

Reliance Chemotex Industries Limited

Investor Presentation

November 2018



Safe Harbour



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A Leading Synthetic Yarn Manufacturer



Capacity

53,280 Spindles

Export Focused

~70% 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 “Fibre of the future” ...

Global

High preference of Man Made Fibre

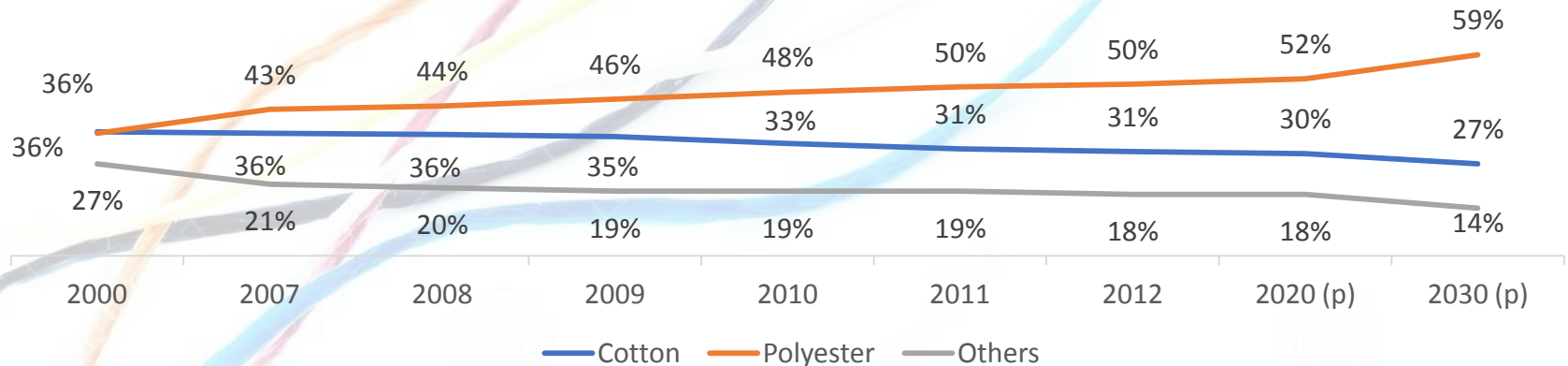
- Flexibility in manufacturing process
- Increasing new age end use (Technical & Medical)
- Higher Raw Material availability

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)

