



RELIANCE CHEMOTEX INDUSTRIES

March 2022

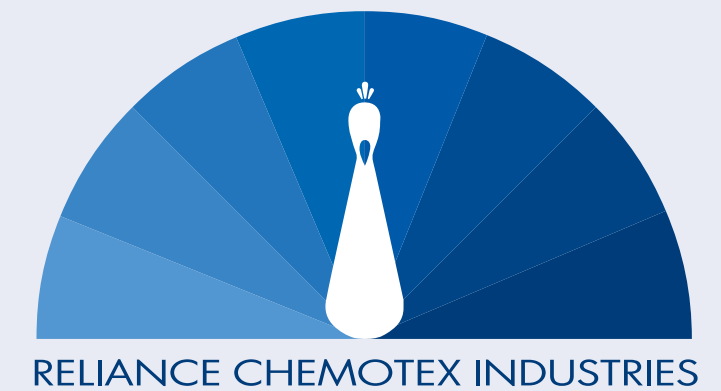
# **RELIANCE CHEMOTEX INDUSTRIES LIMITED**

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## **INVESTOR PRESENTATION**

# Safe Harbour

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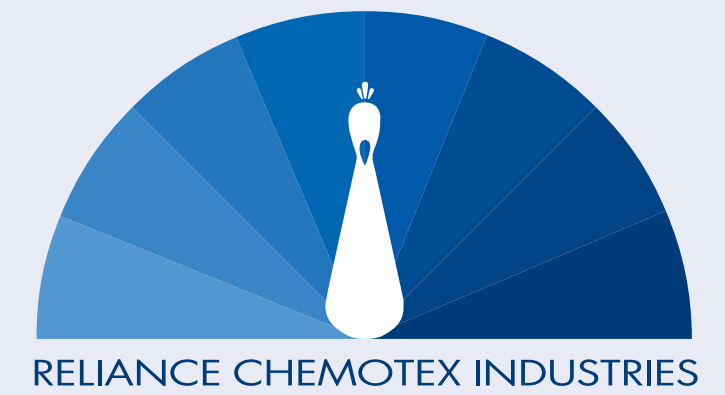
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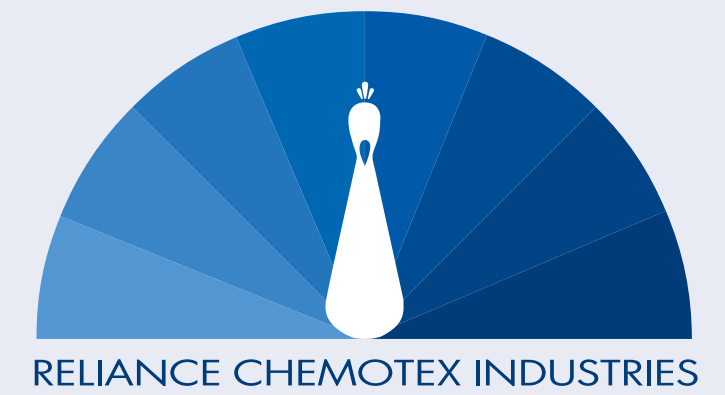




# RCIL : A Leading Synthetic Yarn Manufacturer

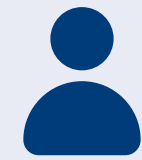


# Our Competitive Edge



## **Quality**

At RCIL, we are all united in our relentless pursuit of quality. This is made possible by our years of industry experience, our state-of-the-art manufacturing and a change-oriented work culture which focuses on lean ideologies and continuous improvement.



## **Customer Centricity**

We have forged meaningful relationships with key customers built on the solid foundation of Quality, Mutual Learning, Respect and Trust.



## **Consistency**

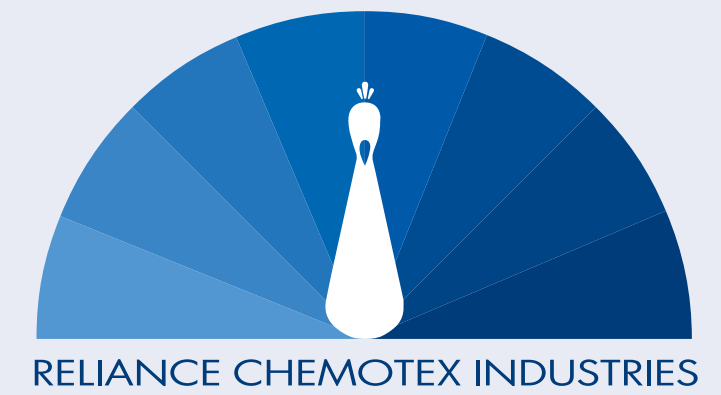
We have been consistently delivering yarns that are the products of choice in the most demanding applications across an imposing breadth of textile-related industries around the world.



## **Unique Approach to Research and Product Development**

Our strong Research and Development efforts together with our uncharacteristically close collaborations with our customers helps us to create, develop, fine-tune and streamline products, and in many cases, even our customer's subsequent processes.

