

# RAJ RAYON INDUSTRIES LIMITED

CIN NO.: L17120DN1993PLC000368

REGD. OFFICE & FACTORY : SURVEY NO. 177/1/3 & 177/1/4, VILLAGE : SURANGI, SILVASSA - 396 230 ( U. T. OF DADRA & NAGAR HAVELI & DAMAN & DIU )  
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PAN AAACR7820E

GSTIN 26AAACR7820E1ZL

Date: 31/05/2024

To,

<b>The Secretary</b> <b>BSE LIMITED</b> P J Towers Dalal Street, Fort, Mumbai 400 001	<b>NATIONAL STOCK EXCHANGE OF INDIA LIMITED</b> Listing Department Exchange Plaza, 5 <sup>th</sup> Floor, Bandra-kurla Complex, Bandra (East), Mumbai – 400 051.
<b>Company Code No. : 530699</b>	<b>Company Code : RAJRILTD</b>

Dear Sir,

**Sub: Corporate Presentation**

**Ref: Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015('Listing Regulations')**

Pursuant to Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are attaching herewith presentation titled "Corporate Presentation – Quarter 4- F.Y. 2023-24".

You are requested to take the same on record for dissemination to the stakeholders.

Thanking you,

Yours faithfully,

**For RAJ RAYON INDUSTRIES LIMITED**

**RAJKUMAR SATYANARAYAN AGARWAL**

**MANAGING DIRECTOR**

**DIN: 00395370**

Encl.: A/a



RAJ RAYON INDUSTRIES LIMITED

"Spinning the Quality of perfection"



**Raj Rayon  
Industries  
Limited**

INVESTOR  
PRESENTATION  
**Q4 FY2024**

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## About SVG Group



Established in **1984**, SVG fashions is the **leading vertically integrated** Producer of Polyester Knits in India



Converting “**Fiber to Fashion**” they are your **one stop solutions** to all your textile needs right from texturised yarns to stitched garments



**4 decades** of proven expertise in textiles and strong management pedigree



Fully **equipped manufacturing facilities** set up in Silvassa

**3600**  
Tonnes/Month  
Production

**3500+**  
Customers

## About RAJ RAYON



Established in **1993**, Raj Rayon specializes in the production of high-quality man-made fibers



The Company focusses on manufacturing **Polyester chips, Partially Oriented Yarn (POY) and Drawn Textured Yarn (DTY)**



Operations span across **25 acres** land and 600,000sq ft manufacturing plant located in the scenic region of Silvassa



Unable to withstand market conditions Raj Rayon Industries **experienced a complete overhaul** under the guidance and leadership of new management and **revived its operations in 2023**



## “From Fiber to Fashion”

- Under the previous management, Raj Rayon, a producer of high-quality man-made fibers, faced a range of challenges including outdated machinery, and increasing debt. These issues culminated in the cessation of production in 2018
- SVG group, recognized for its progressive approach, seized an opportunity and acquired Raj Rayon Industries in 2021. This acquisition came after assuming control and management following the company’s insolvency proceedings under the National Company Law Tribunal
- Strategic investments were channeled into the company with a focus to eliminate obsolete machinery, update and enhance production capabilities with state-of-the-art Technology and reduce cost of production, setting the stage for future growth
- Under the dynamic leadership of the new management the company experienced a Complete Turn-around in its operations

### Current Capacity of the company stands at

Capacity Tons	FY23	FY24
Chips	16,200	18,500
POY	6,600	82,000
DTY	3,943	46,800

“It is the business acumen of the promoters and the dedication of a skilled professional team that led to the transformation of Raj Rayon Industries. Their relentless efforts have made Raj Rayon Industries what it is today”



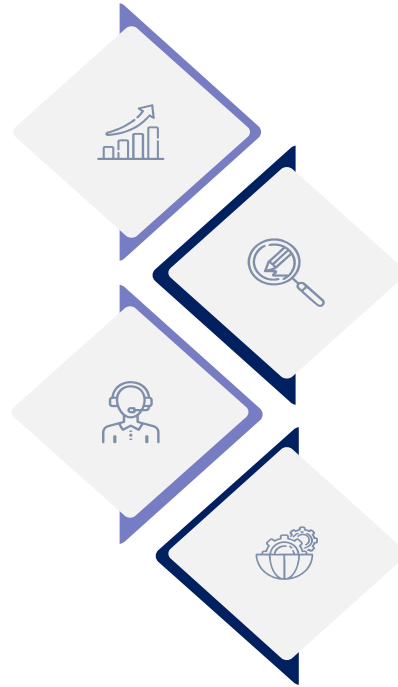


## Backward Integration:

Raj Rayon, known for its high-quality man-made fibers and yarn manufacturing, serves as the foundational step in the textile production chain, providing a strong basis for backward integration with SVG Fashions

