

RSWM/SECTT/2023
August 10, 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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Sub: Investors Presentation on the Unaudited Financial Results of the Company for the Quarter ended 30th June, 2023.

Dear Sir,

Please find enclosed a copy of Investors Presentation on the Unaudited Financial Results of the Company for the quarter ended 30th June, 2023 for your information and record.

Thanking you,

Yours faithfully,
For **RSWM LIMITED**

SURENDER GUPTA
VICE PRESENT – LEGAL & COMPANY SECRETARY
FCS – 2615

rswm.investor@lnjbhilwara.com

Encl.: As above

(Formerly Rajasthan Spinning & Weaving Mills Limited)

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Fax : +91-120-4277841
Website : www.rswm.in
GSTIN:09AAACR9700M1Z1

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Fax: +91-1483-223361, 223479
Website : www.rswm.in
GSTIN:08AAACR9700M1Z3

Corporate Identification Number:L17115RJ1960PLC008216



Investor Presentation

NSE: RSWM  BSE: 500350

June 2023

TEXTILE DRIVEN BY INNOVATION, GROWTH & TRANSFORMATION



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

“During the first quarter of FY24, the textile industry faced significant difficulties arising from various factors. These challenges encompassed a reduced demand from international markets, disruptions in the supply chain, and rising costs of commodities, all contributing to a decrease in profit margins. These obstacles are expected to persist throughout the first half of FY24, as several factors stand in the way of potential improvement. These factors include the ongoing difference between Indian and international cotton prices, a continued shift in demand to other competitive countries, a slow recovery in demand due to China's policies, and a sluggish rebound in global demand from downstream industries. Despite having well-equipped manufacturing facilities, a wide range of products, and a dedicated workforce, the company is finding ways to navigate these challenging market conditions”

Commenting on the results, Mr. B. M. Sharma, Joint Managing Director of RSWM Limited said,

“In the initial period of the fiscal year 2023-24, the ongoing economic challenges in India's textile industry persisted, resulting in a significant 15% decline in textile exports, amounting to only \$8.4 billion. For over a year, the industry has been grappling with notable hardships due to unpredictable cotton prices and sluggish global demand, further exacerbated by the ongoing conflict between Russia and Ukraine. This has considerably strained the entire textile manufacturing process, particularly in aspects like spinning, weaving, and processing. Both International and local markets have experienced a sharp decrease in consumer demand, evident from the statistics.

We have a strong determination to pursue our long-term objectives. These goals involve expanding our product range, improving our financial stability, and discovering ways to enhance our earnings through more efficient work methods. We will remain resilient and resolute, refusing to give up. Our commitment is unwavering as we strive diligently to achieve these aims in the coming years”





01

◆ Q1FY24 Financials

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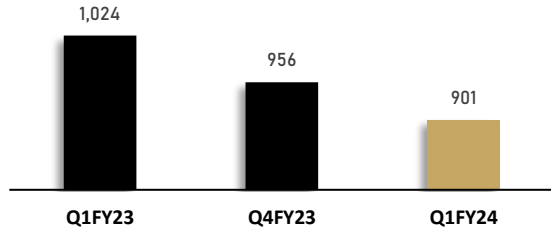


Review of Q1 FY24 & Outlook for the Future

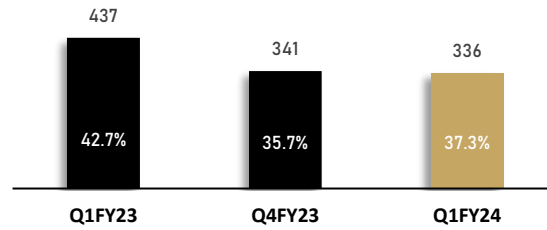
- ❑ **Business Environment Challenges:** Geopolitical tensions and an unprecedented increase in cotton prices presented a highly challenging business environment over the past nine months. These factors created obstacles for RSWM Ltd. and the industry as a whole.
- ❑ **Yarn Exports and Pressure on Domestic Market Revenue:** The challenges faced by the industry have affected the domestic market as well. Despite satisfactory manufacturing performance, there has been low demand for textiles within the country. This has led to a strain on revenues, with domestic earnings falling by 9% and export earnings declining significantly by 19% during the quarter.
- ❑ **Optimism for the Future:** Despite the current challenges, there is a glimmer of hope. The latter part of June and July'2023 has seen a rise in orders from both domestic and export markets, offering a positive outlook for the second quarter and a potential recovery for the struggling textile industry.
- ❑ **Wide Market Reach and Product Portfolio:** RSWM Ltd. boasts an extensive outreach across domestic markets and more than 70 countries worldwide, the company is well-positioned to navigate challenges and capitalize on opportunities. We remain cautiously optimistic for the upcoming quarters, banking on increased orders and a potential resurgence in global and domestic demand. Vigilant monitoring and strategic adaptations will be crucial as the industry navigates through these turbulent times.

