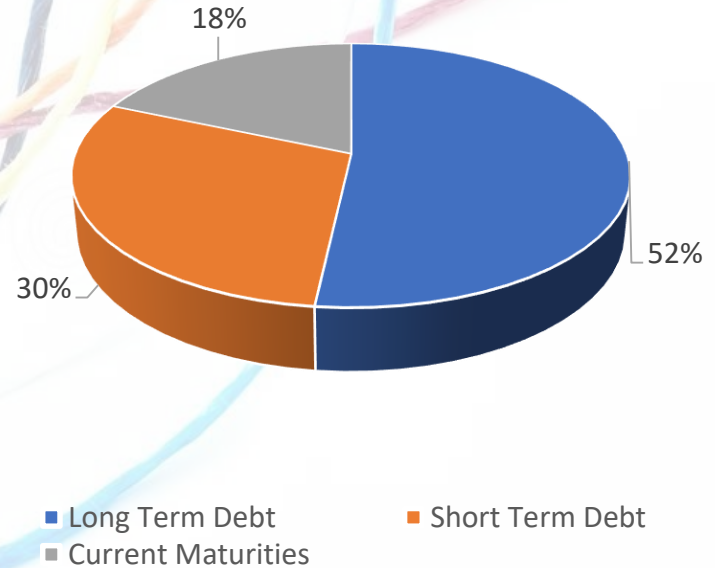
Rs. Crores	Mar-17	Mar-16
<b>Non Current Assets</b>	<b>108.58</b>	<b>111.84</b>
Fixed Assets	107.07	110.33
Non Current Investments	0.00	0.00
Long Term Loans & Advances	1.51	1.51
<b>Current Assets</b>	<b>82.62</b>	<b>89.58</b>
Inventories	38.10	39.21
Trade Receivables	18.35	20.83
Cash & Cash Equivalents	4.89	4.84
Short Term Loans & Advances	12.78	15.70
Other Current Assets	8.49	8.99
<b>TOTAL ASSETS</b>	<b>191.19</b>	<b>201.42</b>

# Debt Profile

**Net debt As on Mar'17  
Rs. 67 Crs**



**Gross Debt Break-up (Rs. 72 Crs)**



**Net Debt to Equity of 1.07x**

Financials as per IGAAP



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