

RSWM/SECTT/2022
November 14, 2022

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 September, 2022.

Dear Sir,

Please find enclosed a copy of Investors Presentation on the Unaudited Financial Results of the Company for the quarter ended 30th September, 2022 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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Distt. Bhilwara, (Rajasthan), India
Tel. : +91-1483-223144 to 223150, 223478
Fax : +91-1483-223361, 223479
Website: www.lnjbhilwara.com
GSTIN: 08AAACR9700M1Z3

Corporate Identification Number: L17115RJ1960PLC008216



Investor Presentation

NSE: RSWM | BSE: 500350

Q2 & H1 FY23



TEXTILE DRIVEN BY INNOVATION, GROWTH & TRANSFORMATION



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

"The last quarter was one of the most challenging quarters we have witnessed recently due to the macroeconomic business environment. We at RSWM continue to focus on operational excellence and optimize costs at different levels to manage our working capital well and generate cash to support our growth engine.

Currently, we are closely watching the cotton prices which peaked in Q2FY23 and now it's stabilizing on the onset of new crop arrival we expect further correction in cotton prices. Secondly, Marco's economic environment such as the issues of high inflation, interest rates increase, and gas prices increase due to the Russia-Ukraine is a cause of concern for demand globally in the short term. But we are utilizing this period to build our customer relationships and ensure smooth functioning.

Our view for the long term in textiles remains favorable. We have been taking all necessary measures to de-risk ourselves from supply chain disruptions and expect to see these efforts bear fruits next fiscal onwards. Due to the current volatile and uncertain environment, we believe that we will not be able to meet our guidance, and it will not be prudent on our part to give any future guidance until the situation becomes stable. All our projects and plans are on track, and I am very confident that the current fiscal will be a one-off and not affect our long-term growth strategy and aspirations."



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

“RSWM is on a steady upward growth trajectory and our current performance across all our segments and geographies during the quarter stands testimony to that, showing marginal revenue growth from a year-on-year basis. Talking about the current demand scenario the domestic market has been stable. The export market is severely impacted due to various reasons like lower order booking, strengthening of dollar rate, delay in EU/UK FTA, continuing conflict between Russia-Ukraine war, unpredictable cotton rates, etc. Despite, these unprecedented challenges our current performance demonstrates the unwavering commitment of our colleagues and the resilience of our business.

With the commencement of commercial production of Knits from 1st July 2022, we are testing markets to launch the product in the domestic and international markets, but initial challenges are there. I am confident that the company is well poised to grow in all segments and we continue to invest in the next phase of growth across all verticals. I am sure to continue to deliver on our stated goals to our stakeholders and thereafter while remaining steadfast on ensuring the safety of our employees.”



RSWM Limited
an LNJ Bhilwara Group Company

Q2 & H1 FY23

Financial Performance



QUARTERLY KEY HIGHLIGHTS

Yarn

- The global economic volatility and high inflationary pressure resulted in subdued demand from export markets
- While our total turnover (yarn + denim + knits) remained stable, our export turnover dropped ~31% on a YoY basis
- However, the domestic market performed well with growth of ~18% on a YoY basis
- We sold our products in domestic markets, but at reduced margins on the back of increased supply

Denim

- Volatile cotton prices wiped out our margins during the quarter
- We have been able to pass on the increased cotton prices to some extent only
- All-time higher prices of cotton during the period under analysis, resulted in an unbearable increase in finished product prices and customers moved away from retail stores or remained with low-cost denim
- With the arrival of the new cotton crop, prices will settle down to some extent and we expect prices to normalize by end of December'22

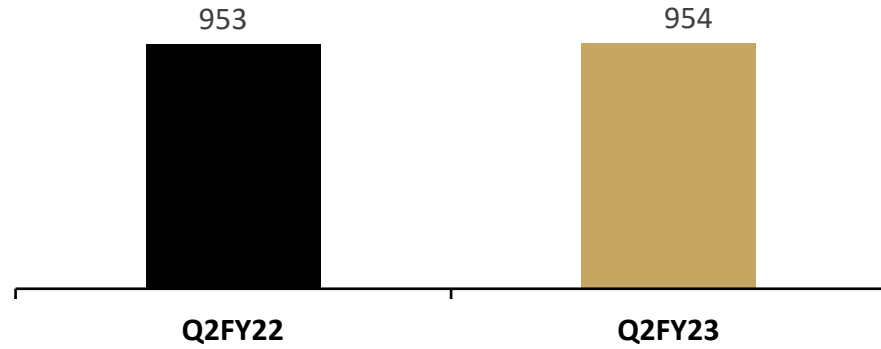
Knit

- Commercial production started from 1st July 2022
- Low-capacity utilisation during Q2FY23, due to teething challenges
- Since it is our new product in our basket of offerings it may take a few more months to reach an optimum level