Financial Outcomes

Revenue

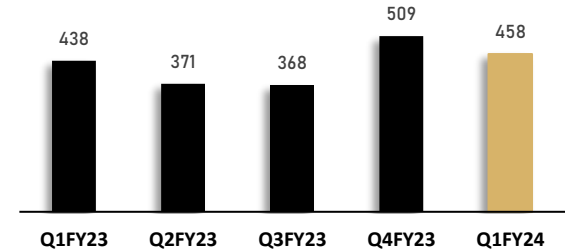


Gross Profit & Gross Profit Margin(%)

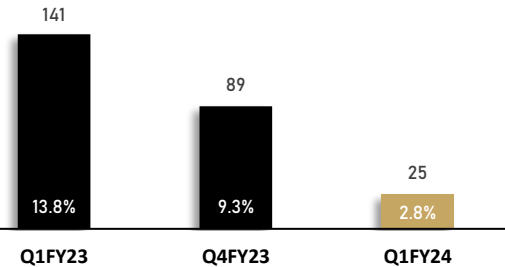


Net Working Capital

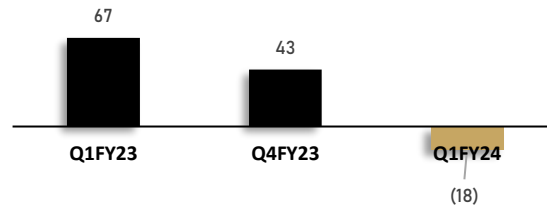
₹ in Cr



EBITDA & EBITDA Margin(%)