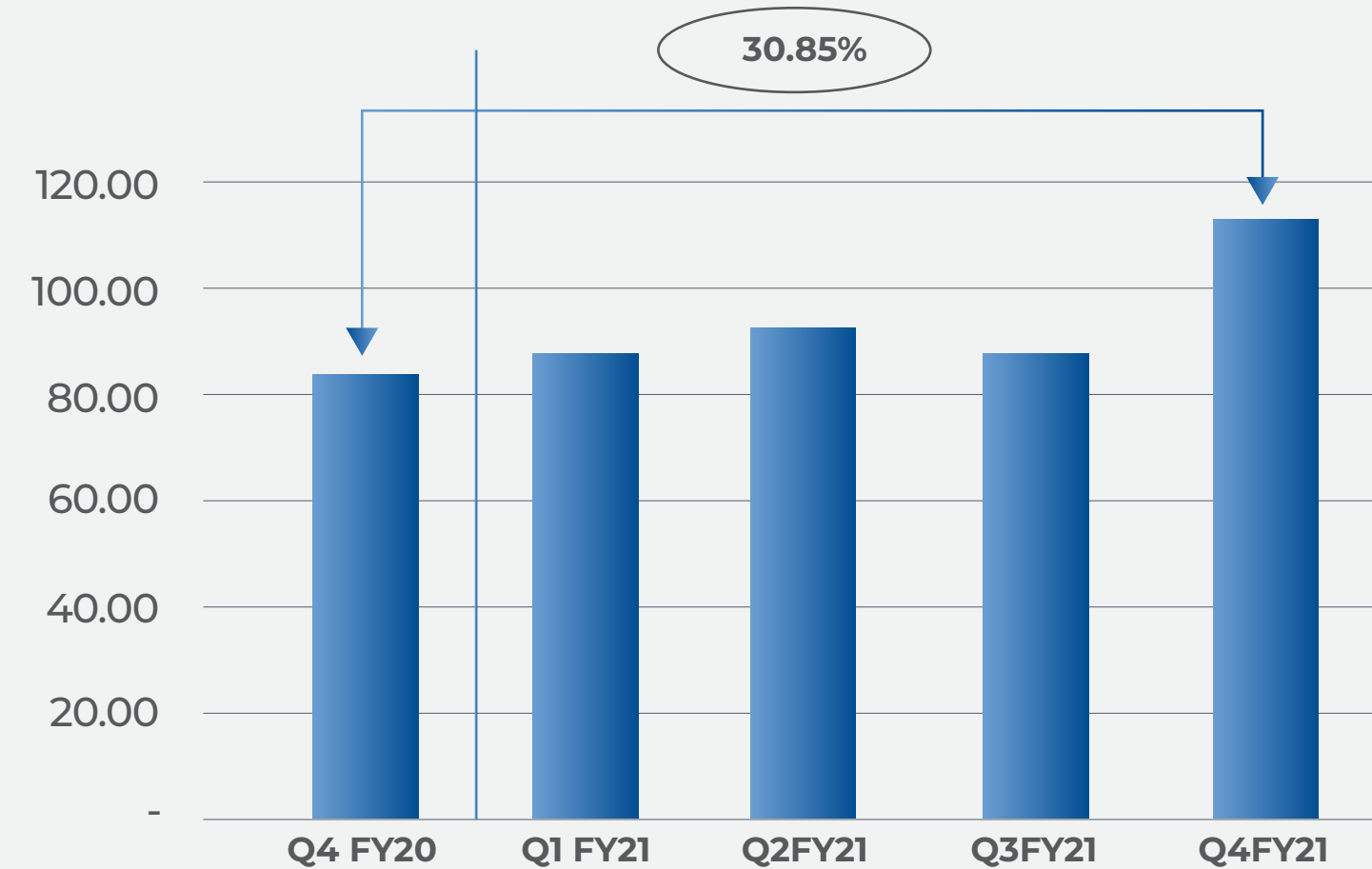
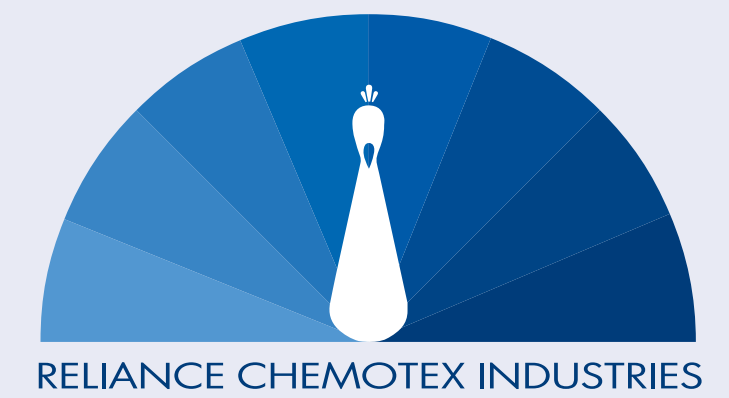
# Quarterly Highlights