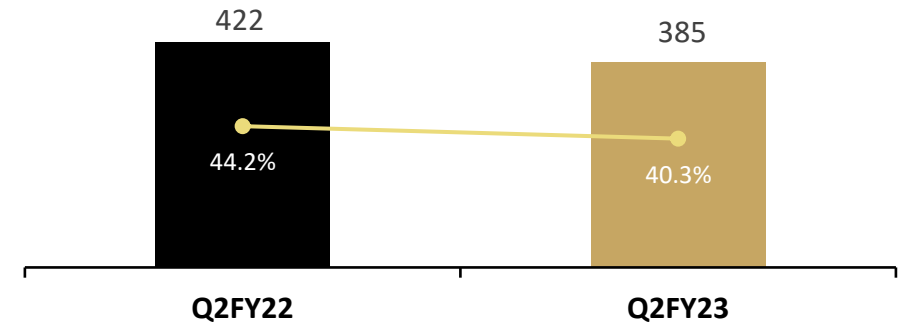
FINANCIAL PERFORMANCE: Q2 FY23

Revenue

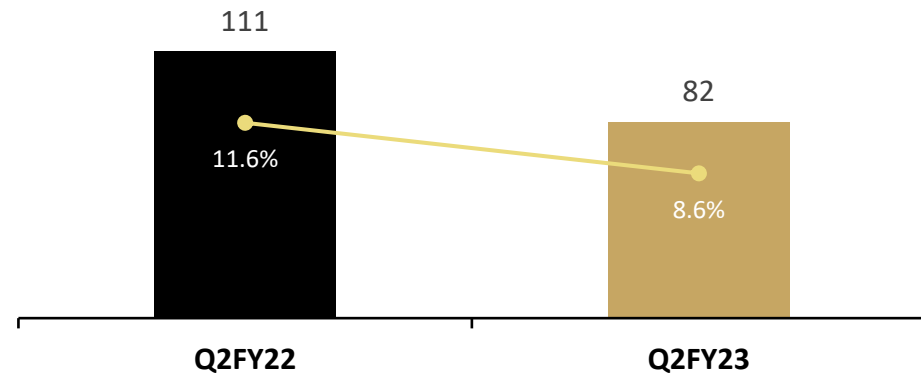


Gross Profit & Gross Profit Margin %

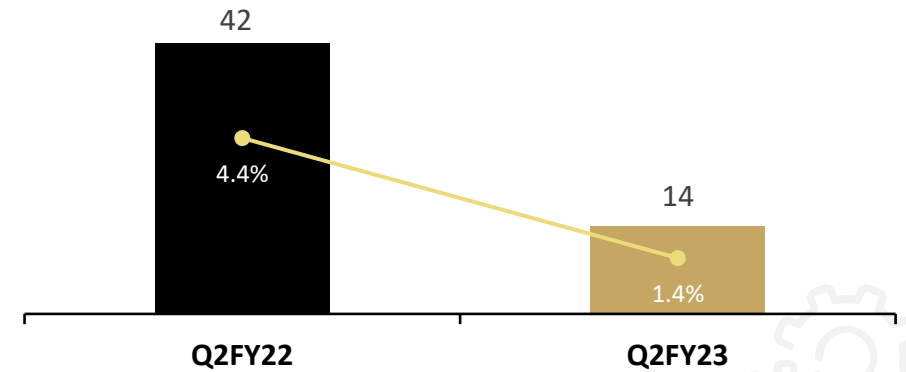
₹ in Cr



EBITDA & EBITDA Margin %



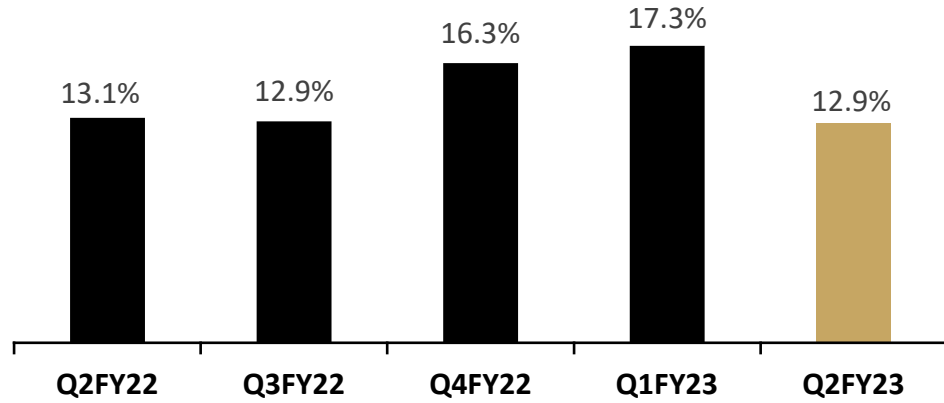
PAT & PAT Margin %



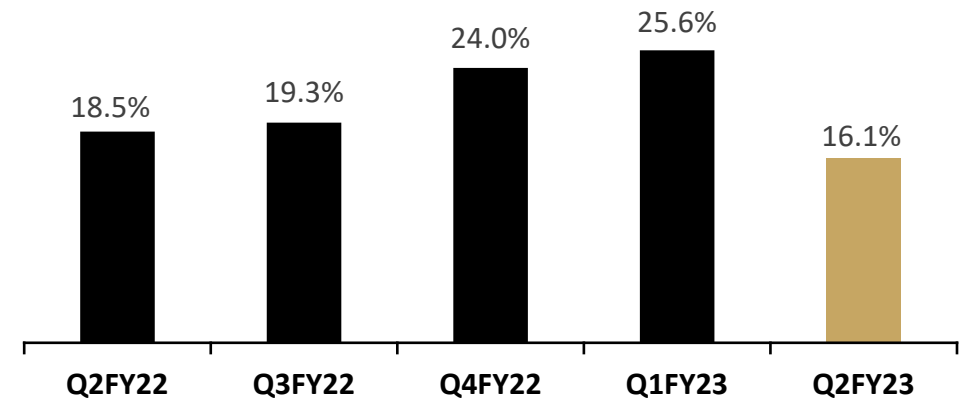


FINANCIAL PERFORMANCE: Q2 FY23

ROCE

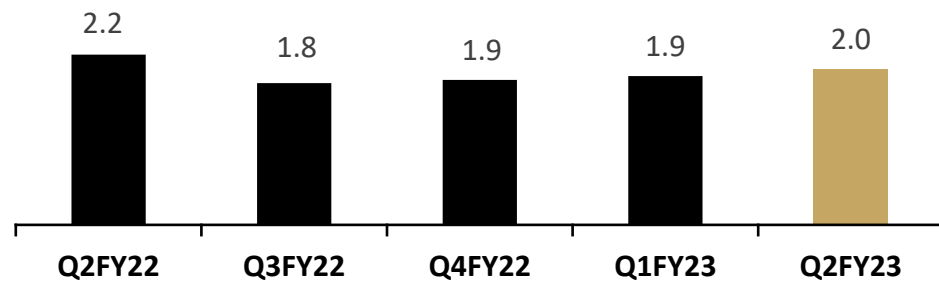


RONW



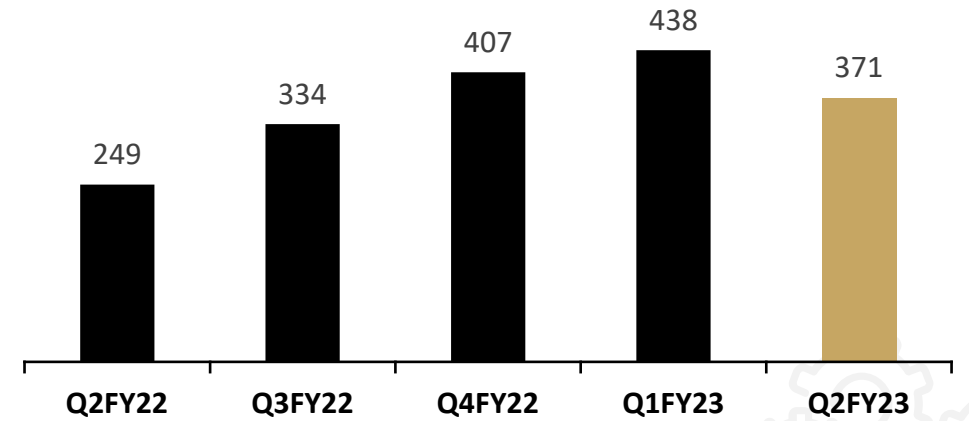
Fixed Asset Coverage Ratio

In times



Net Working Capital

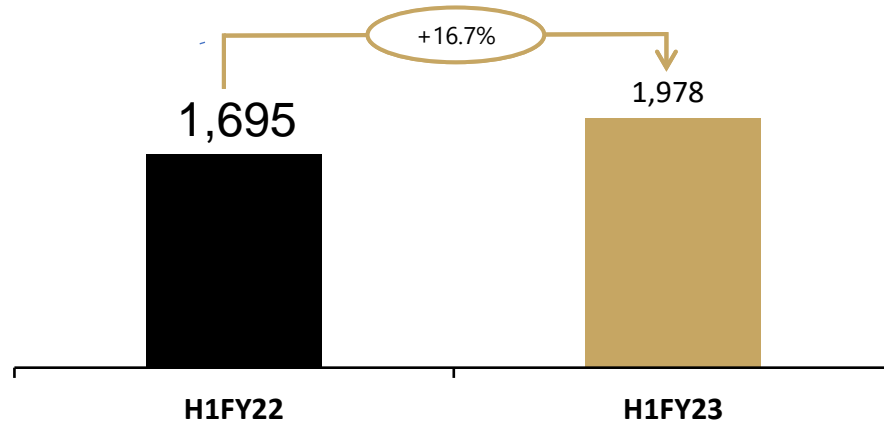
₹ in Cr





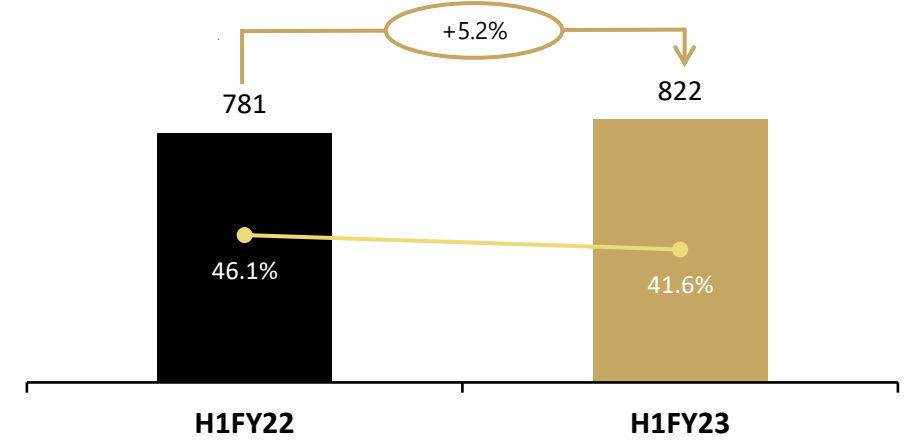
FINANCIAL PERFORMANCE: H1 FY23

Revenue

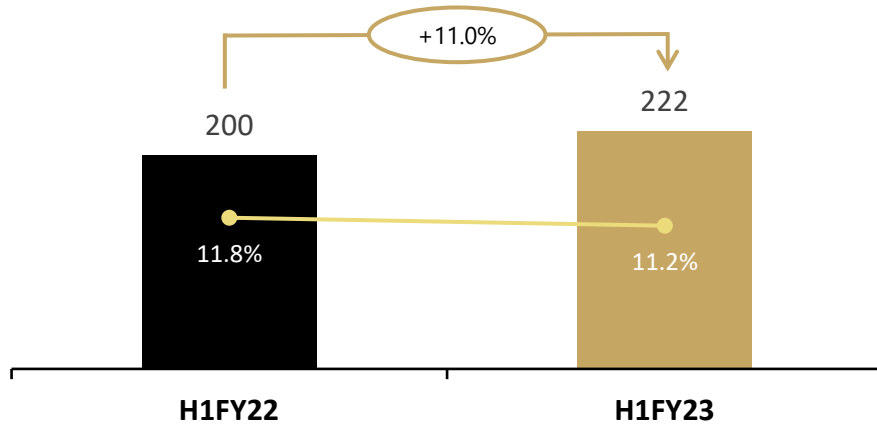


Gross Profit & Gross Profit Margin %

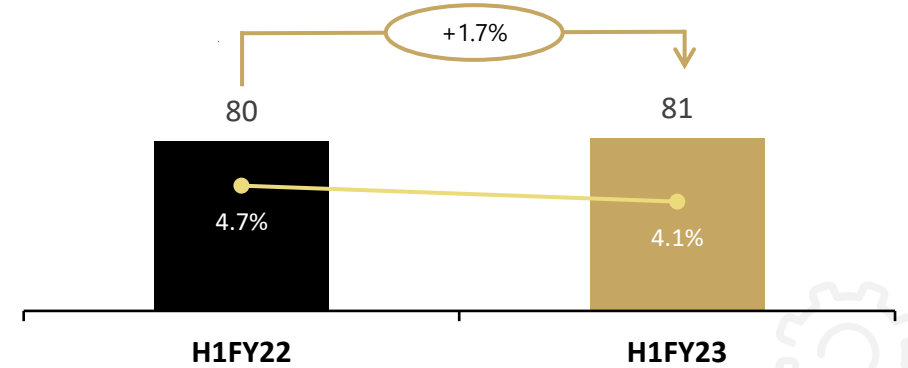
₹ in Cr



EBITDA & EBITDA Margin %



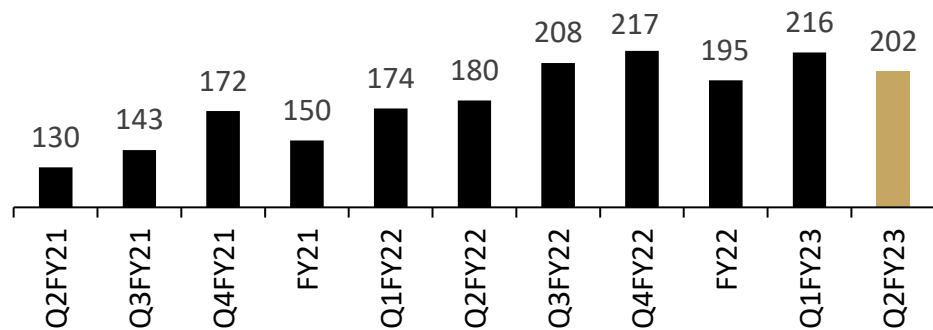
PAT & PAT Margin %





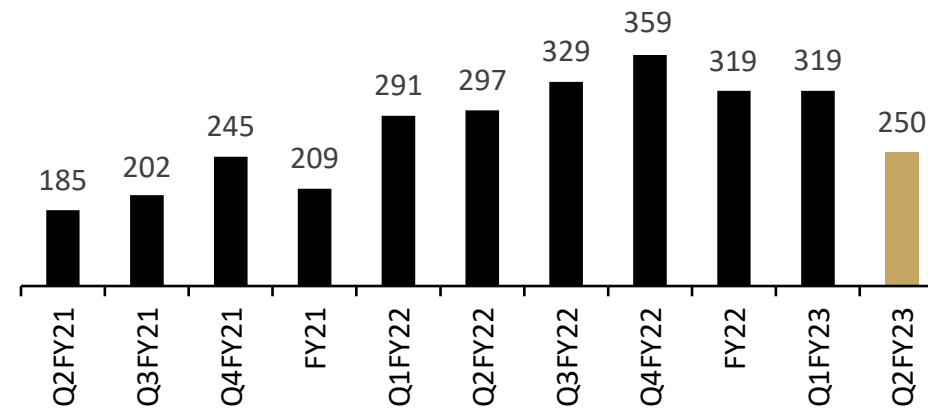
AVERAGE SALES REALIZATION: Q2 FY23

PV Grey Yarn

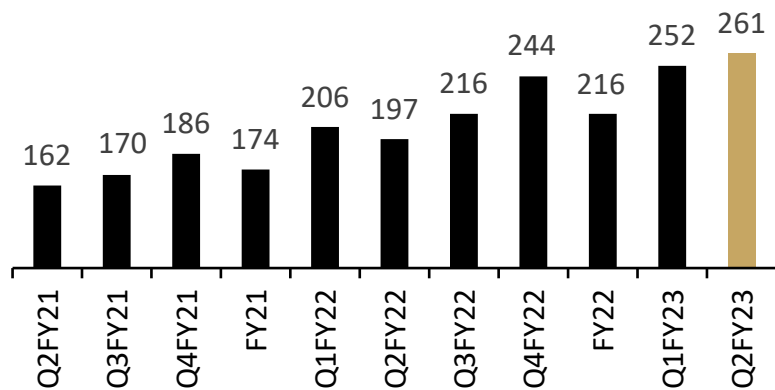


Cotton Grey Yarn