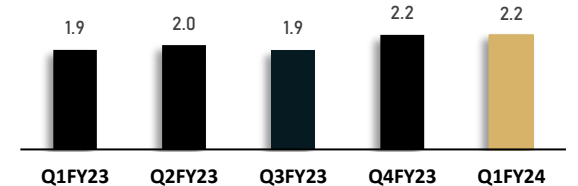


PAT



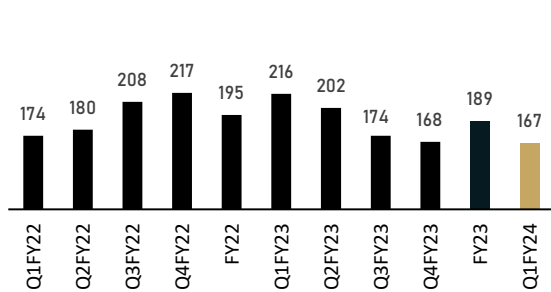
Fixed Asset Coverage Ratio

In times



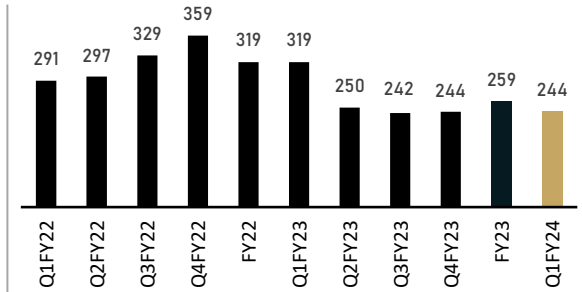
Average Price Realization

PV Grey Yarn

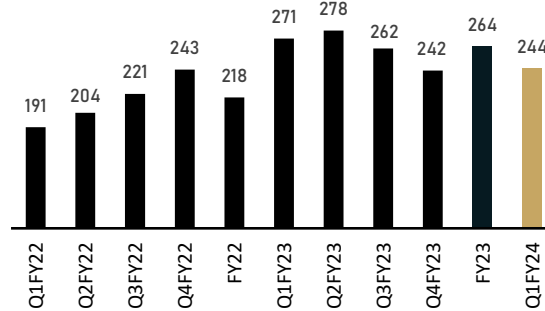


Cotton Grey Yarn

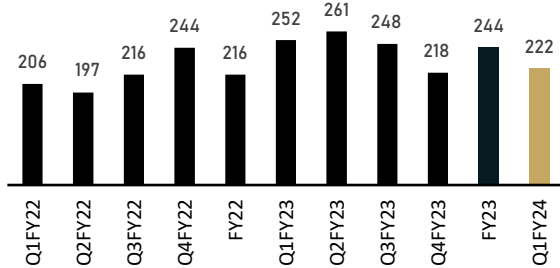
Yarn per Kg
Denim per meter



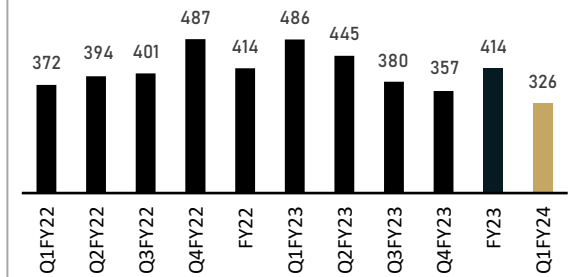
Denim



PV Dyed Yarn



Melange Yarn





02

◆ Growth Drivers

Growth Drivers

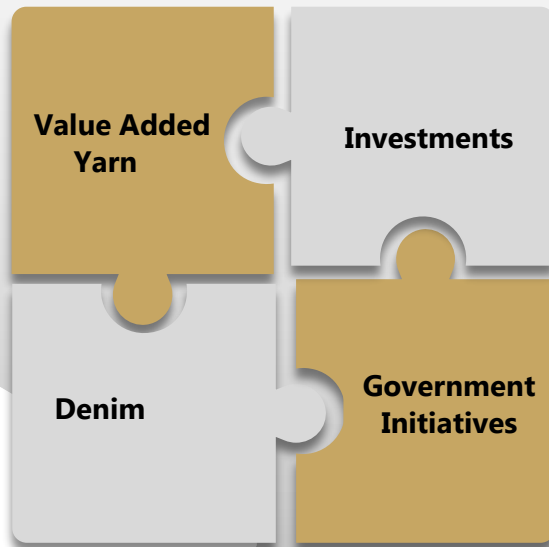
11



Promising Catalyst Propelling Company's Future

- Focused on **high-value specialty yarn** business like Dyed and Melange yarn
- Change in product mix and value-added products, helps in sustained margins
- Adequate **use of captive solar power** plants & **regular energy audit** helps in the production of sustainable products along with the reduction of power cost

- **Good demand** for LNJ denim was seen in FY23
- Ranked **Top 14 suppliers**
- **Top brands** associated with us: JCPenney, H&M, Zara, Levi's, Wrangler, Diesel, Lee, Spykar, Hilfiger denim, and many more



- The company has **invested around ₹410 Cr** in the expansion of **Denim, Cotton Mélange Yarn, Knits Business**, and Modernization & Balancing equipment across all units.
- **Capex of ₹315 Cr during FY23** for the expansion of spinning capacity at Lodha, Banswara formal inauguration took place on 2nd August 2023 – The project shall be completed in FY24.
- Infusion of Equity through the Right Issue.
- Acquisition of 20MW WTG – BG Winds Power Ltd.
- State Level Screening Committee from Government of Rajasthan has approved to release benefits of the **Special Customized Package under RIPS 2019** for expansions of Denim, Melange & Knits.
- Customized Package Under RIPS for 51k spindles at Lodha, Banswara has already been approved by SEC and will approach to SLSC in due course for start of benefits.
- **Closely tracking Govt Policies RoDTEP Scheme** (Remission of Duties and Taxes on Export Products) which will **enhance Indian export competitiveness** across the globe. It is likely to change the entire value chain for exporters
- Capitalize on growth opportunities arising from New textile policies like PLI, Mega investment in Textile parks (MITRA), and Free Trade Agreement



03

◆ Company Profile

About RSWM	13
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Nation's Largest Textile Manufacturer & Exporter



RSWM Limited is one of the largest textile manufacturers and exporters of Synthetic, Blended, Mélange, Cotton, and Specialty value-added yarns, and in the manufacturing of Denim fabric, Knitted fabric, and Green Polyester Fibres.

- RSWM is the **Flagship company** of LNJ Bhilwara Group
- RSWM enjoys the **Golden Trading House status**.

Strong Parentage



- **11 Manufacturing facilities**
- **43,000 MTs p.a. Green Polyester Fibres** manufacturing capacity
- **5,45,752 Spindles & 4,800 Rotors Spinning**
- **172 Looms**

Installed Capacities



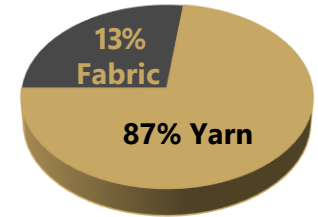
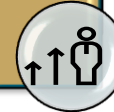
- Exports to **70+** nations globally like Africa, Southeast Asia, Europe, the Middle East, USA
- Export contributed **~25%** of Sales during FY23

Global Presence



- Yarns, Denim & Knits
- Total Capacity:
Yarn: 1,59,500 TPA
Denim Fabric: 32.4 Mn Mtr. p.a. (Composite Facility)
Knitted Fabric: 4,800 MT p.a.