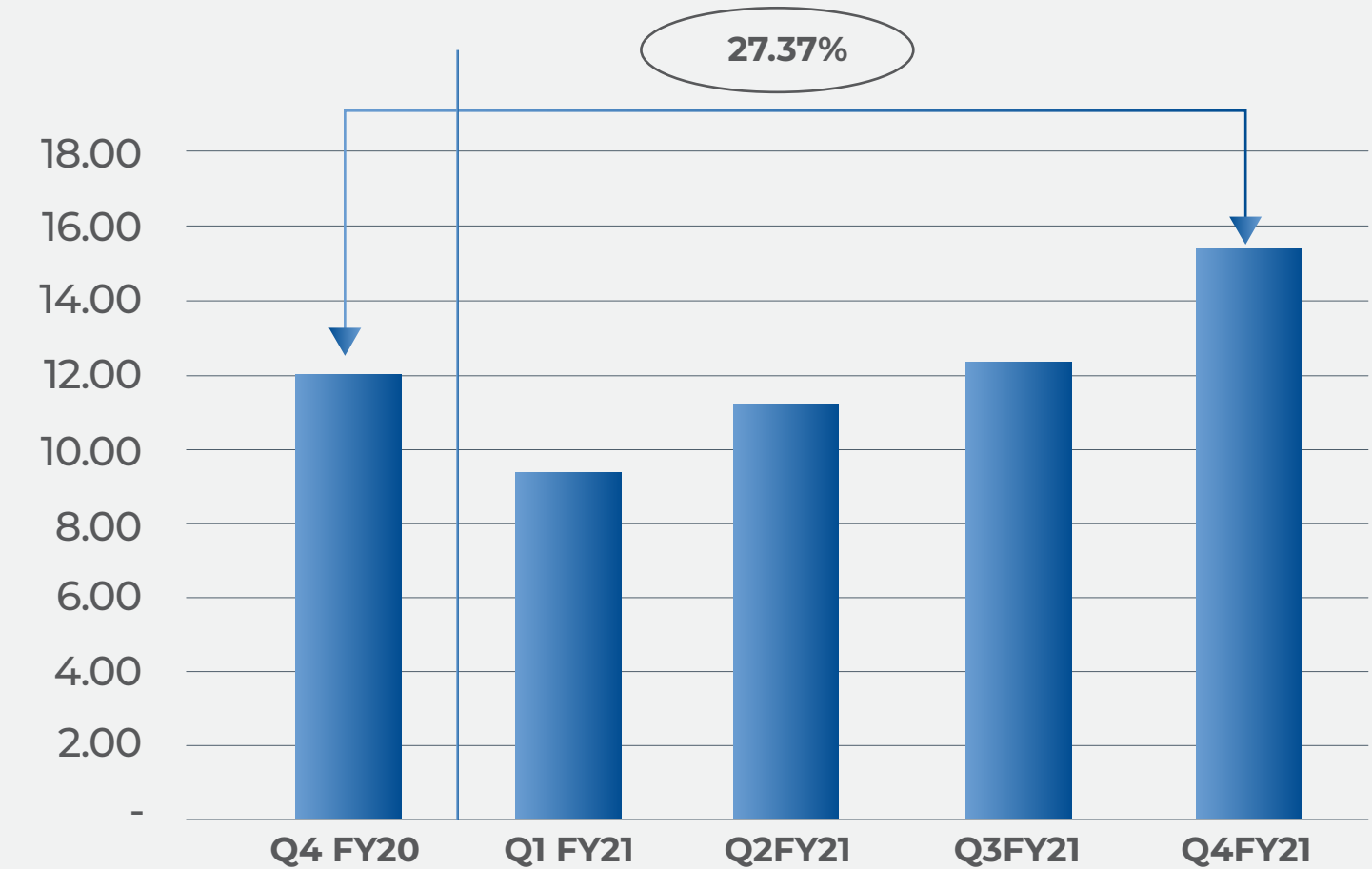
## Q4 FY22



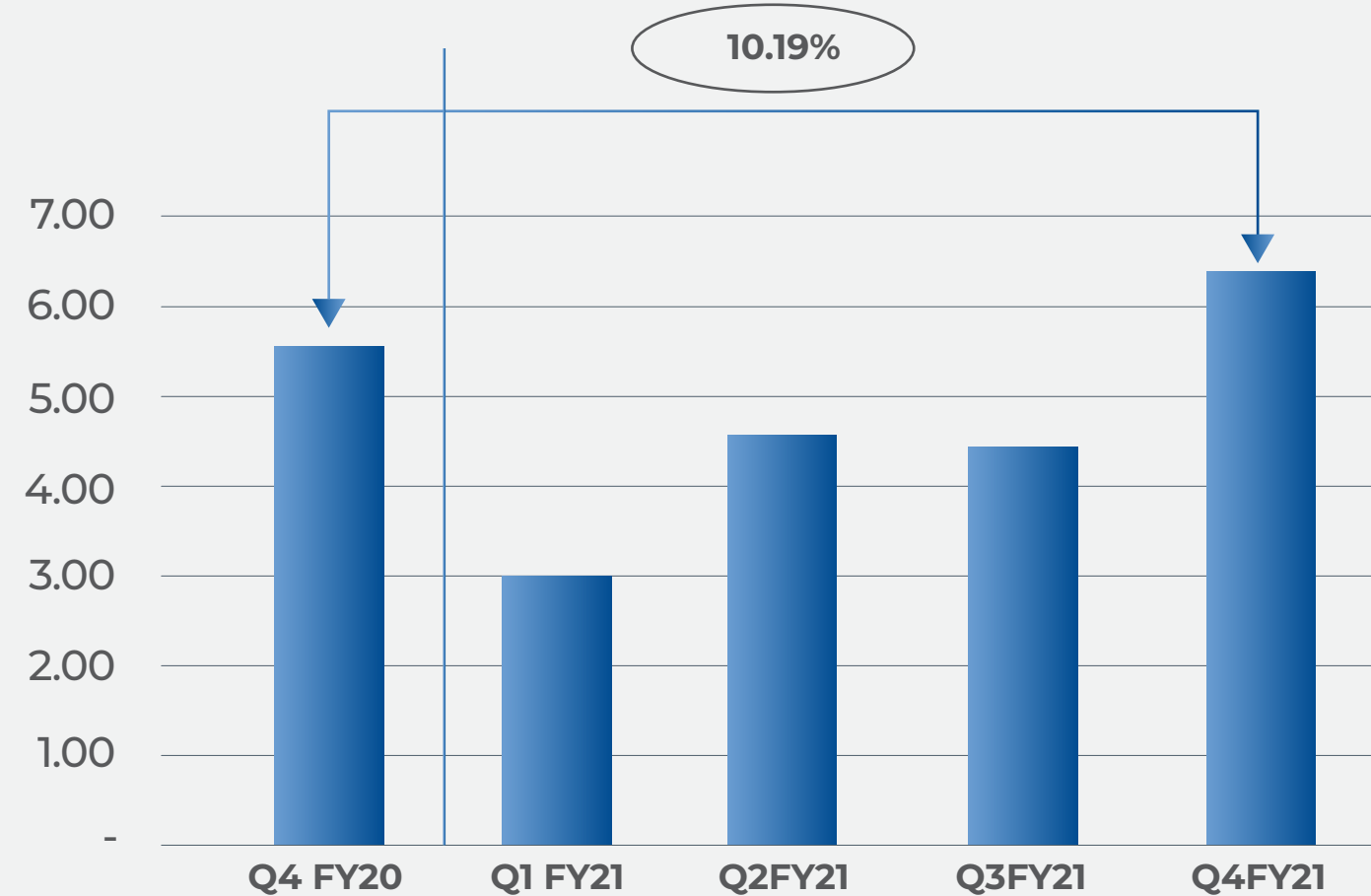
# Q4FY22 Financial Highlights



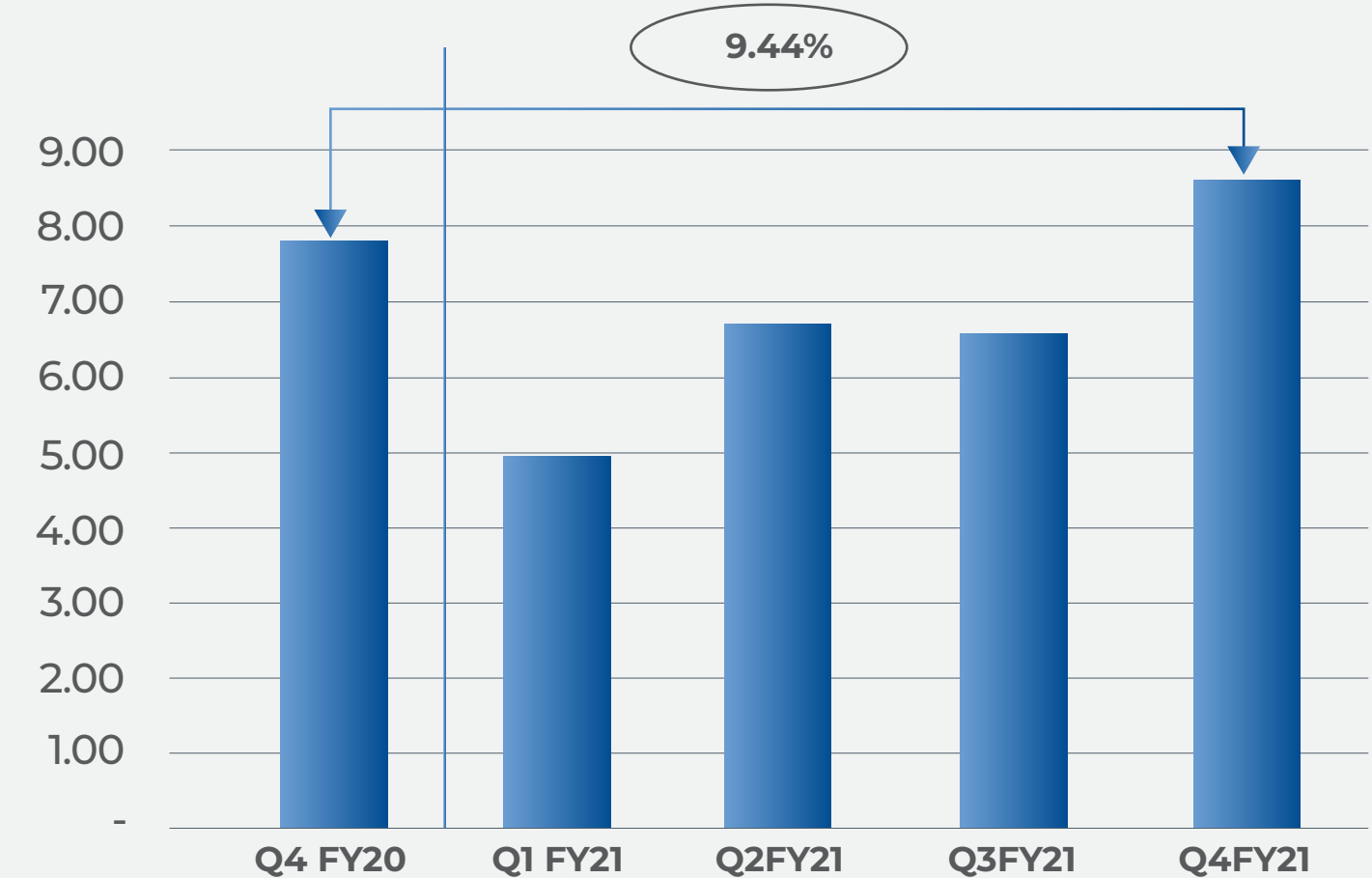
REVENUE



EBITDA

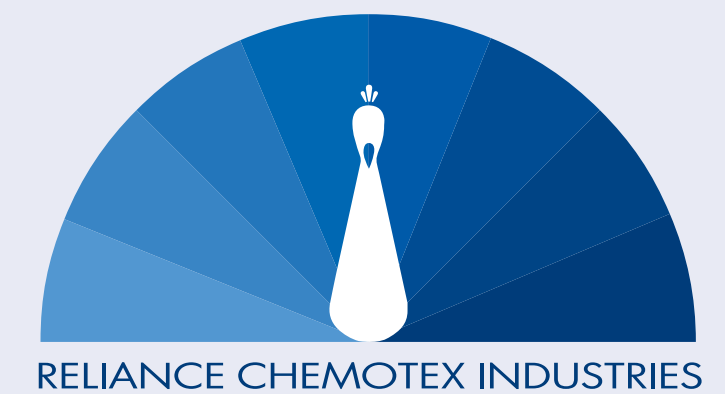


PAT



Cash PAT

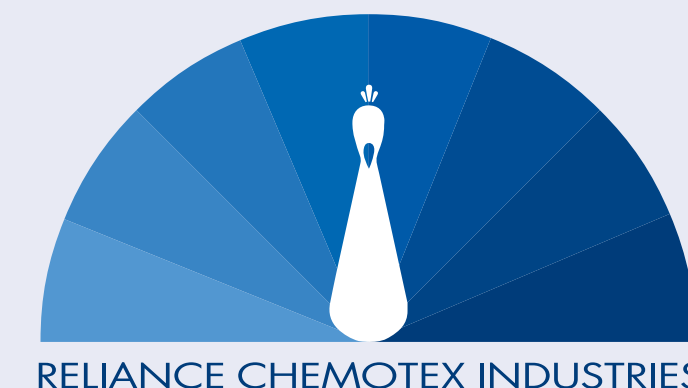
# Profit & Loss Statement – Quarter



Rs. Crores	Q4FY22	Q3FY22	Q4FY21	FY22	FY21
Net Revenue	103.51	86.85	81.32	361.77	255.62
Other Income	3.83	1.33	0.71	6.59	4.49
<b>Total Revenue</b>	<b>107.34</b>	<b>88.18</b>	<b>82.03</b>	<b>368.36</b>	<b>260.11</b>
Direct Expenses	51.16	39.84	36.46	177.54	123.67
Employee Expenses	14.32	11.11	12.81	47.11	42.35
Power & Fuel	7.69	7.65	7.82	30.80	29.70
Other Expenses	18.87	17.35	12.92	64.89	36.79
<b>EBITDA</b>	<b>15.30</b>	<b>12.22</b>	<b>12.02</b>	<b>48.02</b>	<b>27.60</b>