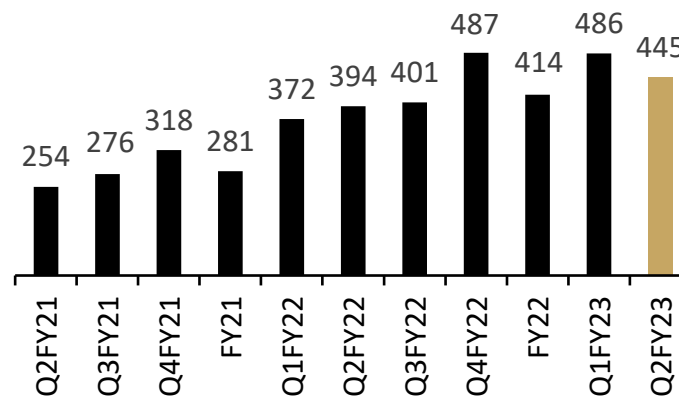
Yarn per Kg
Denim per meter



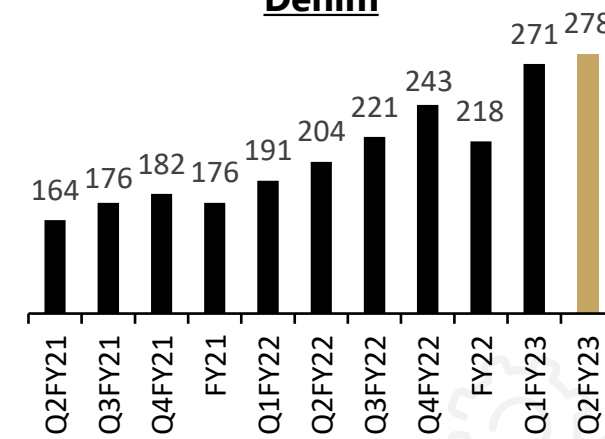
PV Dyed Yarn



Melange Yarn



Denim





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DRIVERS OF GROWTH

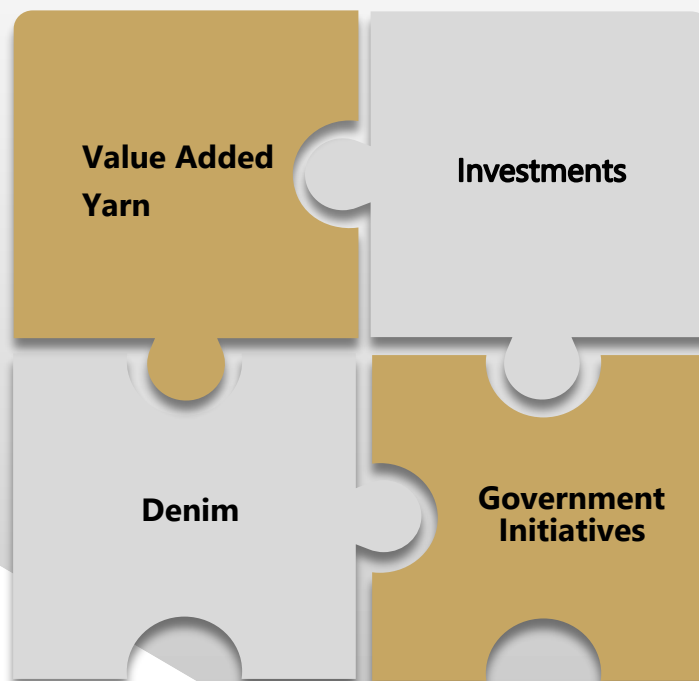




DRIVERS OF GROWTH

- 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** plant & **regular energy audit** helps in reduction of power cost

- **Good demand** for LNJ denim is seen in FY23
- Ranked in **Top 10 suppliers**
- Quality of our denim fabric is better than other denim manufacturers.
- In **FY22 we turnaround our denim segment**
- **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.
- **Additional Capex of ₹315 Cr** to be invested in the expansion of spinning capacity at Lodha, Banswara – The project is underway and shall be completed in FY24
- Recently RSWM has been sanctioned **Special Customized Package under RIPS 2019** for expansions of Denim, Melange/Knits, and 51k spindles at Lodha, Banswara