Business Segments



Contribution to Net Profit (As per FY23)



Unlocking Growth Opportunities through Strategic Location

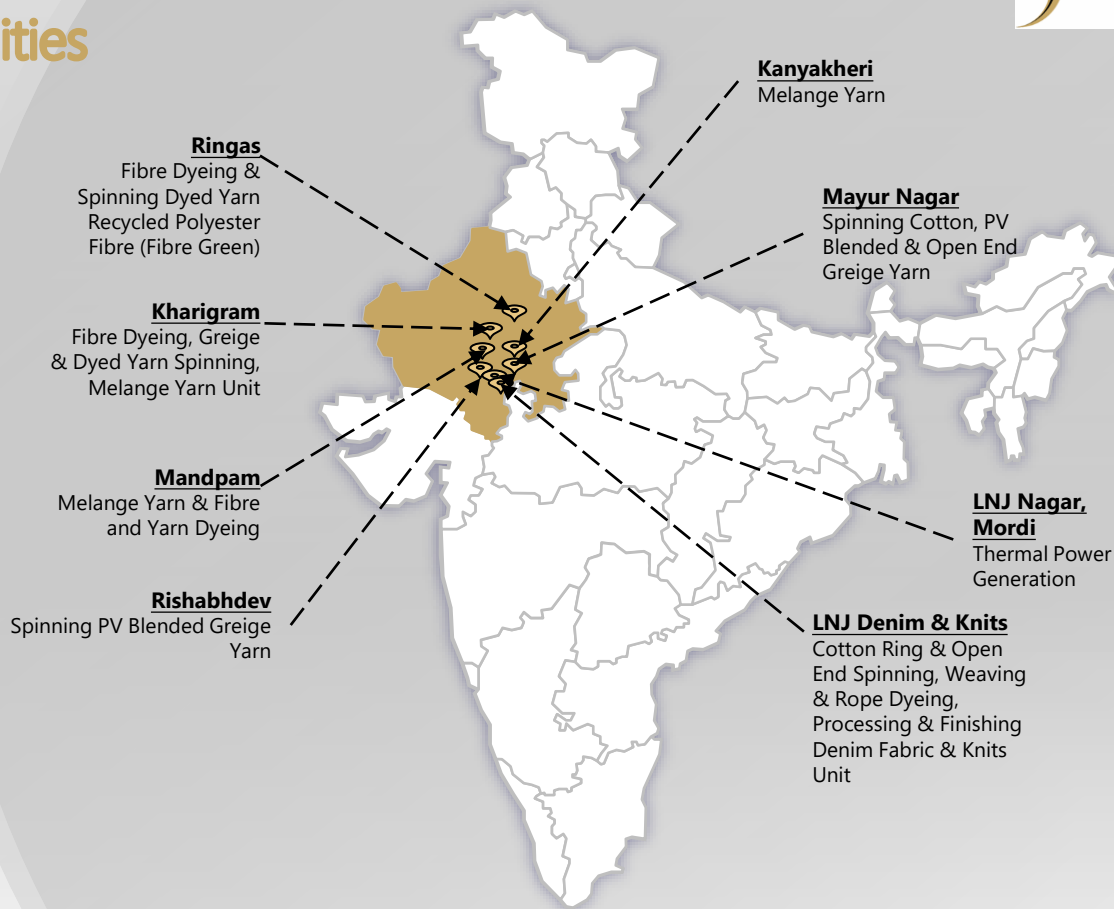
5,45,752 SPINDLES

4,800 ROTORS

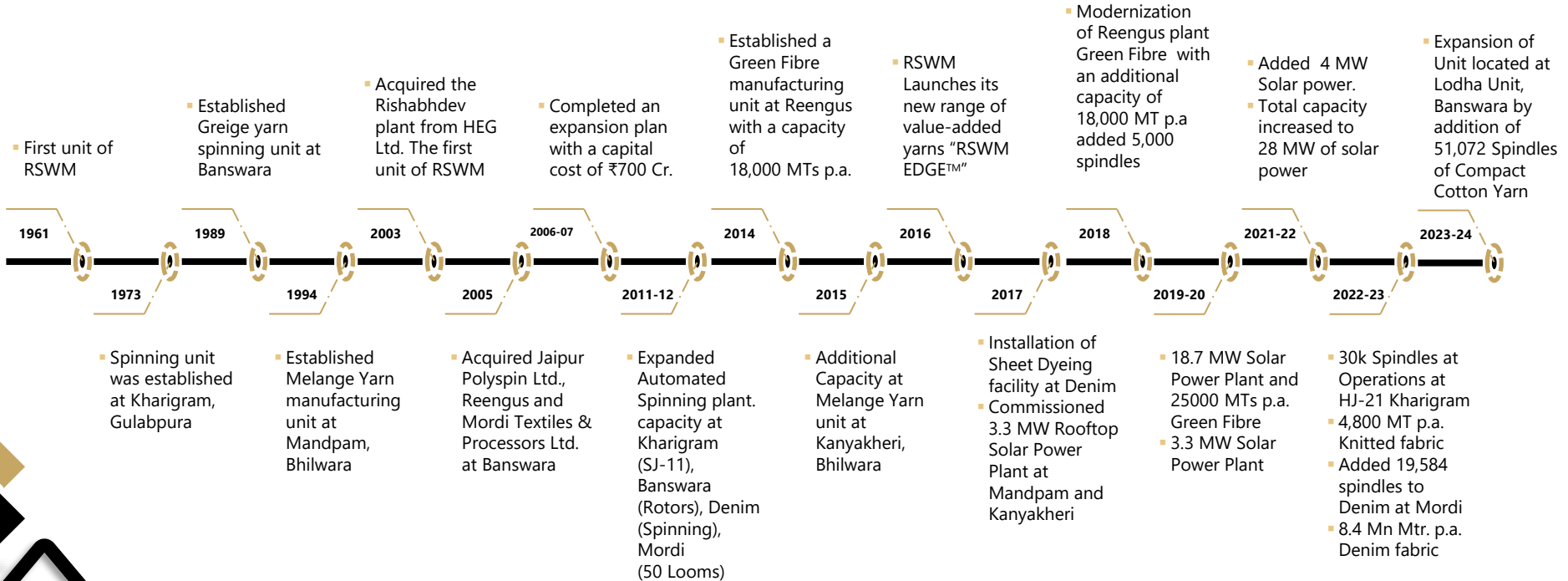
172 LOOMS

43K MT p.a. GREEN FIBRE

4,800 MT p.a. KNITTED FABRIC



Well Established Player



Producing Top-Quality Yarn in Three Distinct Categories

Dyed Yarn

- Dyed PV Blended, Poly 100%, Visc. 100%, Poly/Visc/Cotton Blended Specialty Yarns from unorthodox fibres
- We have two advanced facilities located in Bhilwara and one near Jaipur
- These two units offer the most optimum efficiency and excellence when it comes to creating exquisite designer yarns like Slub, Neppy, Siro, Siro Slub, CSY, Grindle, and many more



Greige Yarn

- Greige is a yarn that hasn't been bleached or dyed
- Greige yarn is suitable for weaving, knitting, sewing, and industrial application
- The yarn from this factory is sold under the brand name ULTIMA® and is the finest polyester-viscose greige yarn in the Indian market