## Operational Consolidation:

Prior to the acquisition, SVG Fashions operated a Drawn Textured Yarn (DTY) manufacturing unit with a capacity of 32 TPD. Post-acquisition, SVG strategically merged this operation with Raj Rayon, streamlining production and enhancing supply chain efficiency



## Leveraging Market Presence:

SVG Fashions, with a solid market presence and a premium client base including brands like Reliance, Adidas, and Puma, ensures a steady order flow for Raj Rayon, stabilizing production and maximizing output

## Creating Synergies:

The acquisition integrates Raj Rayon’s upstream capabilities with SVG’s downstream processes, optimizing the value chain from fiber production to finished garments and enabling the delivery of comprehensive textile solutions

Products	UOM	Group Capacity
Fabric Processing	Mtr/annum	4,00,00,000
Knitted Fabrics	Tons/annum	16,000
Furnishing Fabrics	Mtr/annum	18,00,000
Embroidery Fabric	Mtr/annum	24,00,000
Ready Made Garments	Pcs/annum	12,00,000

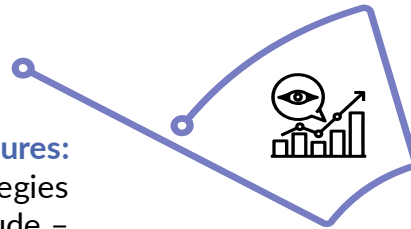


## Technological Advancements:

Additional cost-saving efforts include integrating advanced technologies within the plant, such as the use of VAM, which will contribute to further cost reductions

## Cost-Saving Measures:

RRIL has implemented various cost-saving strategies to enhance EBITDA margins. Key measures include –  
a) Utilizing reusable packaging to reduce costs  
b) Optimizing logistics to cut expenses  
c) Leveraging increased capacity to negotiate better dealer margins within the existing network, aiming for an additional 2-3% savings at the EBITDA margin level

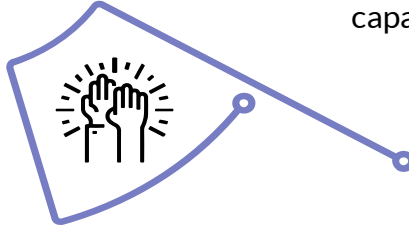
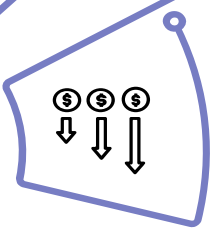
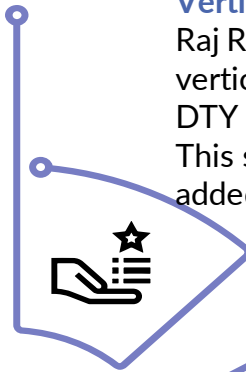


## Sustainable Margins:

The management anticipates maintaining sustainable margins in the range of 5-7% for POY, with DTY margins expected to be between 10-12%

## Vertical and Lateral Expansion:

Raj Rayon Industries Ltd. (RRIL) is poised to expand its vertically integrated production capacity of chips, POY, and DTY, by adding niche products in yarns and knitted fabrics. This strategic move will enable RRIL to enter higher value-added segments, which are expected to be margin accretive



## Revenue Aspirations:

Management has set an ambitious goal to achieve a topline of INR 2900 crores (POY - ~780 cr, DTY - ~1760 cr, Chips - ~360 cr) by FY2027, reflecting their confidence in the company's growth potential

## Capacity Expansion:

The company is currently ramping up its production capacity with targeted capital expenditures focused on higher-margin products. The planned investments are expected to increase the existing combined capacity from 400 TPD to 700 TPD, nearly doubling the production capacity



Mr. Rajkumar S. Agarwal  
Chairman & Managing Director



The past year has been exceptionally eventful for Raj Rayon Industries Ltd., marking a significant turning point in our journey. After several years of diligent effort and strategic planning, we are proud to say that our facility in Silvassa is now fully equipped and operational. This achievement is a testament to the valiant efforts of our management team and dedicated workforce.

FY23-24 represents our first full year of revived operations, and we are delighted with the progress we have made. Looking ahead, we are highly optimistic about our growth strategies, as outlined in this presentation. We have a comprehensive plan in place to elevate Raj Rayon to new heights within the industry, leveraging our strengths to achieve remarkable success.