- **Closely tracking Govt Policies RoDTEP** Scheme (Remission of duties and Taxes on Export Products) which will **enhance Indian exports 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
- Incentives Under Rajasthan Investment Promotion Scheme 2019



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COMPANY PROFILE



ABOUT RSWM



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.

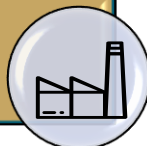
- RSWM is the **Flagship company** of LNJ Bhilwara Group
- RSWM enjoys the **Golden Trading House** status.
- Team Size: **16,615**

Strong Parentage



- **11 Manufacturing facilities**
- **43,000** MTs p.a. **Green Polyester Fibres** manufacturing capacity
- **4,94,680 Spindles** & **4,800 Rotors** Spinning

Installed Capacities



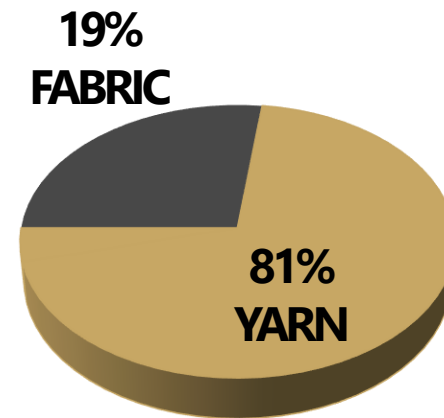
- Exports to **70+** nations globally like Africa, Southeast Asia, Europe, the Middle East, USA
- Export contributed **~37%** of Sales during FY22

Global Presence



- Yarns, Denim & Knits
- Total Capacity:
 - **Yarn: 1,45,500** TPA
 - **Denim Fabric: 33.4** Mn Mtr. p.a. (Composite Facility)
 - **Knitted Fabric: 4,800** MT p.a.