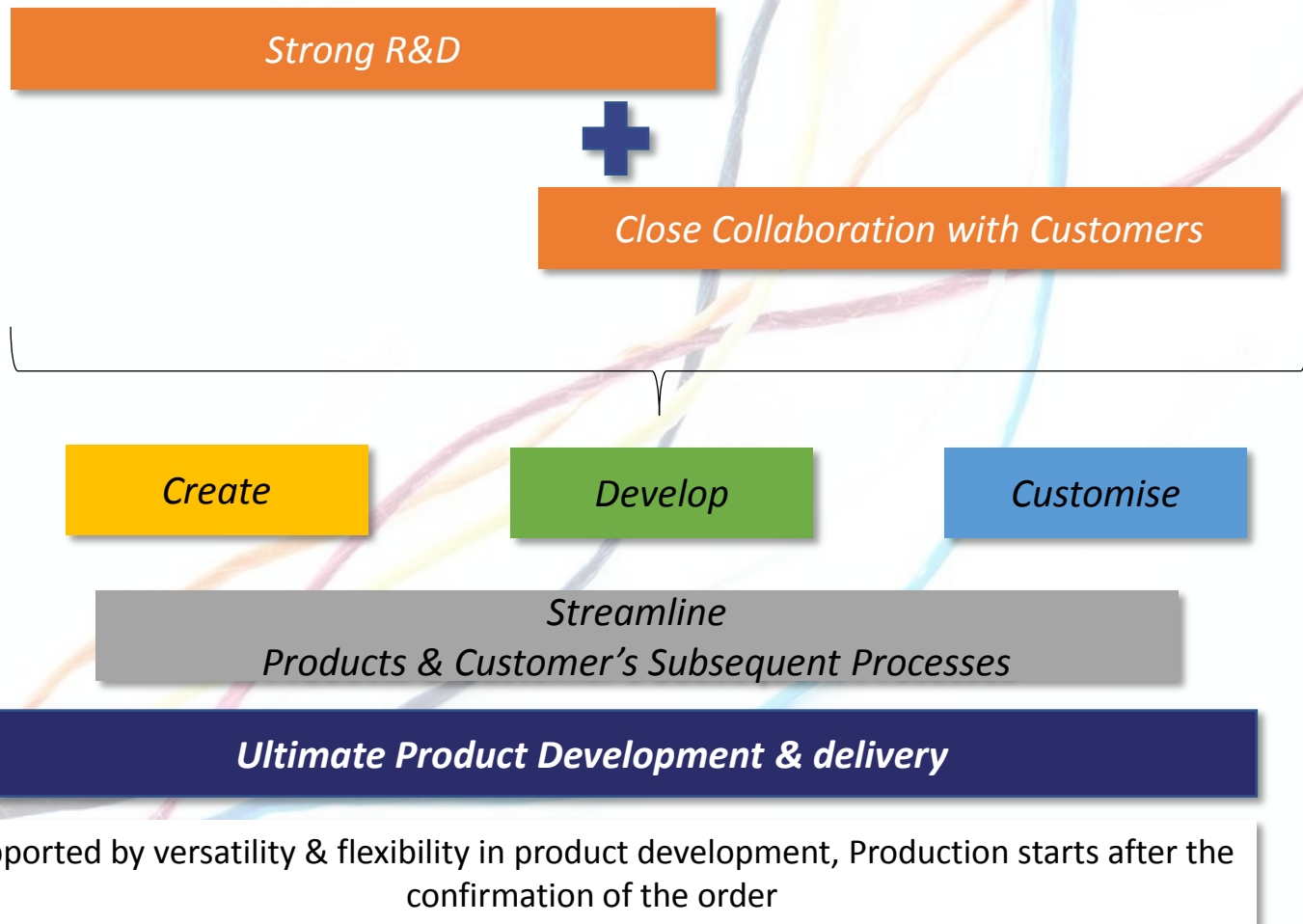
Make in India

- 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

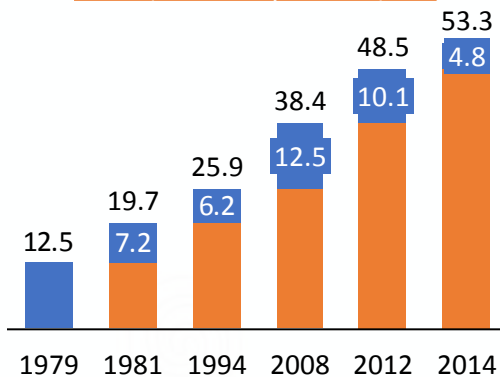
- Growing acceptance of Synthetics in apparels
- Improvement in processing and manufacturing technology
- Demand growth from newer applications

...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: 3rd 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