Melange Yarn

- Melange yarn, a high-value yarn, is manufactured at its Mandpam and Kanyakheri units
- Melange contributes about 22% to the revenue earned by the yarn vertical and it is widely accepted by leading global brands operating in India
- It is widely used for undergarments, shirts, business suits, socks, sportswear, bed linen, towels, and other home fabric products



Yarn

Denim

Knitted Fabric

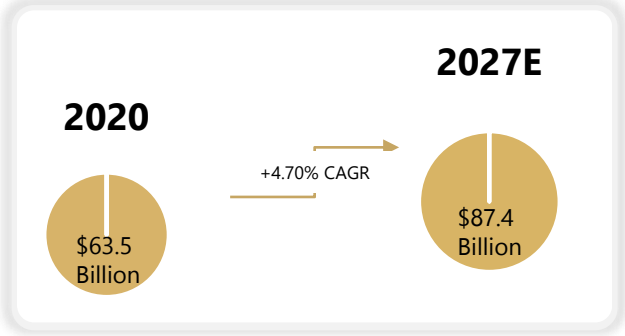
Business Vertical

Renowned for Exceptional Quality Worldwide

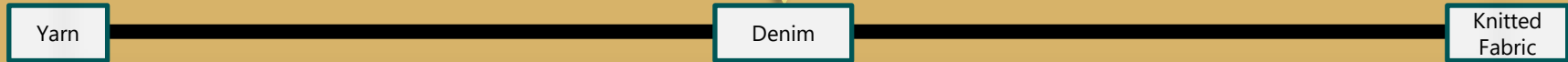
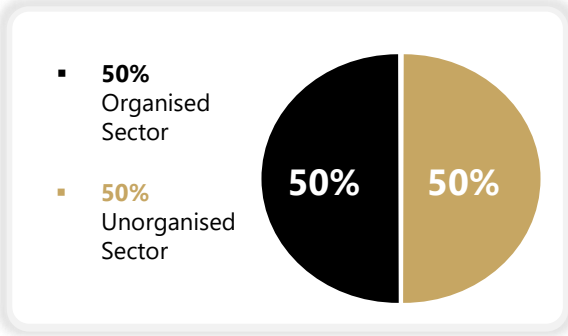
- LNJ Denim, a denim-manufacturing facility established in 2007 under RSWM Limited (the flagship company of LNJ Bhilwara Group), has a manufacturing capacity of 32.4 million meters annually. Capable of processing 3000+ denim variants
- LNJ Denim has earned an excellent reputation amongst international and domestic brands as an innovator and a quality supplier of denim fabric.