Business Segments



Contribution to Net profit (As per FY22)





STRATEGIC LOCATION

DECODING potential growth

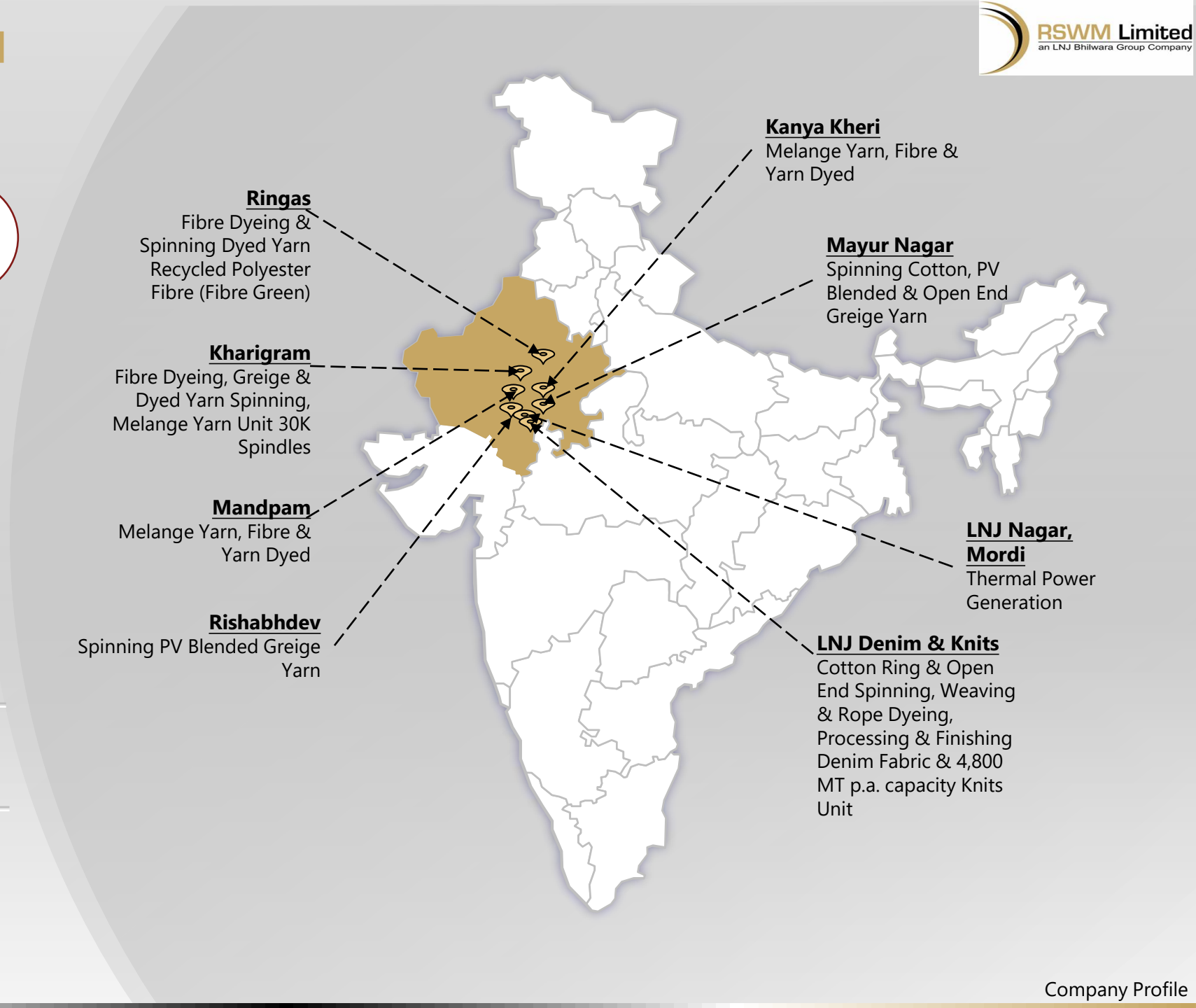
4,94,680 SPINDLES

4,800 ROTORS

172 LOOMS

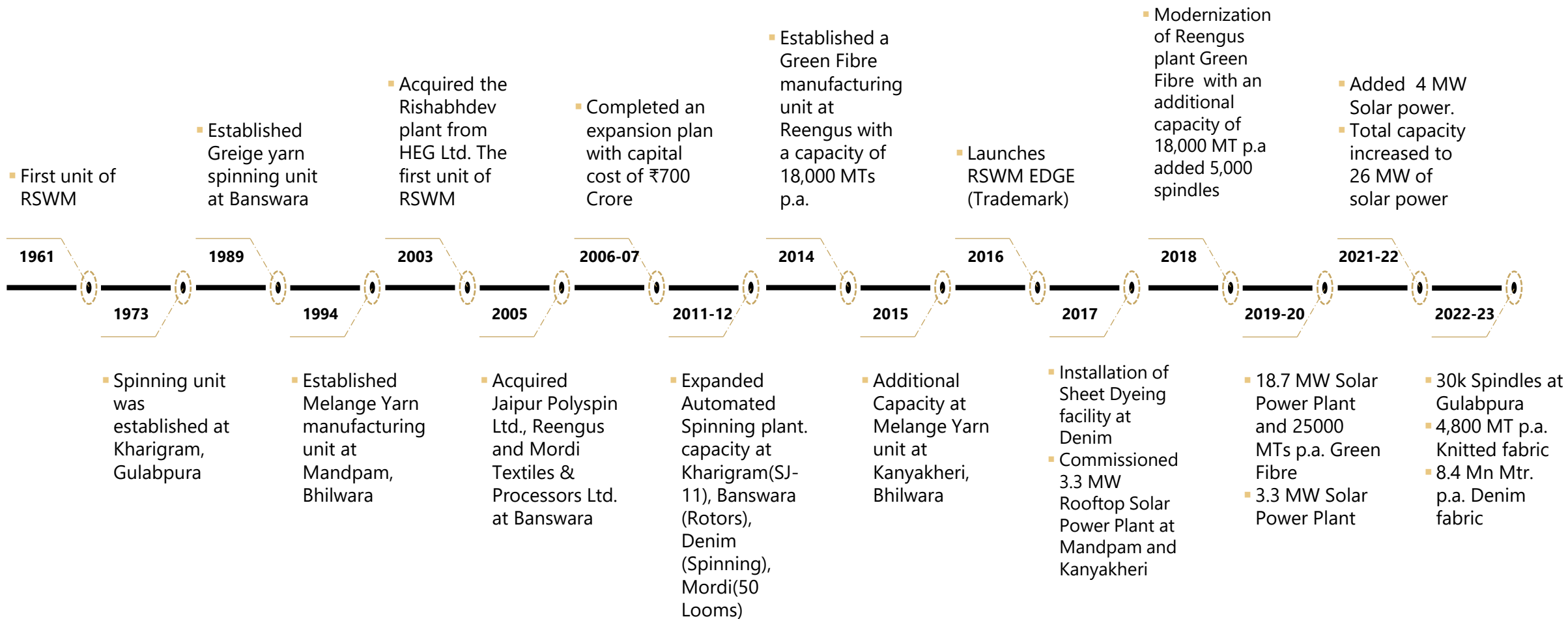
43K MT p.a. GREEN FIBRE

4,800 MT p.a. KNITTED FABRIC





MILESTONE: WELL ESTABLISHED PLAYER





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

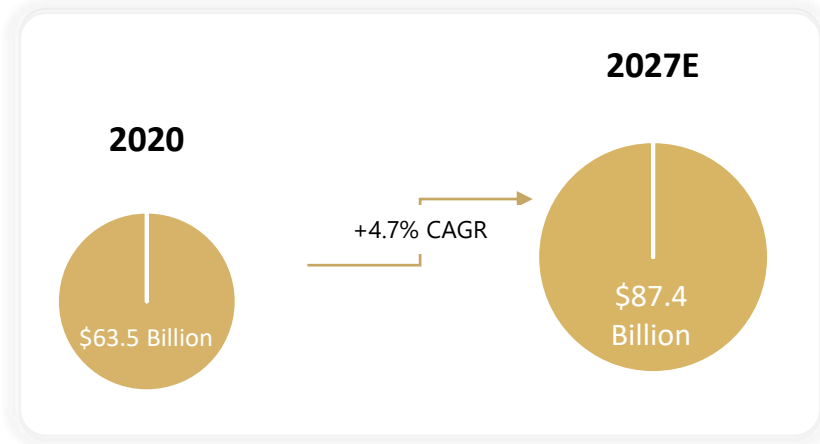
Business Vertical



BUSINESS VERTICALS: DENIM

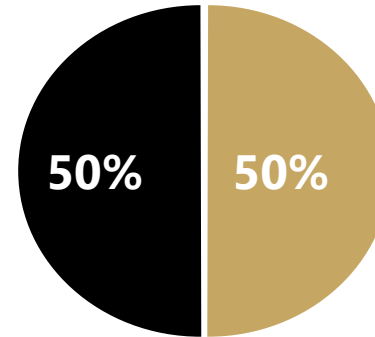
- LNJ Denim, a denim-manufacturing facility established in 2007 under RSWM Limited (the flagship company of LNJ Bhilwara Group), has a manufacturing capacity of 33.4 million meters annually. Capable of processing 3000+ denim variants
- LNJ Denim has earned an excellent reputation amongst international and domestic brands as an innovator and a quality supplier of denim fabric.

Global Denim Industry



Denim Industry Snapshot

- 50% Organised Sector
- 50% Unorganised Sector



Yarn

Denim

Knitted Fabric