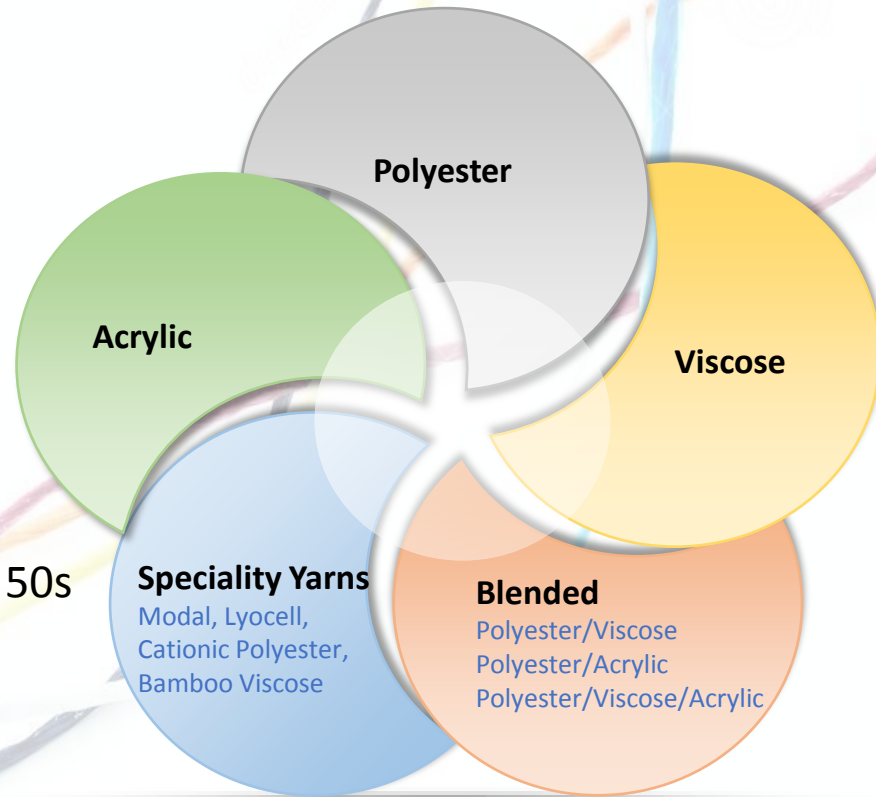
1977-79

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



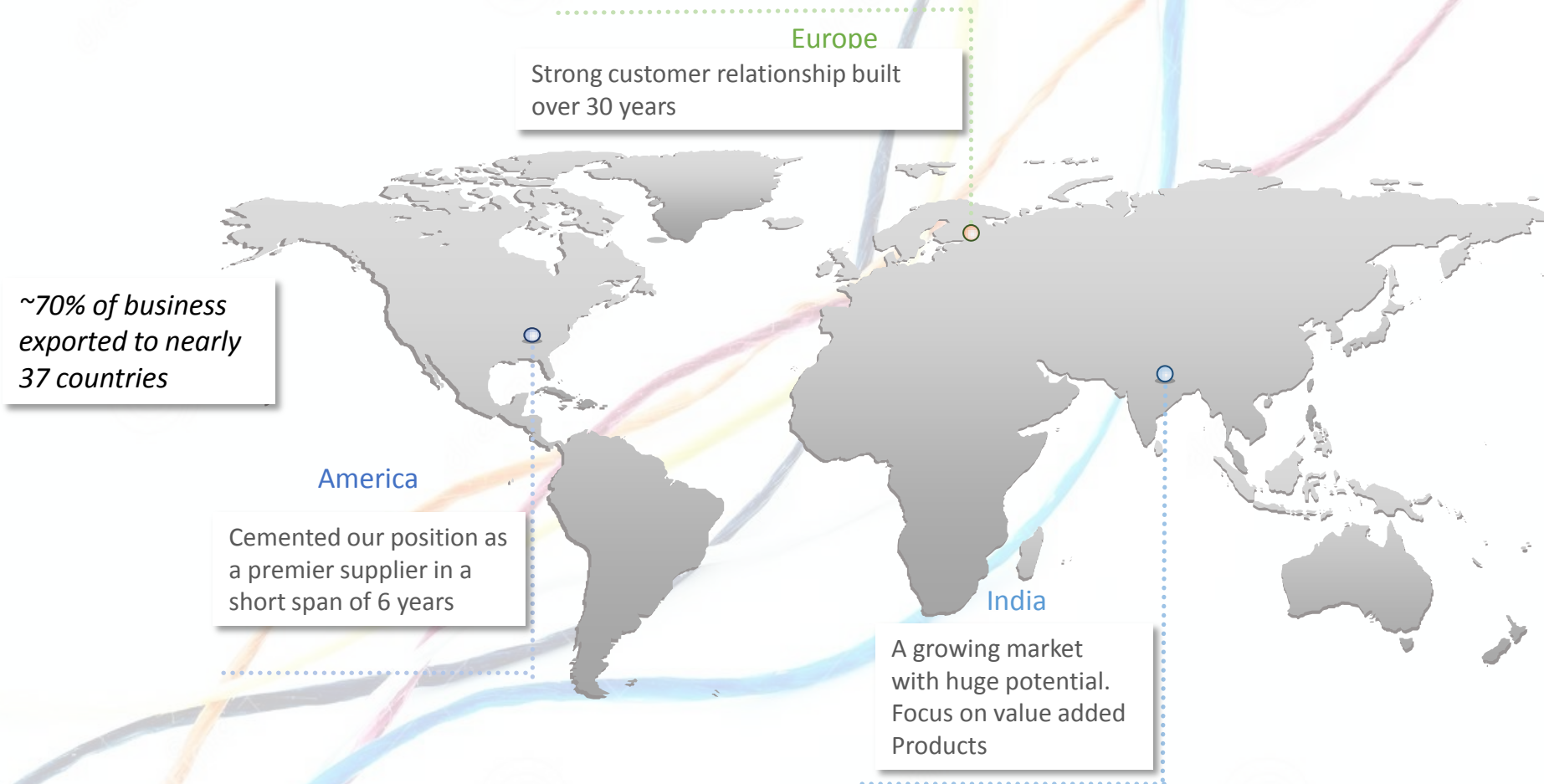
Sports apparel



Automotive



...across the most demanding markets



Europe

Strong customer relationship built over 30 years