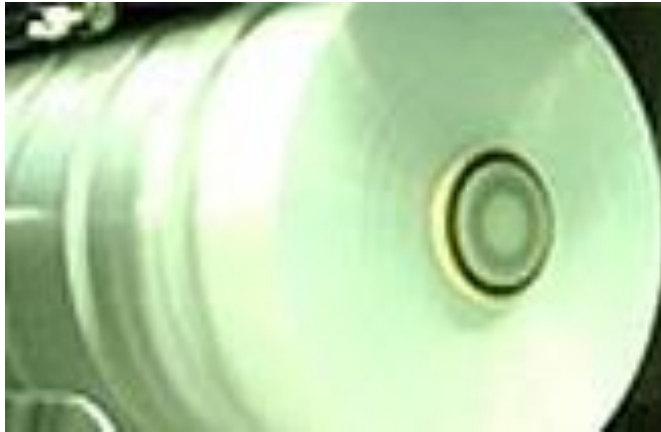
Our commitment to excellence and innovation will drive us forward as we continue to expand our capabilities and enhance our market position. We are confident that the strategic initiatives we have implemented will pave the way for sustained growth and industry leadership.

As we embark on this exciting journey, we remain dedicated to delivering value to our stakeholders and setting new benchmarks in the textile sector. The future holds great promise for Raj Rayon Industries Ltd., and we are poised to achieve extraordinary milestones in the coming years.





- The Company has an objective to grow globally through its cost competitive products
- The Company is supplying various deniers of polyester filament yarn throughout India
- It endeavors to maintain optimum customer satisfaction, and excellent brand image







RRIL maintains a strong focus on research and development (R&D) activities, aiming to develop new products, explore innovative applications, improve operational efficiencies, and reduce manufacturing costs



The company's philosophy revolves around innovation and cost competitiveness. To achieve these goals, RRIL possesses comprehensive R&D facilities for spinning and texturizing

The facilities include state-of-the-art equipment for polymer and yarn testing. The company takes pride in having access to such advanced facilities, which are only available in leading plants worldwide





**Mr. Rajkumar Satyanarayan Agarwal**

Chairman & Managing Director



**Mr. Sandiip Satyanarayan Agarwal**

Executive Director



**Ms. Sapna Rajkumar Agarwal**

Non-Executive, Non-Independent Director



**Ms. Supriya Mahesh Pujari**

Non-Executive, Independent Director



**Mr. Vinodkumar Bajranglal Dalmia**

Non-Executive, Independent Director

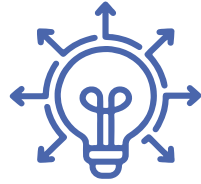


**Mr. Kailashnath Jeevan Koppikar**

Non-Executive, Independent Director



With the recent MIP( Minimum import price) imposed on cheap textile imports and Quality Control Order(QCO) making BIS certification mandatory for imported POY and FDY yarns, the industry dynamics for local yarn manufacturers is seeing tailwinds and we expect Indian yarn players to benefit from the same



PLI schemes for polyester fabrics will result in increased demand for polyester yarns

The presence in complete value chain from yarn to garments, cost saving measures, strong management pedigree along with state-of-the-art equipment for polymer and yarn testing. The company takes pride in having access to such advanced facilities, which are only available in Leading plants worldwide



With the growing population, increasing disposable incomes, and changing fashion trends, the demand for textiles and apparels is constantly increasing, heightened awareness towards fitness and sports is another big driver for the demand for man-made fibers





“INSPIRE,  
EMPOWER  
AND  
CREATE”

**Capex Led Growth** - Capex of ~ INR 500-600 crores over the next 2-3 years and adding new machineries with latest technologies. Capex will expand the POY from 225 TPD to 600 TPD and DTY capacity from 100 TPD to 400 TPD

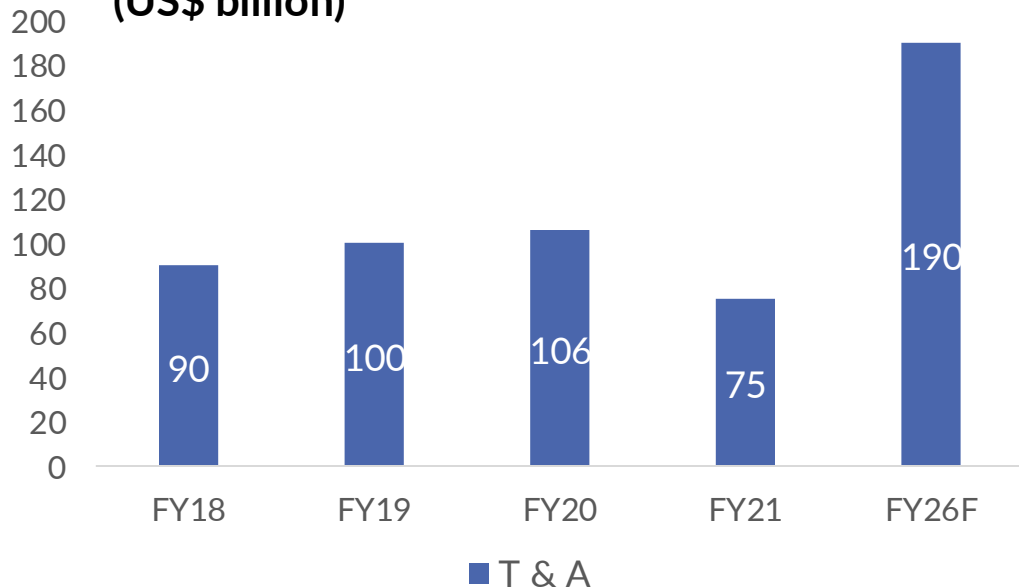
**Shift Towards Better Margin Products** - The company's continuous polymerization process, which converts PET directly into fiber, has the potential to expand gross margins. Alongside the implementation of cost-saving measures, the company expects to achieve high net profit margin.