Business Vertical



Venturing 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 ₹80 Crore.
- 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 Kao 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



STRONG PARENTAGE

ELECTRODES

- HEG Limited

POWER CONSULTANCY

- Indo Canadian Consultancy Services Limited

TEXTILES

- RSWM Limited
- Maral Overseas Limited
- BSL Limited
- BMD Private Limited
- Bhilwara Technical Textiles Limited

POWER

- Balephi Jal-Vidyut Co. P. Limited - Nepal
- NJC Hydro Power Limited
- AD Hydro Power Limited
- Bhilwara Energy Limited

IT SERVICES

- Bhilwara Infotechnology Limited

HIGHLIGHTS

- 5 Group companies listed on the Stock Exchanges.
- Production units & Corporate office spread across the country at 38 locations
- Over 1,000,000 stakeholders in the Group.
- All key companies ISO certified
- Over 28,000 strong workforce.





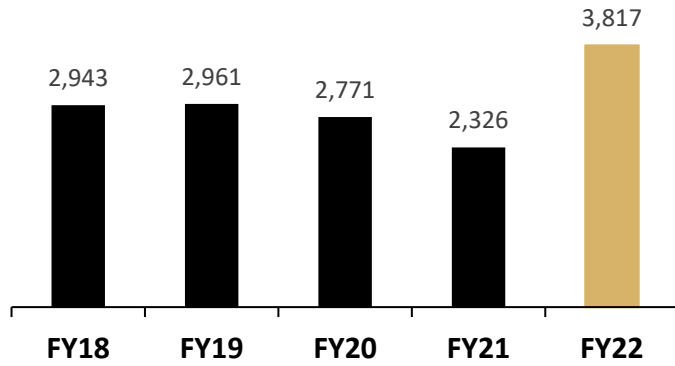
RSWM Limited
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**STRONG HISTORICAL
FUNDAMENTALS**