~70% of business exported to nearly 37 countries

America

Cemented our position as a premier supplier in a short span of 6 years

India

A growing market with huge potential. Focus on value added Products

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

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

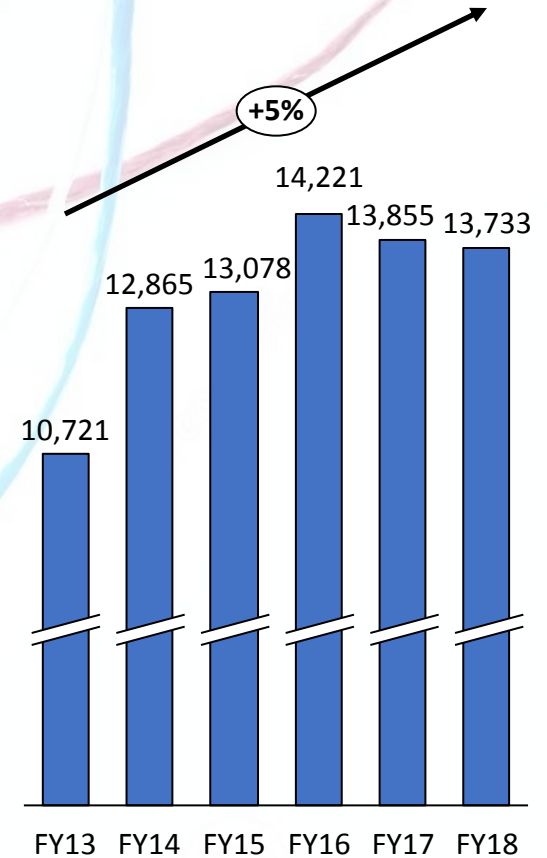
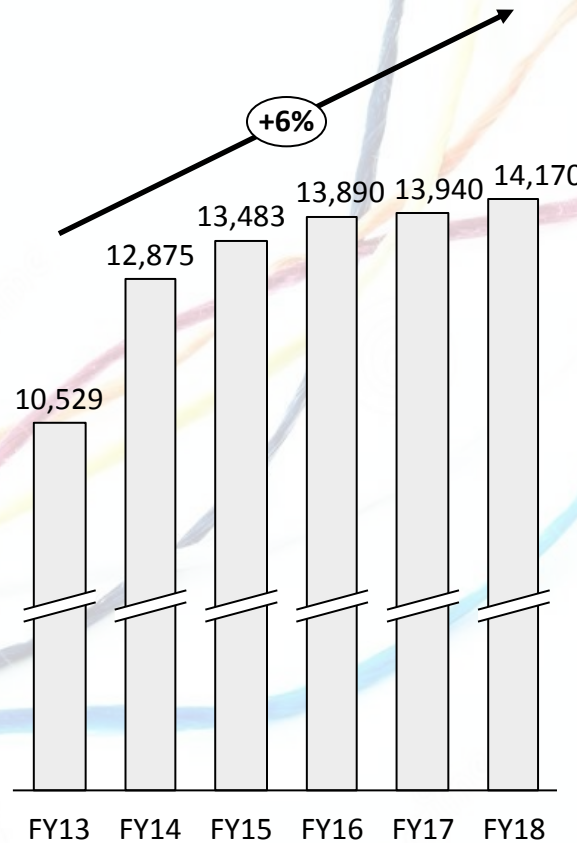
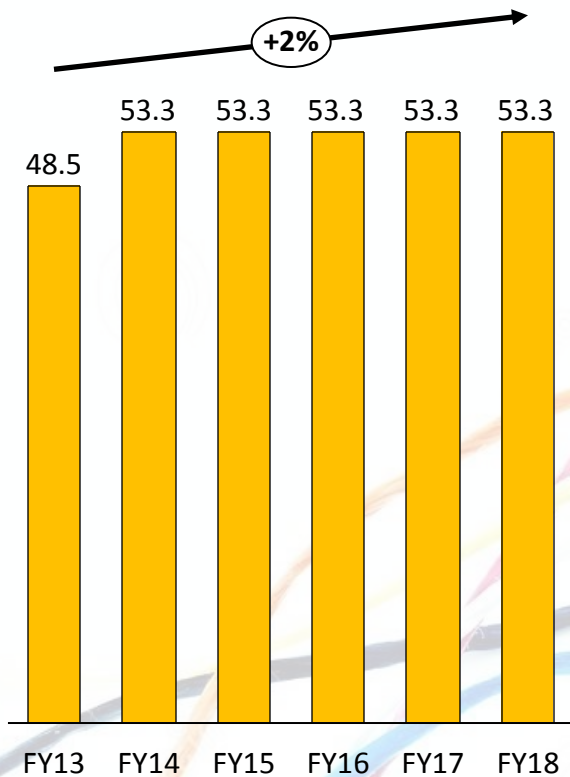
Operational Capacity



Spindles ('000)

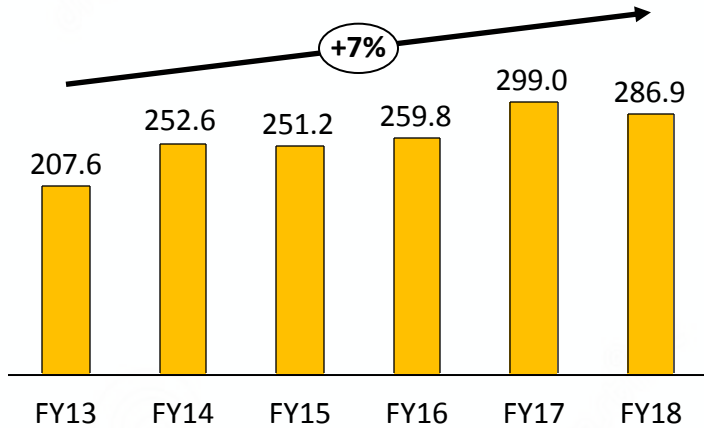
Yarn Production (MT)

Sales (MT)