**Completing Value Chain** - SVG's presence into high margin fabric and garment manufacturing with a marquee customer base and strong client relationship can benefit Raj Rayon with consistent order supply for fiber as it poses to be backward integration for the group.

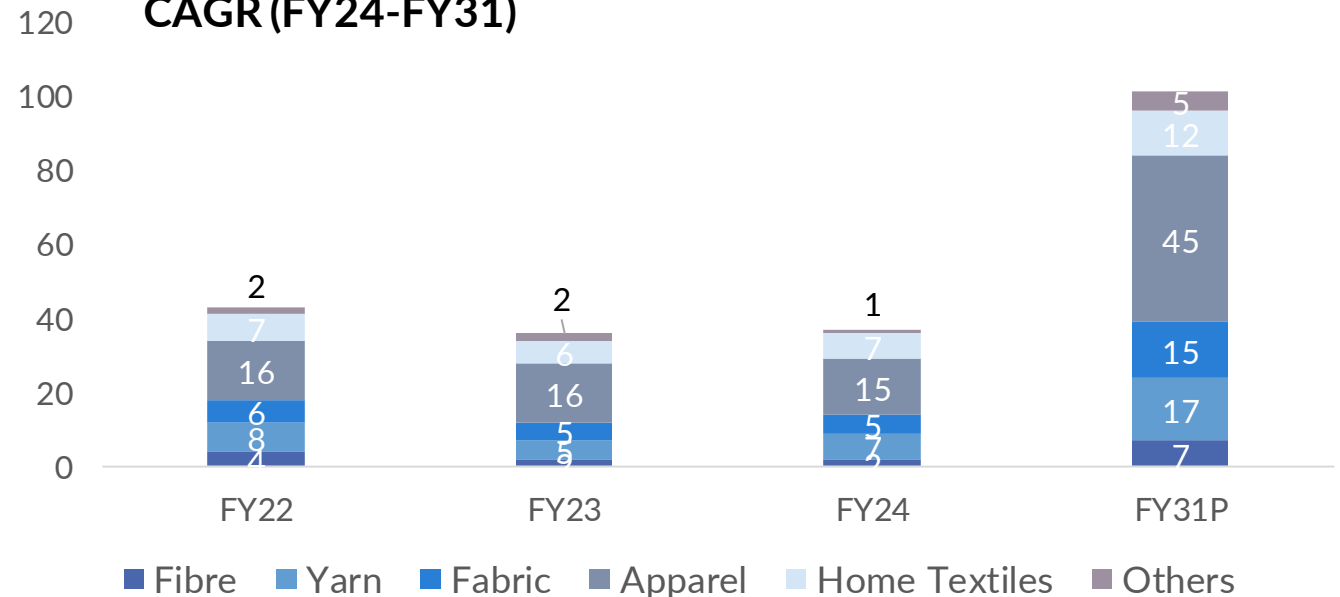


- The Indian textile and apparel (T&A) market is estimated to be valued at USD 175bn in FY24, with the domestic market contributing 79% and exports accounting for 21% of the market size. The polyester yarn industry has been growing at an average CAGR of 4-5% only, so the demand supply equation is likely to be favorable for polyester yarn makers.
- The Indian domestic T&A market has registered a CAGR of 8%, growing from USD 50 bn in FY11 to USD 138bn in FY24. The Ministry of Textiles targets the domestic T&A market to touch USD 250bn by FY31, growing at 9% CAGR, faster than the global textile industry.
- Within the total domestic T&A market, India's home textiles market is estimated at USD 10bn for FY24, slated to expand at ~7% CAGR over FY24-FY31 to USD 16bn.