<b>EBITDA Margin</b>	<b>14.25%</b>	<b>13.86%</b>	<b>14.66%</b>	<b>13.04%</b>	<b>10.61%</b>
Depreciation	2.13	2.22	2.00	8.53	7.59
Finance Costs	3.20	3.62	2.72	12.14	9.64
<b>PBT</b>	<b>9.96</b>	<b>6.38</b>	<b>7.30</b>	<b>27.35</b>	<b>10.37</b>
<b>PBT Margin</b>	<b>9.28%</b>	<b>7.24%</b>	<b>8.90%</b>	<b>7.42%</b>	<b>3.99%</b>
Tax	3.59	2.08	1.52	9.21	3.44
<b>PAT</b>	<b>6.37</b>	<b>4.31</b>	<b>5.78</b>	<b>18.14</b>	<b>6.93</b>
<b>PAT Margin</b>	<b>5.93%</b>	<b>4.88%</b>	<b>7.05%</b>	<b>4.92%</b>	<b>2.66%</b>
Other Comprehensive Income (net of tax)	0.35	0.02	-0.01	0.41	0.08
<b>Total Comprehensive Income for the Period</b>	<b>6.72</b>	<b>4.33</b>	<b>5.77</b>	<b>18.55</b>	<b>7.01</b>



# Balance Sheet

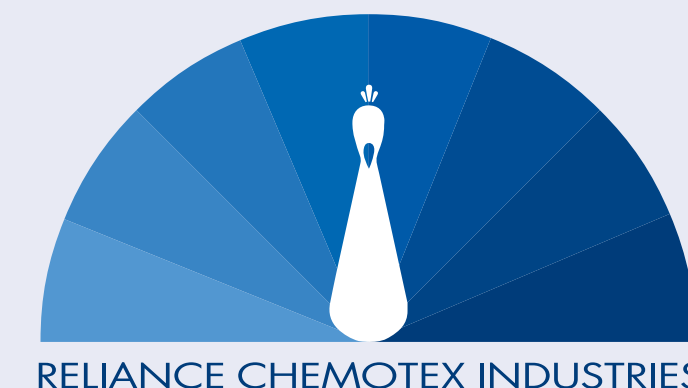


Rs. Crores	Mar-22	Dec-21	Mar-21
<b>Shareholders Fund</b>	<b>121.42</b>	<b>114.71</b>	<b>104.39</b>
Share Capital	7.56	7.56	7.56
Other Equity	113.86	107.15	96.83
<b>Non-Current Liabilities</b>	<b>75.08</b>	<b>72.05</b>	<b>55.74</b>
Financial liabilities			
Borrowings	47.05	45.80	33.86
Other financial liabilities	2.52	2.78	1.00
Provisions	0.49	0.45	0.45
Deferred tax liabilities (net)	25.02	23.03	20.43
<b>Current Liabilities</b>	<b>136.70</b>	<b>147.17</b>	<b>102.52</b>
Financial liabilities			
Borrowings	70.80	94.63	53.61
Trade payables	30.03	26.25	19.74
Other financial liabilities	24.31	19.41	23.90
Other current liabilities	10.71	5.50	4.48
Provisions	0.86	1.38	0.79
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>333.21</b>	<b>333.93</b>	<b>262.65</b>