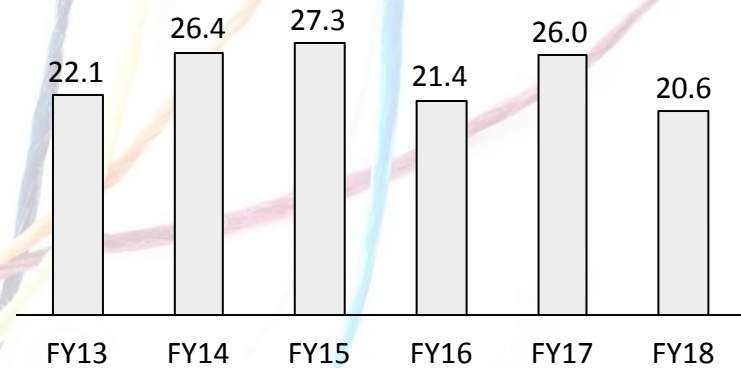


Financial Performance

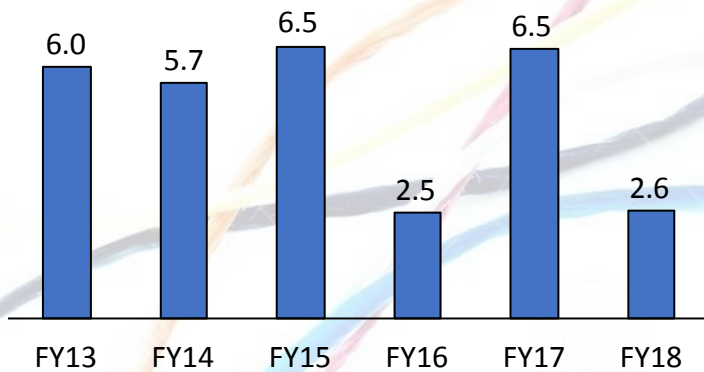
Total Revenue* (Rs Crs)



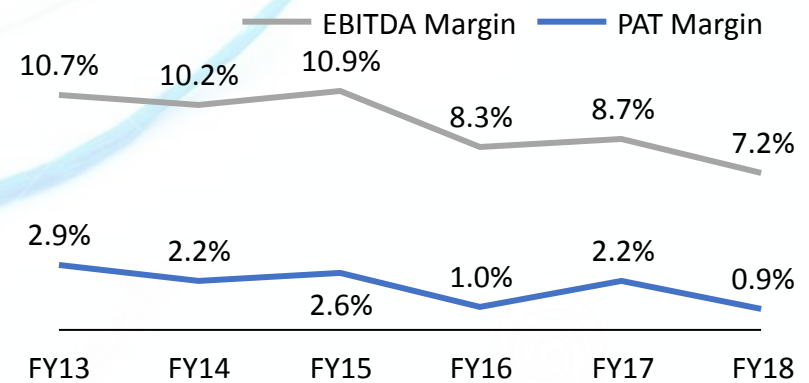
EBIDTA* (Rs Crs)



PAT (Rs Crs)



Margins %



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

Profit & Loss Statement - Quarterly



Rs. Crores	Q2 FY19	Q2 FY18	Y-o-Y	Q1 FY19	QoQ
Net Revenue	81.37	65.93		82.85	
Other Income	0.38	0.32		0.23	
Total Revenue	81.75	66.25	23%	83.07	-2%
Direct Expenses	46.22	33.23		48.44	
Employee Expenses	9.13	8.64		9.17	
Power & Fuel	8.81	8.66		8.60	
Excise Duty	0.00	0.00		0.00	
Other Expenses^	9.72	9.71		9.23	
Normalised EBITDA^	7.88	6.02	31%	7.64	3%
Normalised EBITDA Margin^	9.64%	9.09%	55 bps	9.19%	44 bps
Mark to Market Loss against forward contract	1.44	0.20		1.43	
EBITDA	6.44	5.83	11%	6.21	4%
EBITDA Margin	7.88%	8.79%	-92 bps	7.74%	41 bps
Depreciation	1.68	2.02		1.67	
Finance costs*	2.66	2.44		2.54	
Normalised PBT*	2.11	1.37	54%	1.99	6%
Normalised PBT Margin*	2.58%	2.06%	52 bps	2.39%	19 bps
Dividend and DDT on Preference Shares	0.70	0.00		0.70	
Reported PBT	1.41	1.37		1.29	
Tax	1.17	0.96		0.53	
PAT	0.24	0.41		0.76	
PAT Margin	0.30%	0.61%		0.92%	
Other Comprehensive Income (net of tax)	0.01	-0.02		0.01	
Total Comprehensive Income for the Period	0.25	0.38		0.77	
Cash Profit**	3.37	2.60		3.88	