Global Denim Industry



Denim Industry Snapshot



Business Vertical

Creating Value Through Exploration of Knitted Fabric Production

Ventured into Knitted Fabric to create value

- After being the leading supplier of high-quality yarn to the world, **RSWM Limited has ventured into producing circular knitting fabrics**
- Our well-kitted fabrics ensure **comfort, weightlessness, wrinkle resistance, and a multitude of properties** built in especially for today's needs
- Knits is a USD 206Bn market globally and India has ~4% market share. Opportunity is huge in Knits for India, and we are testing the waters with an initial investment of INR 80crs.
- With a **robust establishment fuelled by immense creativity**, LNJ Knits offers a dynamic product range that comprises knitted fabrics like **Single Jersey, Interlock, Rib, Fleece, Flat Back Rib, Terry, Foma, Honey Comb, Pique, Waffel**, and many more.
- Our unit consists of **26 machines for polyester, 21 for cotton, and 8 flat knitting machines.**
- LNJ Knits offers a **tremendous manufacturing capacity of 4,800 MTPA in Phase One.** Over time, the production capacity will be gradually increased.
- Knitting machines from renowned institutions such as **Pailung, Fukuhara, Terrot, Unitex, and flat knitting ones from Kauo Heng, our in-house textile engineers are enabled to craft products that rival the best in the world.** These machines ensure precision and quality control to deliver the finest results at every step.



Yarn

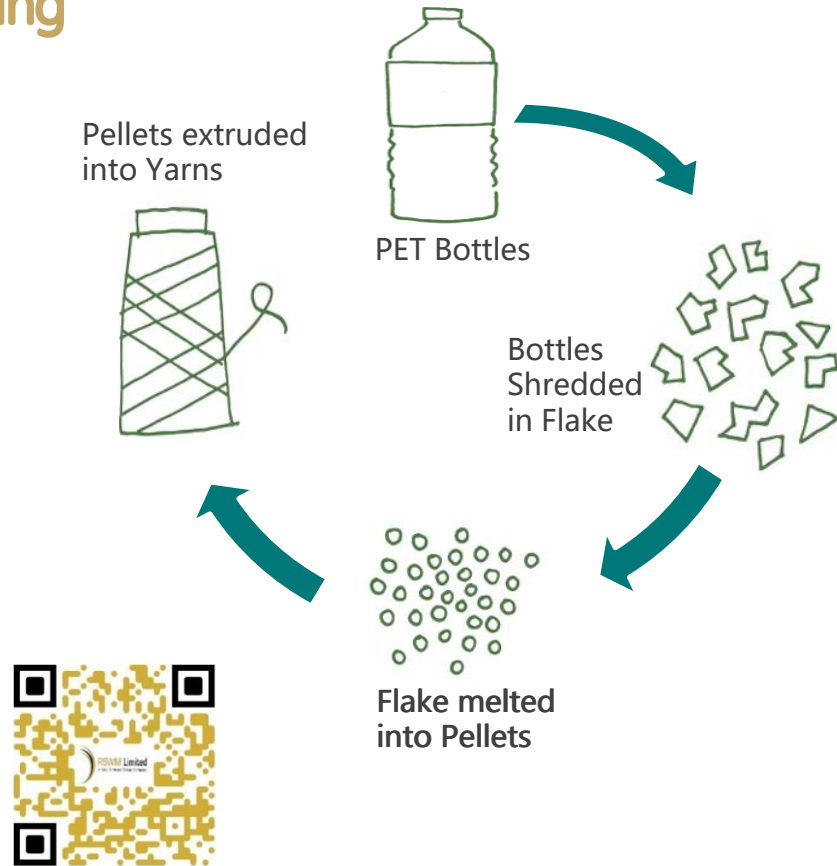
Denim

Knitted Fabric

Business Vertical

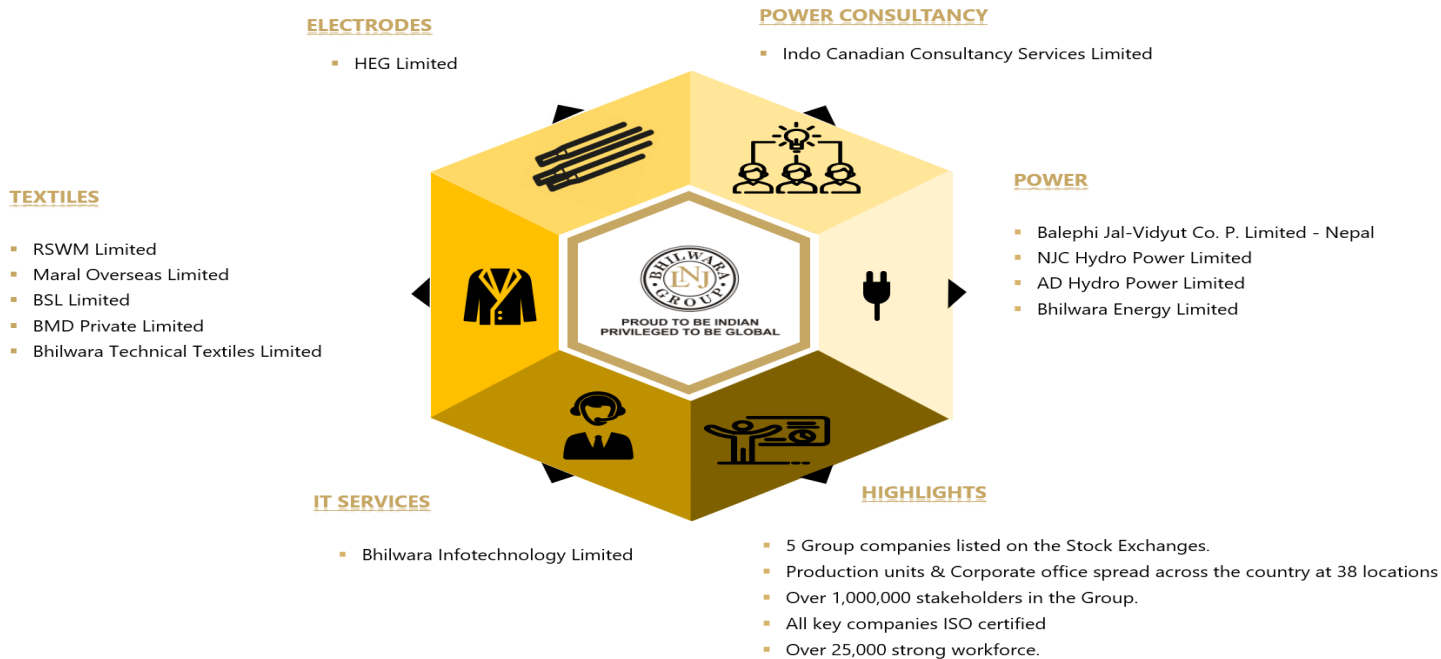
Re-imagined & Re-use for Sustainable clothing