Rs. Crores	Mar-22	Dec-21	Mar-21
<b>Non-Current Assets</b>	<b>202.33</b>	<b>191.40</b>	<b>159.91</b>
Property, plant and equipment	139.02	137.71	108.83
Capital Work In Progress	10.16	4.54	1.31
Investment – Property	2.03	2.04	2.07
Other intangible assets	0.05	0.06	0.04
Right of use assets	39.81	40.21	37.3
<b>Financial assets</b>			
Other financial assets	5.99	4.79	4.93
Other Non Current assets	5.27	2.05	2.43
<b>Current Assets</b>	<b>130.88</b>	<b>142.53</b>	<b>105.74</b>
Inventories	44.44	52.11	46.67
<b>Financial assets</b>			
Investments	-	0.10	0.10
Trade receivables	5.43	4.08	10.62
Cash and cash equivalents	0.07	0.10	0.32
Bank balances	57.73	61.06	32.23
Other financial assets	6.43	7.35	5.64
Current Tax Assets (Net)	0.56	0.15	0.94
Other current assets	16.21	17.59	9.22
<b>TOTAL ASSETS</b>	<b>333.21</b>	<b>333.93</b>	<b>262.65</b>

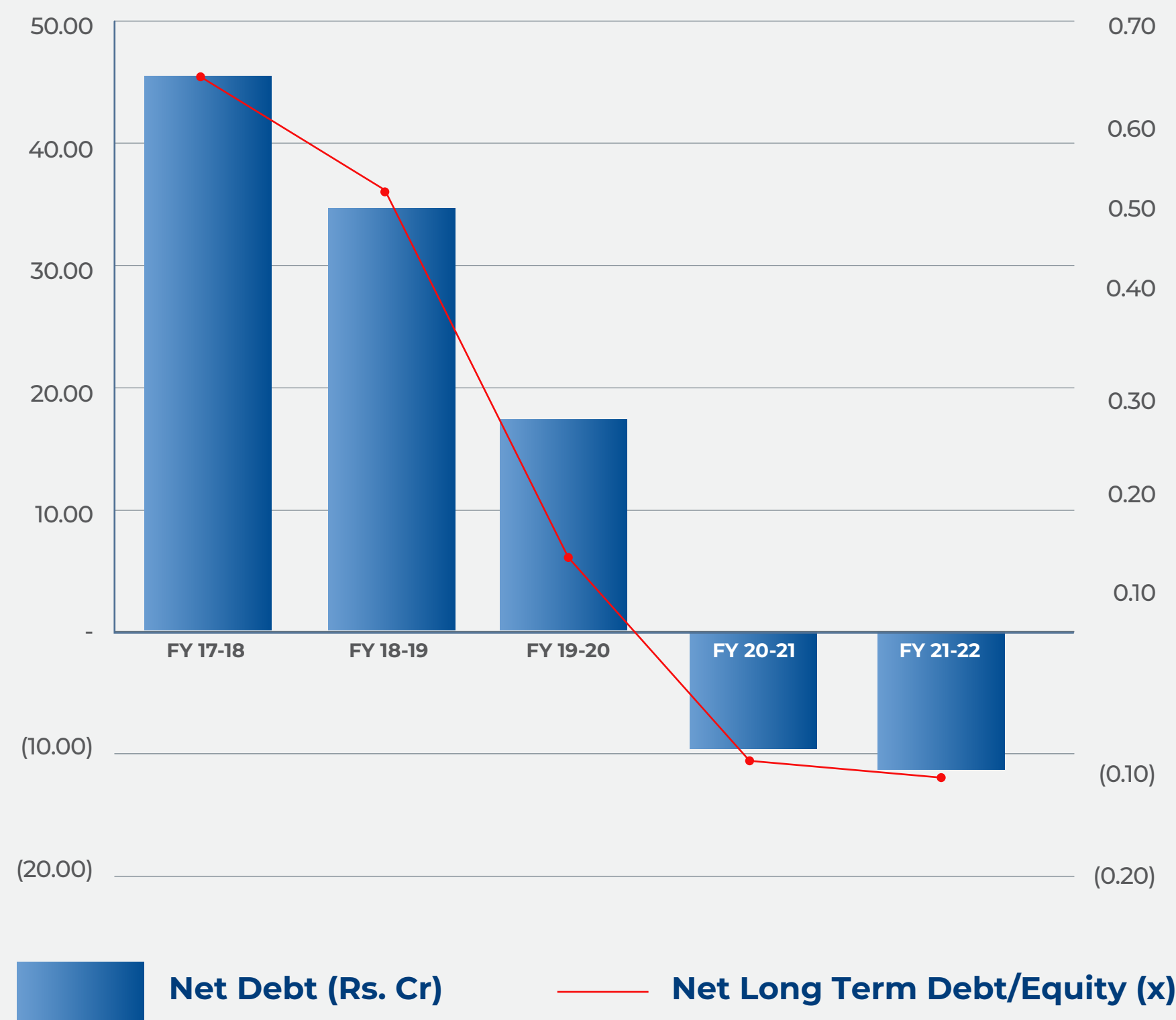


# Cash Flow Statement



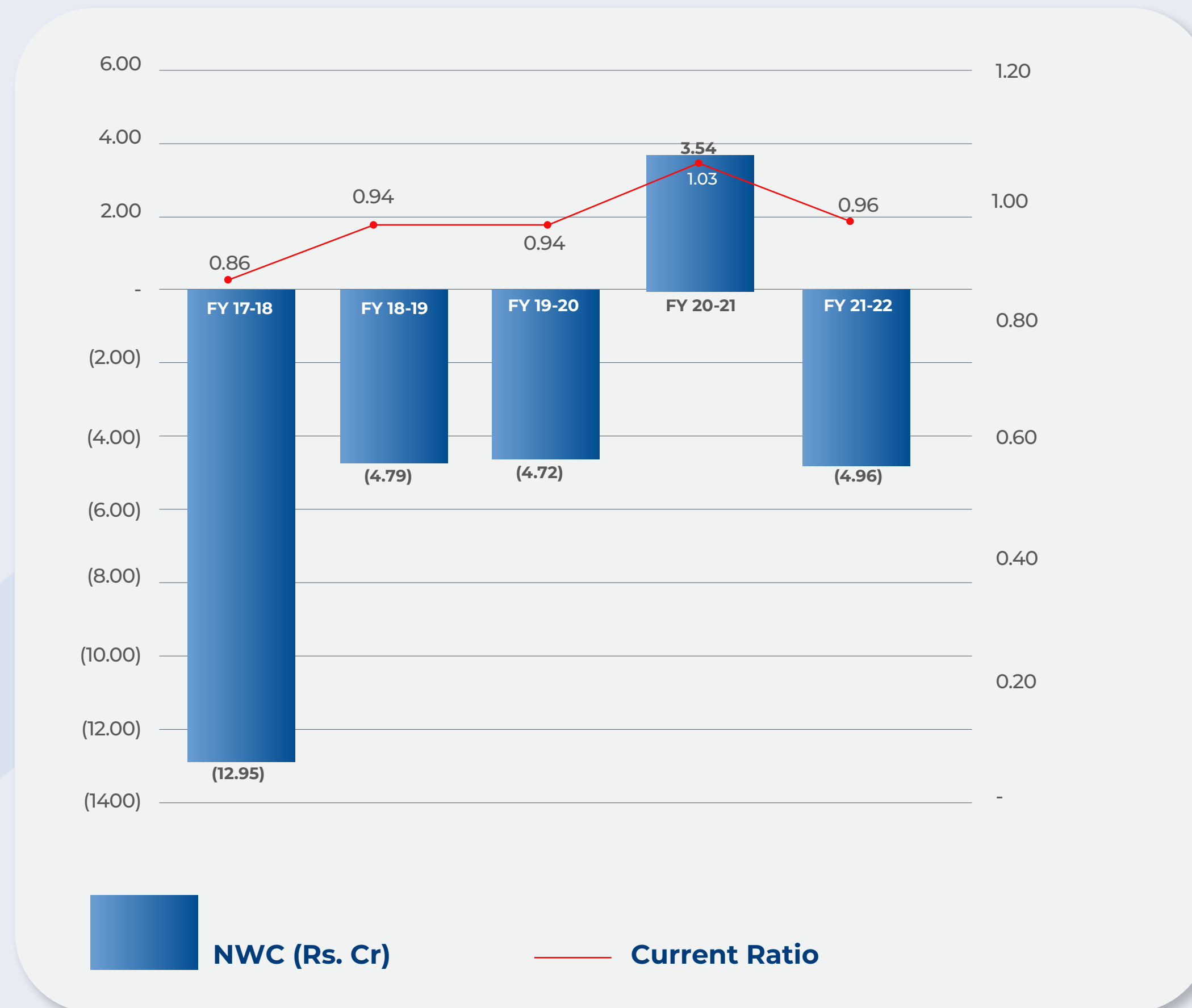
Cash Flow Statement (Rs. Crores)	FY 22	FY 21
Net Profit Before Tax	27.35	10.36
Adjustments for: Non-Cash Items/Other Financial Items	18.24	16.13