* Excl. Dividend & DDT on Preference Shares; ^ Excl. Mark to Market Loss against forward contract

** Cash Profit = Total Comprehensive Income for the Period + Depreciation + Mark to Market Loss against forward contract

Profit & Loss Statement – Half Year & Full Year



Rs. Crores	H1 FY19	H1 FY18	Y-o-Y	FY18
Net Revenue	164.22	144.99	13%	285.46
Other Income	0.61	0.80		1.40
Total Revenue	164.83	145.79	13%	286.86
Direct Expenses	94.66	78.98		155.26
Employee Expenses	18.29	17.07		36.75
Power & Fuel	17.41	16.80		35.42
Excise Duty	0.00	0.91		0.91
Other Expenses [^]	18.95	19.82		37.47
Normalised EBITDA[^]	15.52	12.22	27%	21.05
Normalised EBITDA Margin[^]	9.41%	8.38%	103 bps	7.34%
Mark to Market Loss against forward contract	2.87	0.40		0.47
EBITDA	12.64	11.82	7%	20.59
EBITDA Margin	7.67%	8.11%	-44 bps	7.18%
Depreciation	3.35	3.69		7.39
Finance costs*	5.20	4.77		9.60
Normalised PBT*	4.10	3.36	22%	3.59
Normalised PBT Margin*	2.48%	2.30%	18 bps	1.25%
Dividend and DDT on Preference Shares	1.39	0.00		2.78
Reported PBT	2.70	3.36		0.81
Tax	1.70	1.48		-1.78
PAT	1.00	1.88		2.60
PAT Margin	0.61%	1.29%		0.91%
Other Comprehensive Income (net of tax)	0.02	-0.05		0.21
Total Comprehensive Income for the Period	1.02	1.84		2.81
Cash Profit**	7.24	5.93		10.67

* Excl. Dividend & DDT on Preference Shares; [^] Excl. Mark to Market Loss against forward contract