- Promoting Sustainable Practices:** RSWM Ltd. exemplifies its commitment to the environment by prioritizing sustainable business practices. During the quarter, we proudly recycled an impressive 18,000 MT of PET plastic bottles, reducing waste and conserving valuable resources.
- Addressing Global Waste Challenges:** With plastics accounting for approximately 20% of global waste, we understand the urgency to act. Our recycling efforts go beyond conventional practices, ensuring that only 6% of plastics are recycled, as we strive for a greener and cleaner world.
- Supporting Mission LiFE:** RSWM Ltd. is proud to be an ardent supporter of Mission LiFE, a transformative initiative focused on fostering a greener and cleaner India. By aligning our efforts with this noble mission, we aim to create a better tomorrow, safeguarding our planet for future generations.
- Sustainable Procurement:** At RSWM Ltd., we believe that sustainability begins with responsible procurement. By purchasing sustainable products, we actively contribute to the preservation of the environment. Our commitment to sustainable procurement sets an example for the industry, inspiring others to join us in safeguarding our planet's resources.



For more details please Scan

LNJ Group: Firm Foundation with Powerful Parental Backing





RSWM Limited
an LNJ Bhilwara Group Company

04

◆ Strong Historical
Fundamental

Financial Data 22

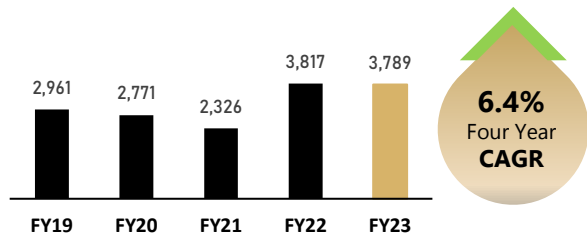
Financial Return Ratio 23



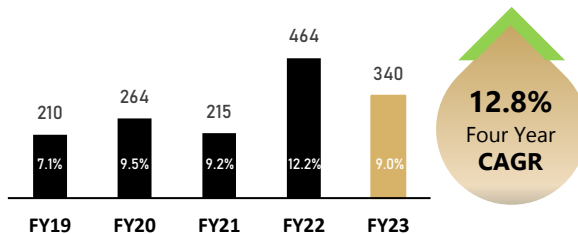
Underlying Financial and Operational metrics

₹ in Cr

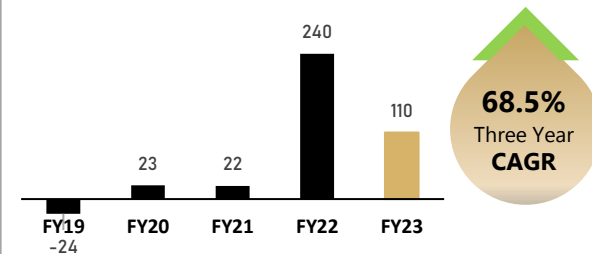
Revenue



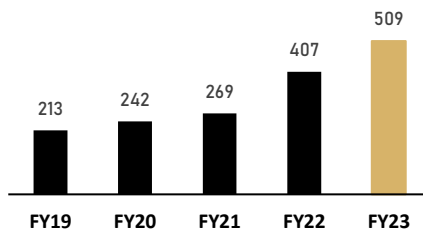
EBITDA & EBITDA Margin(%)



