

RSWM/SECTT/2023  
February 9, 2023

BSE Limited Corporate Relationship Department, 1st Floor, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, MUMBAI - 400 001.  Scrip Code: 500350	National Stock Exchange of India Limited Listing Department, Exchange Plaza, C-1, Block - G, Bandra-Kurla Complex, Bandra (East), MUMBAI - 400 051.  Scrip Code: RSWM
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**Subject: Press Release of the Company**

Dear Sir,

Please find enclosed the press release being issued by the Company.

This will also be hosted on the Company's website at [www.rswm.in](http://www.rswm.in)

This is for your information and record please.

Thanking you,

Yours faithfully,  
**For RSWM LIMITED**

**SURENDER GUPTA**  
**VICE PRESIDENT – LEGAL & COMPANY SECRETARY**  
**FCS-2615**

Encl.: As above

[rswm.investor@lnjbhilwara.com](mailto:rswm.investor@lnjbhilwara.com)

(Formerly Rajasthan Spinning & Weaving Mills Limited)

**Corporate Office :**  
Bhilwara Towers, A-12, Sector-1  
Noida - 201 301 (NCR-Delhi), India  
Tel: +91-120-4390300 (EPABX)  
Fax: +91-120-4277841  
Website: [www.rswm.in](http://www.rswm.in)  
GSTIN: 09AAACR9700M1Z1

**Regd. Office :**  
Kharigram, P. B. No. 28, Post Office Gulabpura - 311 021  
Distt. Bhilwara, (Rajasthan), India  
Tel : +91-1483-223144 to 223150, 223478  
Fax : +91-1483-223361, 223479  
Website: [www.lnjbhilwara.com](http://www.lnjbhilwara.com)  
GSTIN: 08AAACR9700M1Z3

**Corporate Identification Number:** L17115RJ1960PLC008216

## Press Release

### RSWM Ltd. reports in Q3 & 9M FY23 results

- ❖ Total sales recorded for 9M FY23 at ₹2,833 Cr, up ~5% (YoY)
- ❖ Export sales recorded at ₹697 Cr, dropped ~31% (YoY)
- ❖ Domestic sales stood at ₹2,136 Cr, up ~26% (YoY)
- ❖ EBITDA for 9M FY23 stands at ₹251 Cr
- ❖ PAT for 9M FY23 stands at ₹67 Cr

**New Delhi, 9<sup>th</sup> February 2023:** RSWM Ltd. (BSE: 500350/NSE: RSWM), is one of the largest manufacturers and exporters of value-added synthetic, mélange, blended spun yarns, denim fabric, knitted fabric, and green polyester fibres from India, today announced its financial results for the Q3 & 9M FY23 ended 31<sup>st</sup> December 2022.

#### Financial Performance and Business Outlook for Q3 & 9M FY23 (₹ in Cr):

Particulars	Q3FY23	Q3FY22	YoY	9M FY23	9M FY22	YoY
Sales	855	1,001	(15%)	2,833	2,696	5%
EBITDA	28	122	(77%)	251	322	(22%)
EBITDA margin	3.3%	12.1%	-	8.9%	11.9%	-
PAT	(14)	50	-	67	130	(48%)
PAT margin	-	-	-	2.4%	4.8%	-

#### Business Update:

- Textile Industry faces tough times as consumers cut spending.
- Consumers in the United States, Europe, and other big markets have cut spending on clothing following a surge in inflation after the war in Ukraine.
- Export which constitutes 22% of Industry, is declining. Dropped by 9% (YoY) during the first half and 15% only in November 2022 as compared to November 2021.
- Domestic sales are also sluggish despite strong growth in the overall economy because of high costs and cheap imports.
- Volatility in raw material prices including cotton is a cause of concern for the industry.
- Our domestic sales improved by 26% whereas export sales dropped by around 53% during Q3 and 31% during 9 months (YoY).
- We have been able to sell our products in domestic markets but at lower margins on the back of increased supply.