<b>Operating profit before working capital changes</b>	<b>45.59</b>	<b>26.49</b>
Changes in working capital	16.57	0.86
<b>Cash generated from Operations</b>	<b>62.16</b>	<b>27.35</b>
Direct taxes paid (net of refund)	4.06	0.19
<b>Net Cash from Operating Activities</b>	<b>58.10</b>	<b>27.16</b>
<b>Net Cash from Investing Activities</b>	<b>-73.55</b>	<b>-42.86</b>
<b>Net Cash from Financing Activities</b>	<b>15.20</b>	<b>15.25</b>
<b>Net Decrease in Cash and Cash equivalents</b>	<b>-0.25</b>	<b>-0.45</b>
Add: Cash & Cash equivalents at the beginning of the period	0.32	0.77
<b>Cash &amp; Cash equivalents at the end of the period</b>	<b>0.07</b>	<b>0.32</b>

# Strong Balance Sheet: Low Net-Debt



- The effective cost of the Company's Long-Term Debt is approximately 2%
- The Company has consistently been paying Dividend over the last two decades.

# Strong Balance Sheet: Efficiently-Managed Working Capital



- The Company has decreased its Debtor Days and Inventory Holding Days to further reduce its working capital cycle.

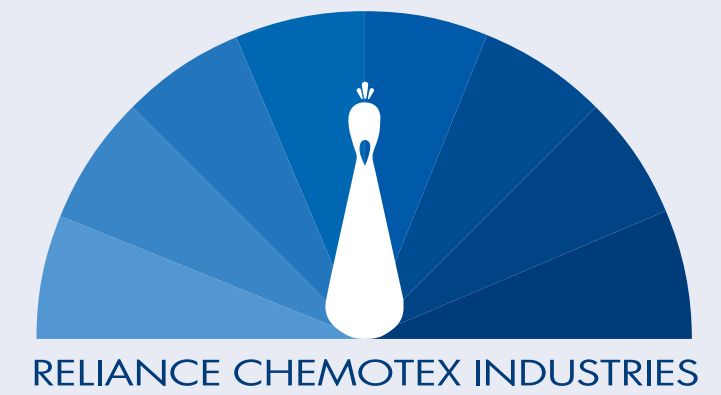
# RCIL Surging Ahead on Strong Tailwinds