**Domestic textile and apparel industry in India (US\$ billion)**



**India targets to achieve USD 100bn T&A exports at 15% CAGR (FY24-FY31)**





## Efficient Water Recycling and Treatment

We have installed a state-of-the-art Effluent Treatment Plant (ETP) with a Reverse Osmosis process for water recycling. Our aerobic ETP treats effluent water and generates significantly less CO<sub>2</sub> compared to traditional anaerobic ETPs



## Energy Recovery and Utilization

Residual heat is recovered and utilized for preheating atmospheric air used in HTM heaters. This process ensures proper fuel combustion, reducing overall fuel consumption and CO<sub>2</sub> emissions



## Innovative Cooling Solutions

Waste vapors from the system are converted into chilled water through vapor absorption chillers. This chilled water is used for air conditioning the plant, thereby significantly reducing the power requirements for cooling production areas



## Power Saving Initiatives

Various power-saving methods are continuously implemented to minimize power consumption. This includes the purchase of energy-efficient motors and the installation of solar power panels



## Sustainable Packaging Solutions

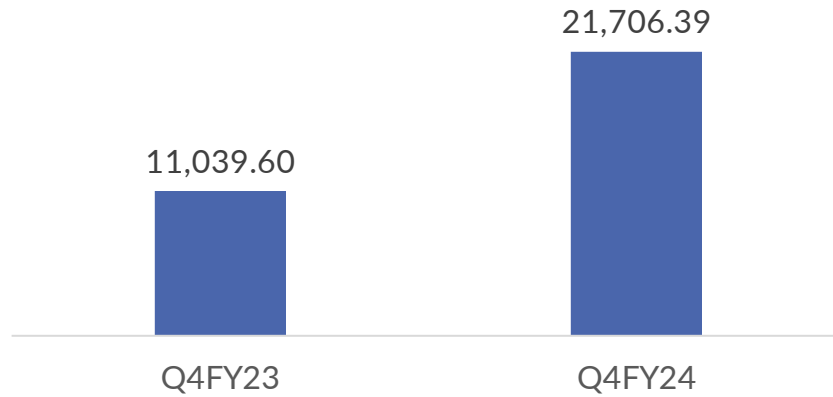
We have achieved a reduction in packing material requirements by recycling materials such as paper tubes, which are reused multiple times