** Cash Profit = Total Comprehensive Income for the Period + Depreciation + Mark to Market Loss against forward contract

Balance Sheet

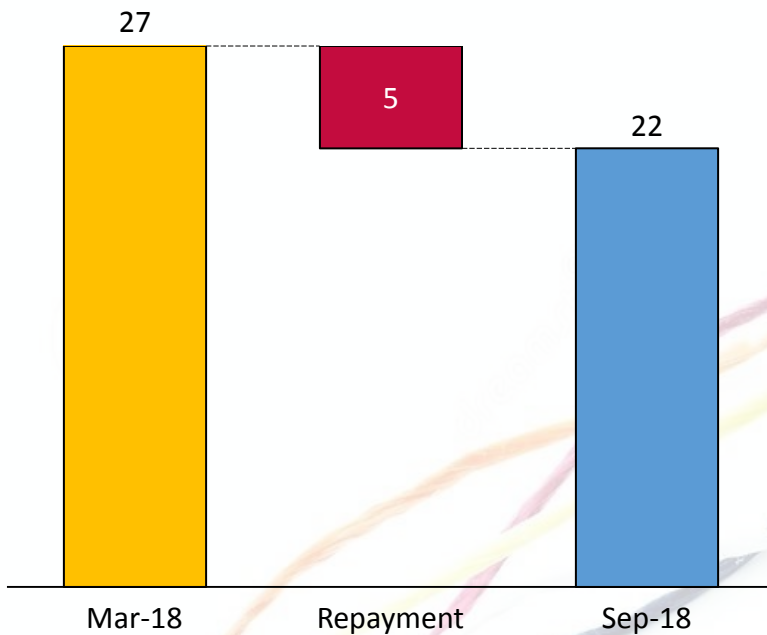


Rs. Crores	Sep-18	Mar-18
Non-Current Assets	146.73	149.60
Property, plant and equipment	142.46	145.27
Other intangible assets	0.13	0.16
Financial assets		
Other financial assets	4.14	4.17
Current Assets	80.61	78.16
Inventories	40.28	41.45
Financial assets		
Trade receivables	19.29	17.27
Cash and cash equivalents	0.38	0.23
Bank balances	3.80	4.13
Other financial assets	5.44	4.25
Current Tax Assets (Net)	0.69	0.98
Other current assets	10.73	9.86
TOTAL ASSETS	227.34	227.77

Rs. Crores	Sep-18	Mar-18
Shareholders Fund	70.96	70.42
Share Capital	4.00	4.00
Other Equity	66.96	66.42
Non-Current Liabilities	64.18	64.66
Financial liabilities		
Borrowings	51.54	51.70
Other financial liabilities	0.79	0.70
Provisions	0.66	1.86
Deferred tax liabilities (net)	11.19	10.40
Current Liabilities	92.20	92.68
Financial liabilities		
Borrowings	26.13	31.47
Trade payables	32.15	35.70
Other financial liabilities	26.95	21.94
Other current liabilities	6.12	3.15
Provisions	0.84	0.42
TOTAL EQUITY & LIABILITIES	227.34	227.77

Debt Profile

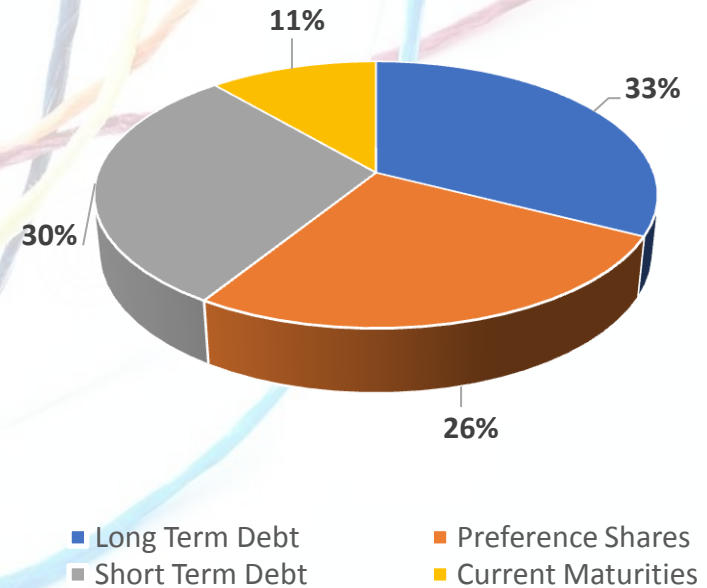
Gross Long Term Debt Movement[^]



Gross Net Debt to Equity of 0.31x

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

Gross Debt Break-up (Rs. 88 Crs*)



[^] Includes Current Maturities of Long-Term Borrowings



For further information, please contact:

Company :

Reliance Chemotex Industries Ltd.
CIN: L40102RJ1977PLC001994

Mr. Amar Inder Singh Jassar
Email: finance@reliancechemotex.com

www.reliancechemotex.com

Investor Relations Advisors :

Strategic Growth Advisors Pvt. Ltd.
CIN: U74140MH2010PTC204285

Mr. Jigar Kavaiya / Mr. Rohan Adhiya
Email: jigar.Kavaiya@sgapl.net /
rohan.adhiya@sgapl.net
Cell: +91 9920602034 / +91 9833219522

www.sgapl.net