#### Yarn:

- Global Yarn order flow has improved post-Q3FY23.
- Brands continue to try and liquidate their high level of garments stock during Christmas & New year. Sales inquiries are back and scaled up in the market with good orders in February'23 and March'23.
- Raw material volatility, especially in Cotton seems to be stabilizing with the arrival of new cotton.
- School uniform fabric has some demand and some fresh demand for uniform counts is emerging in the yarn market.
- In the last 1 month, there is a good inflow of inquiries for Melange yarn from Global brands.

### **Denim:**

- Capacity utilization of leading denim mills in India for Q3 remained slow, owing to poor retail, raw material price uncertainty, and panic in the market. However, our denim unit capacity utilization was better than other denim players.

### **Knits:**

- Garment exports in Q3 showed slight improvement nationwide, but Q4 began with a slow note post-Christmas in the international markets. Efforts are being made to close the gap in the remaining months of Q4.
- Base interactions with exporters and domestic players market are moving and we have started scaling up our capacity utilization.

### **Commenting on the results, Mr. Riju Jhunjunwala, Chairman & Managing Director, and CEO of RSWM Limited said,**

*“The Indian Textile Industry encountered a few bumps in the road in 2022 due to unpredictable geopolitical events and variable raw material prices. The demand from the USA and Europe, two of our major consuming markets, took a hit due to economic trends, and the domestic market wasn't immune to the global scenario, leading to less optimism for the rest of the fiscal year. The recent quarter was a real test, but at RSWM, we're sticking to what we know best: operational efficiency and cost control. By keeping our expenses in check, we'll have the resources we need to support our growth. The commodity and freight markets are showing signs of improvement, but global consumer demand remains sluggish due to inflation and high inventory costs in key markets. However, we're optimistic that demand will pick up as the effects of price normalization and a brighter economic outlook become clear.*

*The long-term prospects for textiles look promising. To protect ourselves from supply chain disruptions, we're taking proactive steps and expect to see the benefits in the near future. In light of the current uncertainty, we don't think it's wise to provide earnings guidance at this time, but we're confident that our projects and plans remain on track and that the current fiscal year will be just a blip on the radar, not a hindrance to our long-term growth strategy”*

### **About RSWM Limited (BSE: 500350, NSE: RSWM):**

RSWM Ltd. produces and supplies high-quality yarns to some of the most renowned brands in India and over 70+ countries abroad. For the last 57 years, the company has been producing high-quality cotton, mélange, synthetic, novelty yarns, and denim fabric used to drape populations around the world. RSWM is one of the largest manufacturers and exporters of synthetic and blended spun yarns from India.

### **About LNJ Bhilwara:**

The esteemed journey of the LNJ Bhilwara Group started in 1960, when the Group's founder, Mr. L. N. Jhunjunwala established a textile mill in Bhilwara, Rajasthan. The Group has completed more than 50 glorious years and today the single textile mills of 1961 have expanded into several plants; the Group export earnings comprise 50% of its turnover and has strategically diversified over the period. It stands proudly as a multi-products and services conglomerate in textile, graphite electrodes, power generation, IT-enabled services, power engineering consultancy services, Energy storage solutions & Skill development.

LNJ Bhilwara Group is a well-diversified conglomerate and stands as one of India's largest setups on the corporate horizon. The USD 967 million LNJ Bhilwara Group ([www.lnjbhilwara.com](http://www.lnjbhilwara.com)), commands 20 production units, is strategically located, markets internationally, and employs over 25,000 employees globally. HEG Ltd. is the group's flagship company and has the world's largest single-location graphite electrode manufacturing plant. The group also owns two hydroelectric projects under Bhilwara Energy Ltd.

### **Contacts:**

Shri Avinash Bhargava Chief Financial Officer Tel: 0148 322515 Email: <a href="mailto:cfo.rswm@lnjbhilwara.com">cfo.rswm@lnjbhilwara.com</a>	Shri Surender Gupta VP – Legal and Company Secretary Tel: +91 120 4390058 Email: <a href="mailto:skg@lnjbhilwara.com">skg@lnjbhilwara.com</a>
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### **Safe Harbor**

*This document includes certain forward-looking statements. These statements are based on management's current expectations or beliefs and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive, technological, and/or regulatory factors. RSWM Ltd., its directors, and any of the affiliates or employees are under no obligation to, and expressly disclaims any such obligation to, update, or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.*