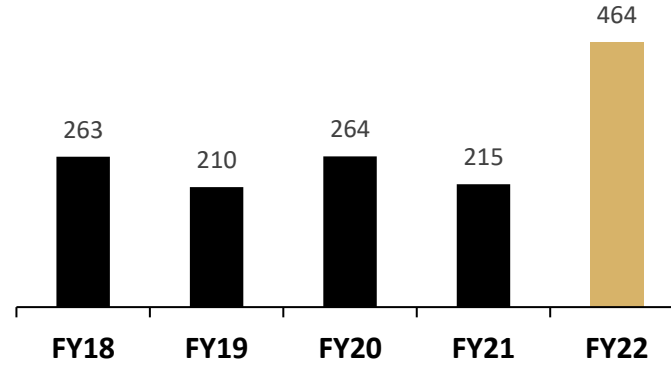


STRONG FUNDAMENTALS: LEADING TO GROWTH

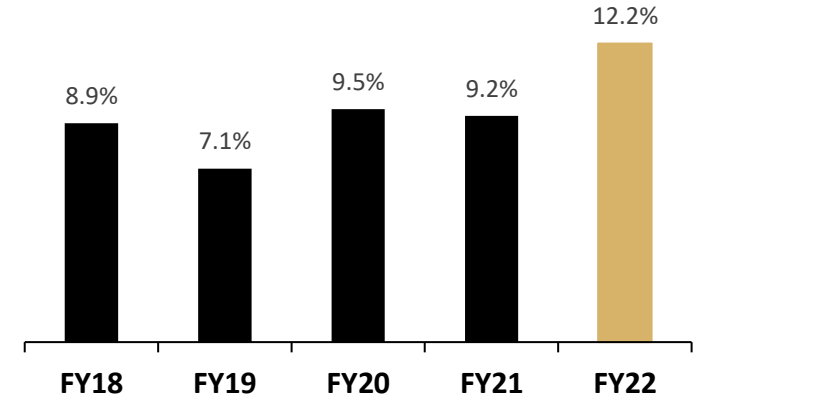
Revenue



EBIDTA

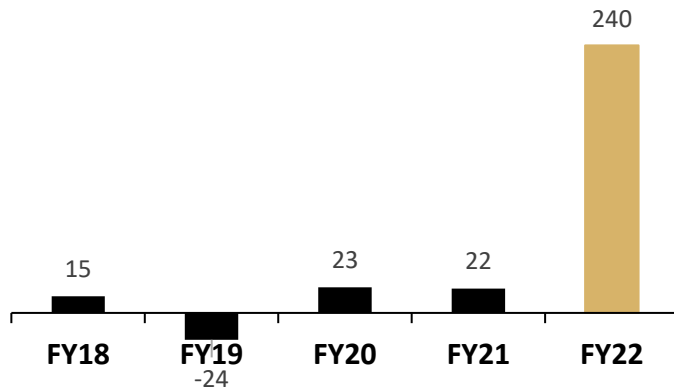


EBIDTA Margin

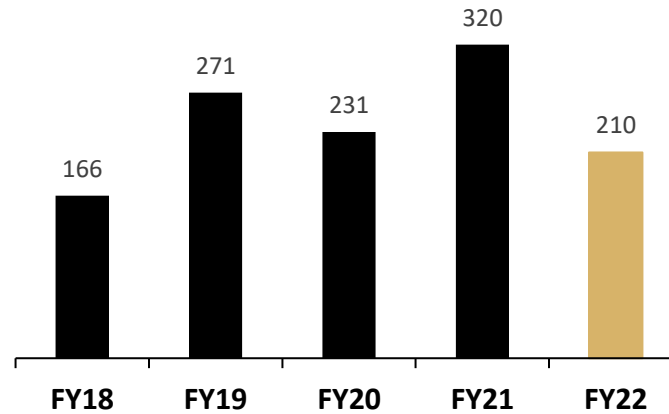


₹ in Cr

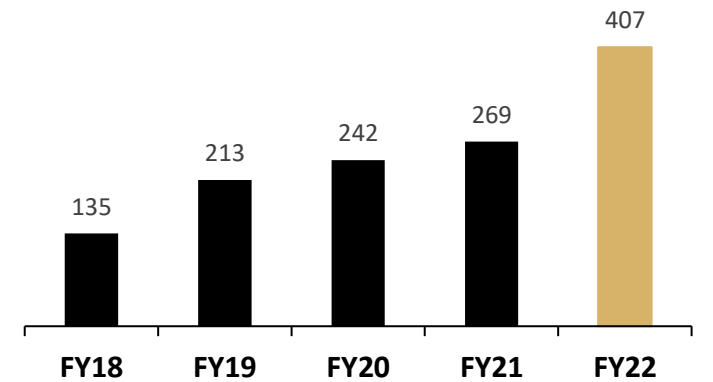
PAT



Net Cash Flow From Operation



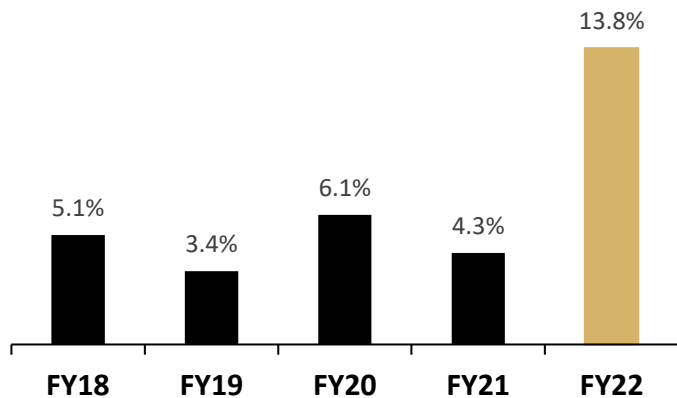
Net Working Capital



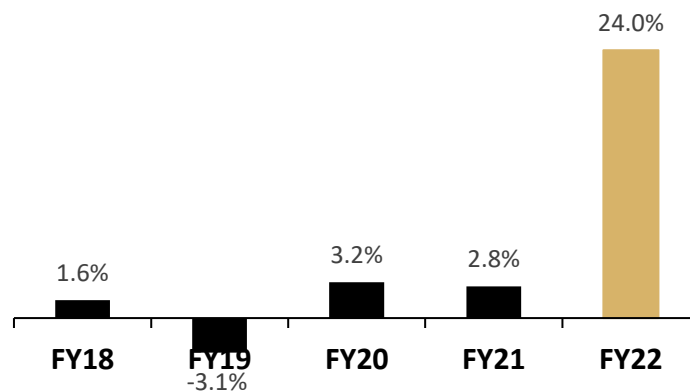


EXCEPTIONAL: RETURN RATIO

Return on Capital Employed

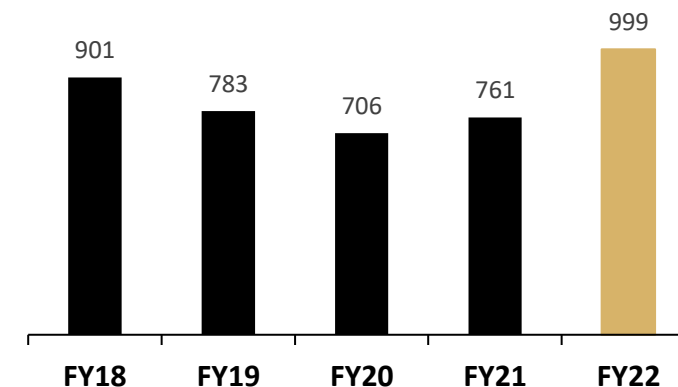


Return on Net Worth



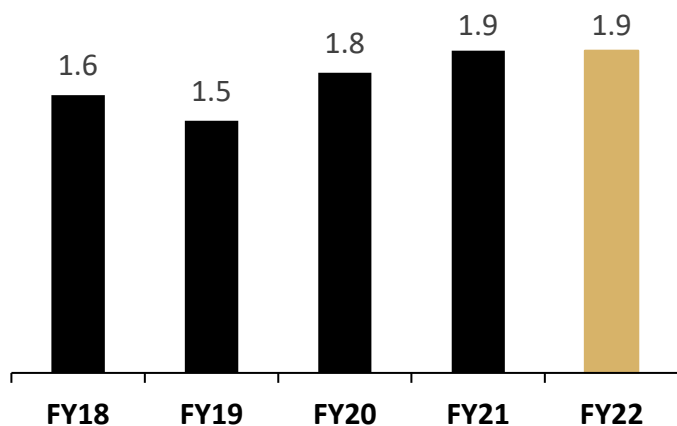
Net Worth

₹ in Cr



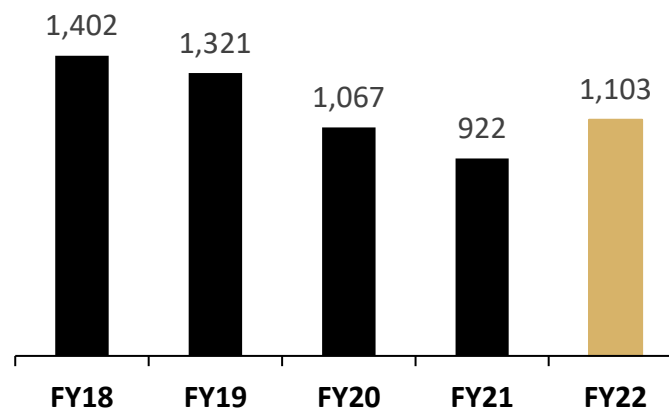
Fixed Asset Turnover

In times



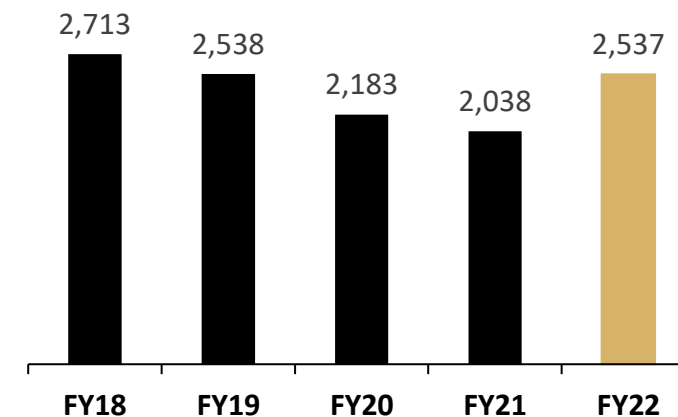
Net Debt

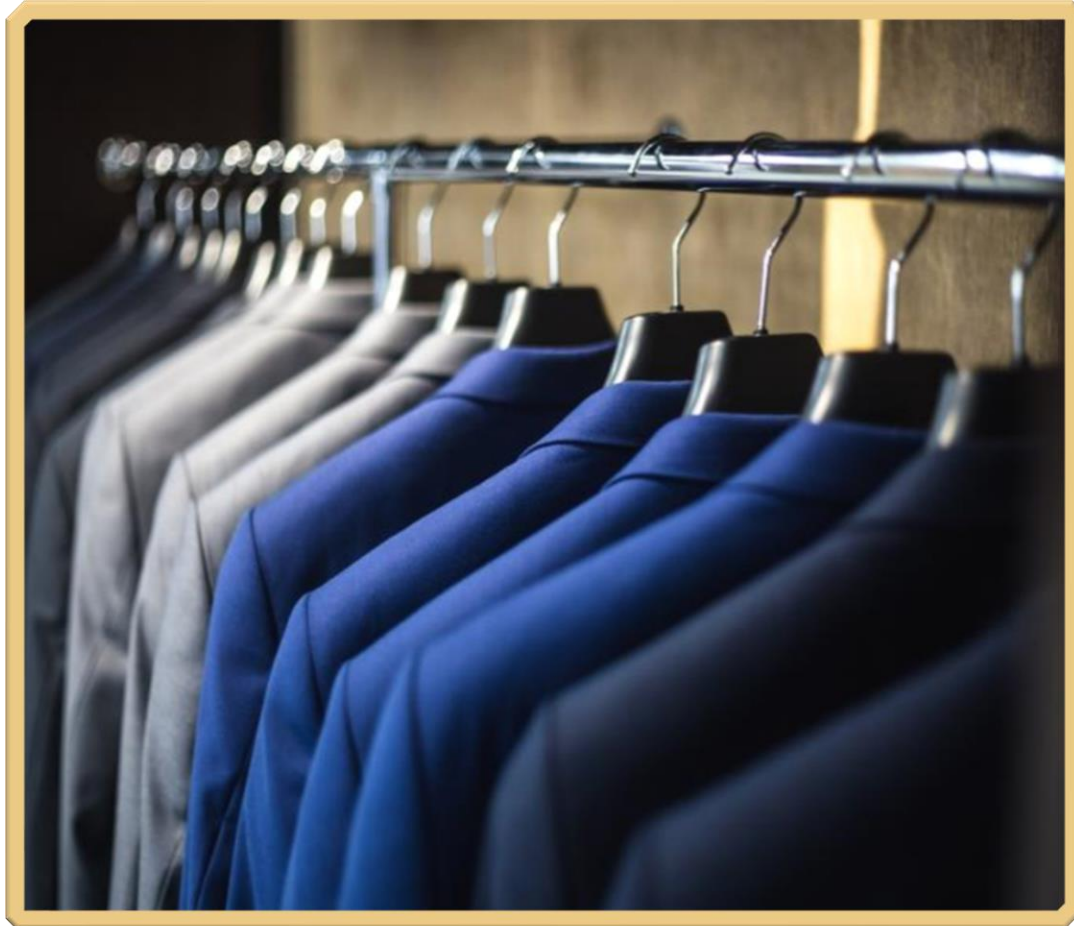
₹ in Cr



Capital Employed

₹ in Cr





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MANAGEMENT TEAM





MANAGEMENT TEAM



Director & Key
Managerial
Personnel



Mr. Riju Jhunjunwala
Chairman, CEO and
Managing Director



Mr. B. M. Sharma
Joint Managing Director



Mr. Avinash Bhargava
Chief Financial Officer



Mr. Surender Gupta
VP – Legal & CS



Management

Mr. Prakash Maheshwari
Chief Executive
(Corp. Affairs & TPP)

Mr. Suketu Shah
Chief Executive
(Denim)

Mr. Sukesh Sharma
Chief Executive
(Yarn)

Mr. Arvind Gupta
President &
Chief Marketing Officer

Mr. Manoj Sharma
President & CHRO

Mr. Punit Anand
Chief Strategy Officer



ACHIEVEMENT



GET IN TOUCH WITH US



Shri Avinash Bhargava
Chief Financial Officer
[Tel: 01483 222515](tel:01483222515)
[E: cfo.rswm@lnjbhilwara.com](mailto:cfo.rswm@lnjbhilwara.com)

Shri Surender Gupta
VP – Legal and CS
[Tel: +91 120 4390058](tel:+911204390058)
[E: skg@lnjbhilwara.com](mailto:skg@lnjbhilwara.com)