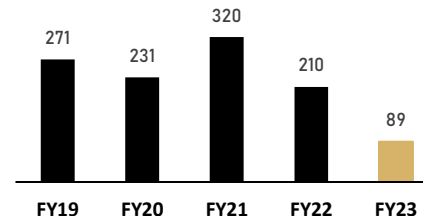
PAT



Net Working Capital

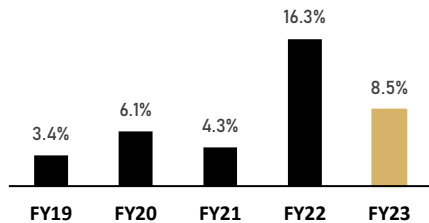


Net Cash Flow From Operation

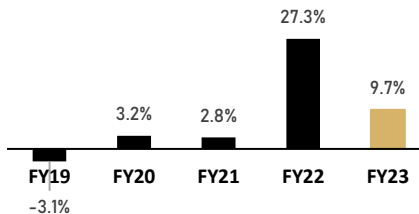


Financial Ratios

ROCE

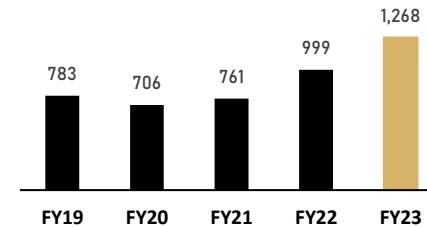


RONW



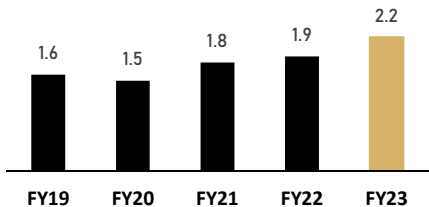
Net Worth

₹ in Cr



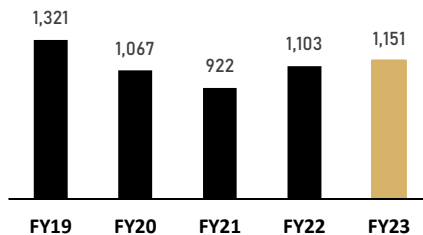
Fixed Asset Turnover

In times



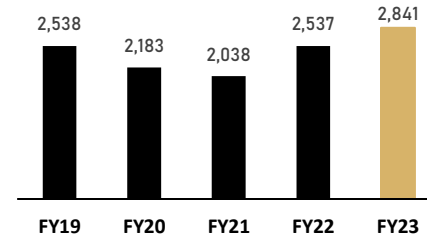
Net Debt

₹ in Cr



Capital Employed

₹ in Cr





RSWM Limited
an LNJ Bhilwara Group Company

05

◆ Management Team

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Management



Mr. Riju Jhunjunwala
Chairman & Managing
Director and CEO



Mr. B. M. Sharma
Joint Managing Director



Mr. Avinash Bhargava
Chief Financial Officer



Mr. Surender Gupta
VP – Legal & CS

Mr. Prakash Maheshwari
Chief Executive
(Corporate Affairs)

Mr. Suketu Shah
Chief Executive
(Denim)

Mr. Sukesh Sharma
Chief Executive
(Yarn Business)

Mr. Arvind Gupta
Chief Executive
(Melange Yarn & Knits)

Mr. Manoj Sharma
President & CHRO

Mr. Puneet Anand
Chief Strategy Officer

Executive Director &
Key Managerial Personnels

Corporate Team

Program for Enhancing Leadership Abilities



Leadership Training Program

Remarkable Testimonial of Endeavor





RSWM Limited
an LNJ Bhilwara Group Company



GET IN TOUCH WITH US

Thank You



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E: cfo.rswm@lnjbhilwara.com

Shri Surender Gupta
VP – Legal and CS
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Noida – 201 301 (U.P.)
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P.O. Gulabpura – 311 021
Dist. Bhilwara (Rajasthan)
CIN: L17115RJ1960PLC008216



Profit & Loss Statement

Parameter (₹ in Cr.)	Q1FY24	Q4FY23	Q1FY23	FY23
Total Income (Incl. other income)	910.84	997.02	1,055.19	3,880.34
Raw Material Cost	600.49	568.70	642.42	2,356.59
Employee Cost	114.24	94.66	108.71	418.48
Power Cost	112.96	111.04	110.29	424.78
Other Expenses	93.61	87.33	108.78	384.10
Increase./Decrease in Inventory	(35.40)	46.51	(55.82)	(43.14)
EBIDTA	24.94	88.78	140.81	339.53
EBIDTA Margin (%)	2.77%	9.28%	13.75%	8.96%
Depreciation	33.02	32.50	27.44	127.30
Finance Cost	19.93	16.12	18.60	73.95
Profit Before Tax	(28.01)	40.16	94.77	138.28
Tax	(10.07)	(2.45)	27.52	28.67
Net Profit After Tax (PAT)	(17.94)	42.61	67.25	109.61
PAT Margin (%)		4.46%	6.57%	2.89%