# QUARTERLY FINANCIAL PERFORMANCE

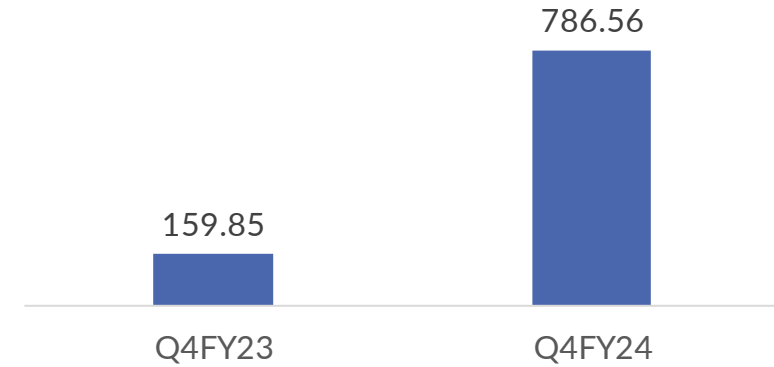


Rs. In lakhs

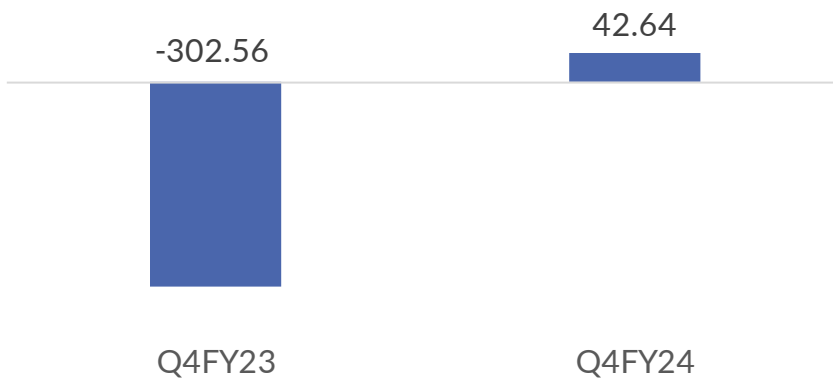
## Revenues



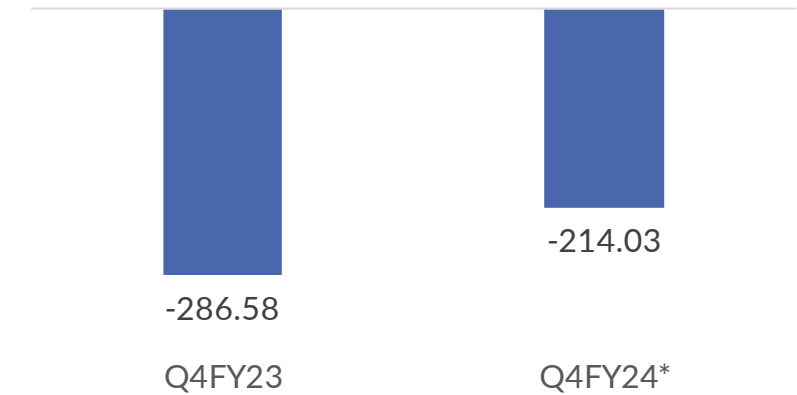
## EBITDA



## Profit Before Tax



## Profit / Loss



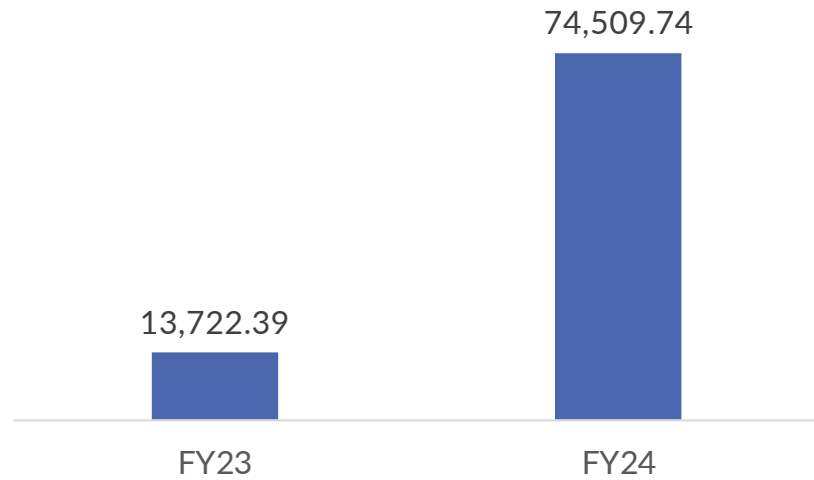
\*Includes deferred tax effect of INR 256.67 lakhs