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Noida – 201 301 (U.P.)
<https://www.rswm.in>

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Kharigram,
P.O. Gulabpura – 311 021
Dist. Bhilwara (Rajasthan)
CIN: L17115RJ1960PLC008216





RSWM Limited
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Thank You!



Profit & Loss Statement

₹ in Cr

Period	Q2FY23	Q2FY22	Q1FY23	FY22	FY21
Total Income (Incl. other income)	963.27	959.90	1055.19	3,849.54	2,365.43
Raw Material Cost	609.74	515.87	642.42	2,196.71	1,217.99
Employee Cost	109.95	101.74	108.71	401.40	312.33
Power Cost	103.61	94.58	110.29	387.83	258.04
Other Expenses	99.13	121.80	108.78	460.16	279.85
Inc./Dec. in Inventory	(40.79)	15.01	(55.82)	(60.73)	82.25
EBIDTA	81.63	110.90	140.81	464.17	214.97
EBIDTA Margin (%)	8.56%	11.64%	13.75%	12.16%	9.24%
Depreciation	34.77	28.84	27.44	113.08	127.68
Finance Cost	18.51	16.85	18.60	67.61	83.03
Profit Before Tax	28.35	65.21	94.77	283.48	4.26
Tax	14.61	22.86	27.52	43.50	(17.35)
Net Profit After Tax	13.74	42.35	67.25	239.98	21.61
Net Profit Margin (%)	1.44%	4.44%	6.57%	6.29%	0.92%

Balance Sheet Highlight

₹ in Cr

Assets	30.09.22	31.03.22	Liabilities	30.09.22	31.03.22
Non-current Assets	1,310	1,239	Shareholders' Fund	1,009	999
Fixed Assets	1,165	1,087	Share Capital	24	24
Investments	79	89	Reserve & Surplus	985	975
Other Non-current Assets	66	63	Non-current Liabilities	556	532
Current Assets	1,183	1,298	Long Term Borrowing	460	462
Inventories	521	509	Other Non-current Liabilities	96	70
Trade Receivable	446	537	Current Liabilities	928	1,006
Other Current Assets	216	252	Short Term Borrowing	568	641
			Other Current Liabilities	360	365
Total Assets	2,493	2,537	Total Liabilities	2,493	2,537