# Future Growth

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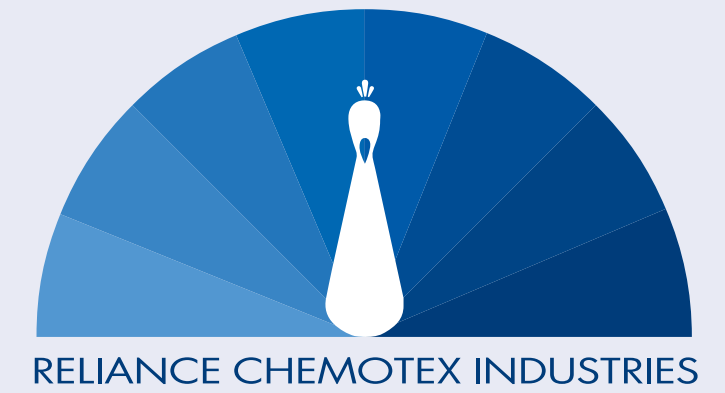


- The Company is embarking on an expansion project with a total project cost of 100 crores
- This project will:
  - Expand the Company's capacity by 12,480 spindles i.e. ~24%
  - Modernise and Expand Company's dyeing facilities
  - Add machinery to help debottleneck certain production processes
  - Focus on the production of technical textiles and other value-added products.
- The project will be implemented in 2 Phases of 6,240 spindles each
- This project will increase operational efficiencies, reduce operating costs, improve profitability and further increase the flexibility of the company's manufacturing capabilities.



# Enhancing Solar Power Capacity

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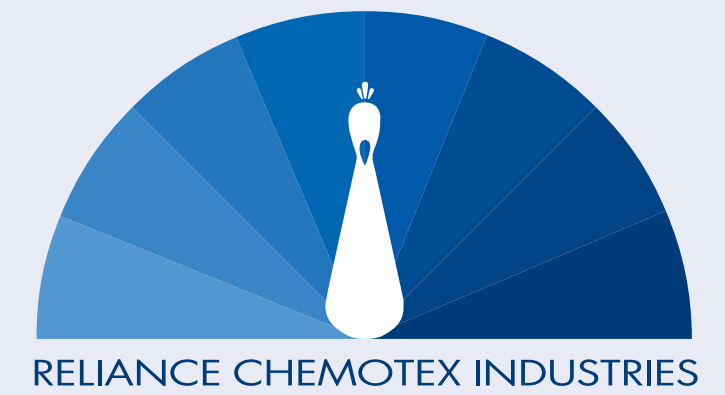
- The Company remains committed to expanding its Solar Power Capacity.
- We have enhanced our Solar Power Capacity to 3.5 MW and will be strategically scaling this capacity up to 5 MW.
- This will reduce the Company's carbon footprint, lead to significant cost savings and will, to a certain extent, insulate the Company from fluctuations in Industrial Power Tariff Rates.





# Led by Industry Veterans and an Experienced Management Team

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**Mr. S. L. Shroff**  
Chairman Emeritus

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A first generation entrepreneur, Mr. SL Shroff began his business career as a stock broker in 1950s and established business interests in textiles in 1960s with the export of jute fibre to United States and over the decades diversified into yarn, fabric, readymade garments and home textiles. He established RCIL in 1977.



**Mr. Sanjiv Shroff**  
Managing Director

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A Bachelor of Science in Chemistry (Honours) from Kolkata University, Sanjiv has been the Managing Director of the Company since 1988. His thorough operational expertise, industry insight and uncompromising value system have moulded Reliance Chemotex Industries Limited into the widely-respected organisation it is today.



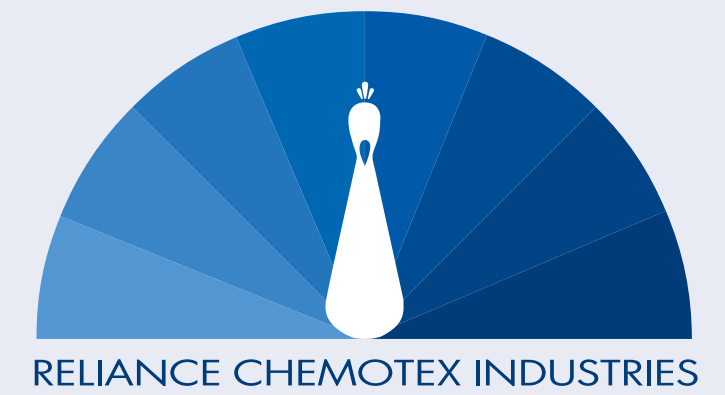
**Mr. Rahul Shroff**  
Executive Director

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An SB and MEng from MIT, USA, Rahul joined the company in 2010 and has been instrumental in streamlining the company's manufacturing processes with a focus on lean ideologies and the Toyota Production System. He has spearheaded the company's export sales and its diversification into technical, industrial and medical textiles.

# Led by Industry Veterans and an Experienced Management Team

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**Mr. Ameya Shroff**  
Executive Director

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An SB and MEng from MIT, USA, Ameya joined the company in 2013 and has spearheaded the company's Financial Management, MIS and strategic cost-reduction efforts. He has focussed on research and development, on expanding the company's value-added product offering and has revitalised sales in the domestic market.



**Mr. Chandrasekaran Rajagopalan**  
Chief Financial Officer

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A Chartered Accountant and Company Secretary, he has more than 30 years of experience in various management positions in Finance and Accounts. In his past role, he was instrumental in the turnaround of IG Petrochemicals Ltd..





RELIANCE CHEMOTEX INDUSTRIES

**For further information, please contact:**

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