# FY2024 FINANCIAL HIGHLIGHTS

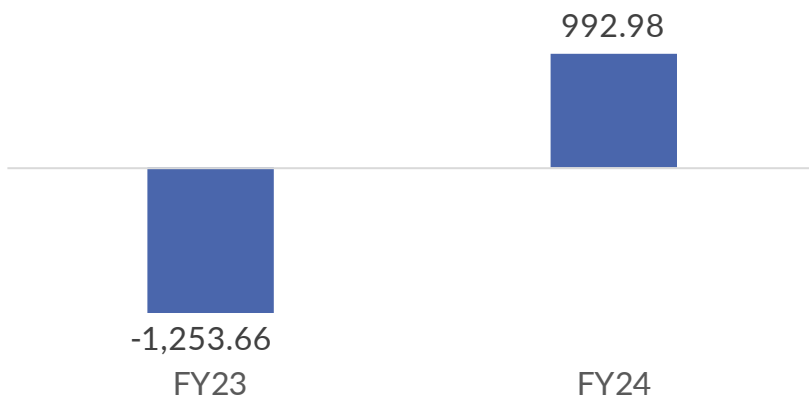


Rs. In lakhs

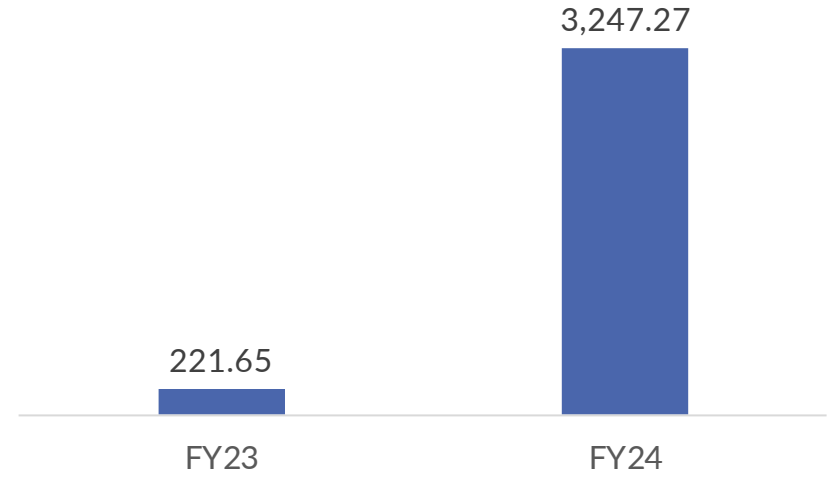
### Revenues



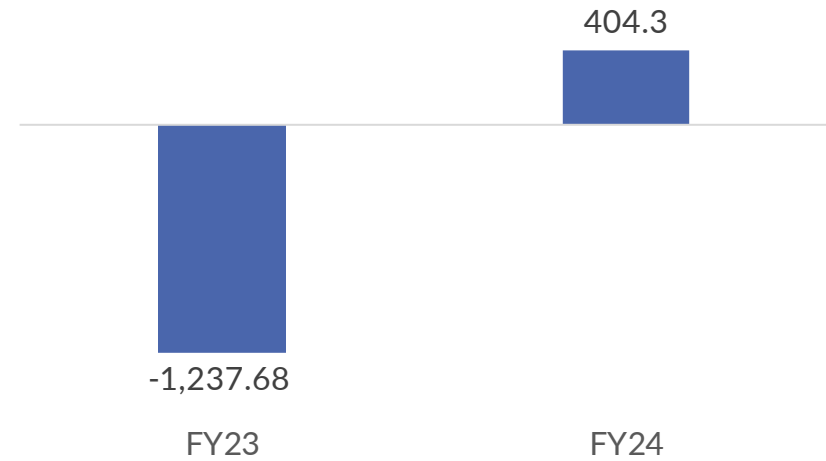
### Profit Before Tax



### EBITDA



### PAT





# PROFIT AND LOSS STATEMENT Q4 & FY24



Particulars (Rs. In Lakhs)	Q4 FY24	Q3 FY24	Q4 FY23	Q-o-Q (%)	Y-o-Y (%)
<b>Revenue</b>	<b>21,706.23</b>	<b>19,534.62</b>	<b>11,039.60</b>	11%	97%
Cost of Materials Consumed	16,330.51	16,113.01	12,886.00		
Purchases of Stock in Trade	-	-	205.15		
Changes in Inventories	1,488.20	-776.4	-4,373.12		
Employee Cost	308.54	305.25	170.14		
Other Expenses	2,888.2	2,871.2	1,988.9		
<b>EBITDA</b>	<b>786.56</b>	<b>1,021.54</b>	<b>159.85</b>	-23%	392%
<b>EBITDA Margin</b>	<b>3.6%</b>	<b>5.2%</b>	<b>1.5%</b>		
Other Income	95.82	64.87	-2.7		
Depreciation	347.28	259.23	343.48		
Finance Cost	396.64	282.67	118.93		
Exceptional Items	-	-	-		
<b>PBT</b>	<b>42.64</b>	<b>544.51</b>	<b>-302.56</b>		
Tax	-	-	-		
Deferred Tax	-256.67	-339.67	15.98		
<b>PAT</b>	<b>-214.03</b>	<b>204.84</b>	<b>-286.58</b>	-204%	-25%
<b>PAT Margin</b>	<b>-1.0%</b>	<b>1.0%</b>	<b>-2.6%</b>		
EPS (in Rs)	-0.04	0.04	-0.05		

FY24	FY23	Y-o-Y (%)
<b>74,509.74</b>	<b>13,722.39</b>	443%
60,307.24	15,316.78	
-	205.15	
-384.53	-4,595.97	
1,145.78	200.07	
10,713.88	2,419.11	
<b>2,727.37</b>	<b>177.25</b>	1,439%
<b>3.7%</b>	<b>1.30%</b>	
519.9	44.4	
1,134.71	1,345.63	
1,119.58	129.68	
-	-	
992.98	-1,253.66	-179%
-	-	
-588.68	15.98	
<b>404.3</b>	<b>-1,237.68</b>	133%
<b>1%</b>	<b>-9%</b>	
0.07	-0.22	

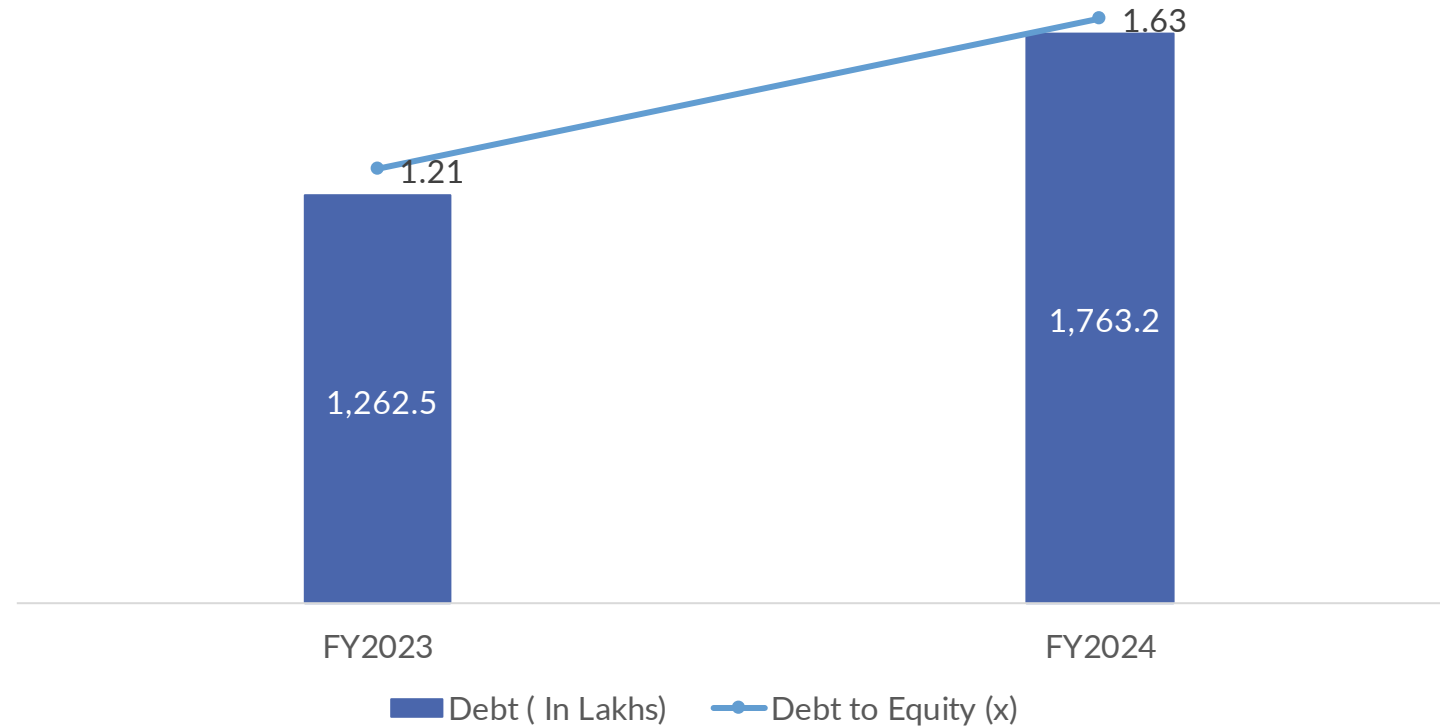
# BALANCE SHEET 31<sup>ST</sup> MARCH 2024



Particulars (Rs. Lakhs)	FY24	FY23
<b>Equity</b>		
Equity Share Capital	5,560.82	5,560.82
Instruments entirely equity in nature	2,500.00	2,500.00
Other Equity	2,759.27	2,353.66
<b>Total Equity</b>	<b>10,820.09</b>	<b>10,414.48</b>
<b>Non-Current Liabilities</b>		
<b>Financial Liability</b>		
Borrowings	9,654.83	6,874.32
Provisions	19.1	6.63
Deferred Tax Liabilities (Net)	573.13	-
<b>Total Non-Current Liabilities</b>	<b>10,247.06</b>	<b>6,880.95</b>
<b>Current Liabilities</b>		
<b>Financial Liabilities</b>		
Borrowings	7,977.81	5,751.36
Trade Payables	-	-
Dues to micro & small enterprises	-	-
Dues to other than micro & small enterprises	12,539.76	7,465.48
Other Financial Liabilities	470.27	463.61
Other Current Liabilities	40.95	135.73
Provisions	0.07	0.02
Current Tax Liability (Net)	-	-
<b>Total Current Liabilities</b>	<b>21,028.86</b>	<b>13,816.21</b>
<b>Total Equity &amp; Liabilities</b>	<b>42,096.01</b>	<b>31,111.63</b>

Particulars (Rs. Lakhs)	FY24	FY23
<b>Non-current Assets</b>		
Property, Plant and Equipment	21,870.10	13,837.38
Capital WIP	276.61	790.35
<b>Financial Assets</b>		
Other Financial Assets	12.86	3.14
Other Non- Current Assets	402.47	3,581.54
Deferred Tax Assets (Net)	-	15.98
<b>Total Non-Current Assets</b>	<b>22,562.04</b>	<b>18,228.39</b>
<b>Current Assets</b>		
Inventories	10,246.20	7,410.69
<b>Financial Assets</b>		
Trade Receivables	3,630.80	2,307.80
Cash & Cash Equivalent	702.95	20.25
Bank Balances	2,245.92	106.79
Current Tax Assets	80.63	25.04
Other Current Assets	2,627.47	3,012.67
<b>Total Current Asset</b>	<b>19,533.97</b>	<b>12,883.24</b>
<b>Total Equity &amp; Liabilities</b>	<b>42,096.01</b>	<b>31,111.63</b>

# Debt Position



As we continue to advance in our ongoing projects, we are committed to maintaining financial discipline. Our overall plan is to revive operations, gradually reduce our debt obligations, and improve our debt-to-equity ratio.



**RAJ RAYON INDUSTRIES LIMITED**

*"Spinning the Quality of perfection"*

# Thank You

**Raj Rayon Industries Limited**

Email: [investors@rajrayon.com](mailto:investors@rajrayon.com)

Website: [www.rajrayon.com](http://www.rajrayon.com)

