

**BANSWARA**  
SYNTEX LTD

Investor Presentation – November 2015



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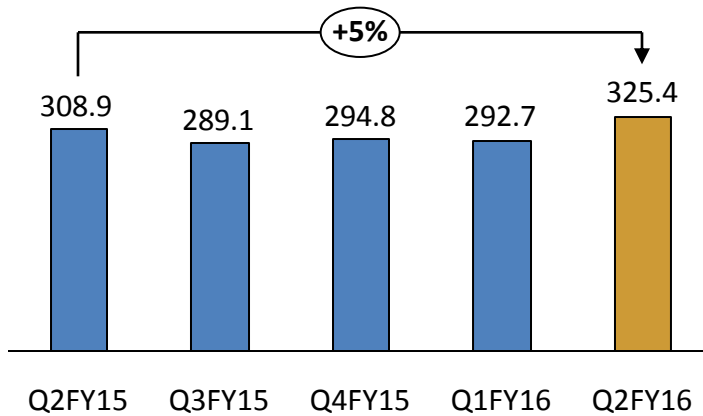


▶ Q2 FY16 Result Highlight

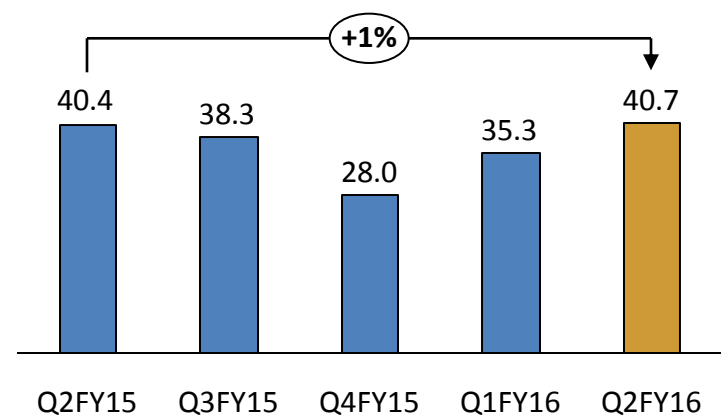
# Strong Sequential Recovery Underway - Consolidated



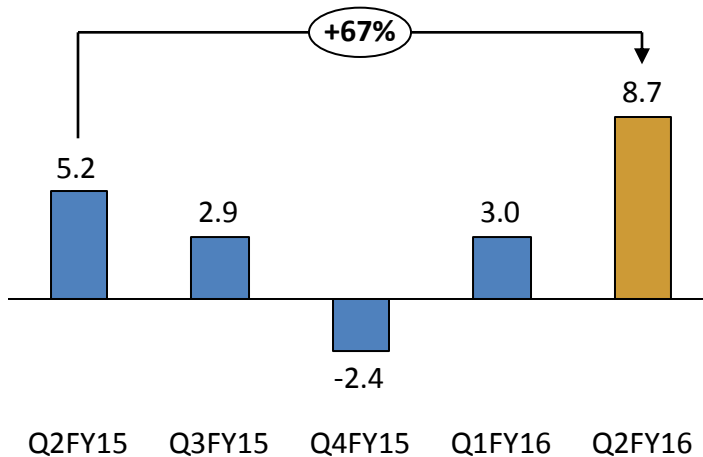
### Revenue Rs crs



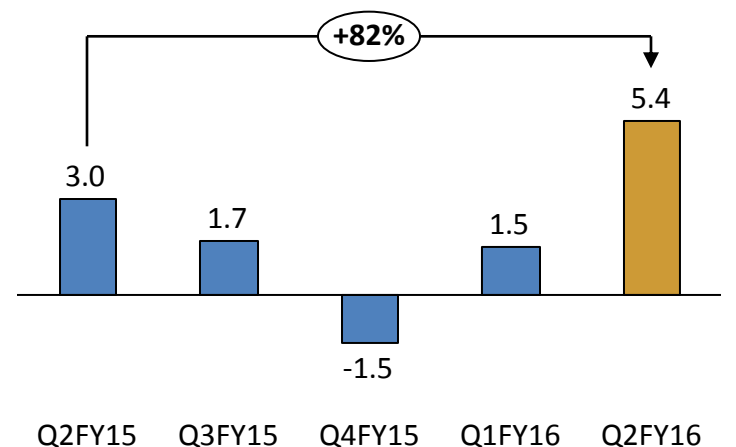
### EBIDTA Rs crs



### PBT Rs crs



### PAT Rs crs



## Q2 FY16 Results Highlights

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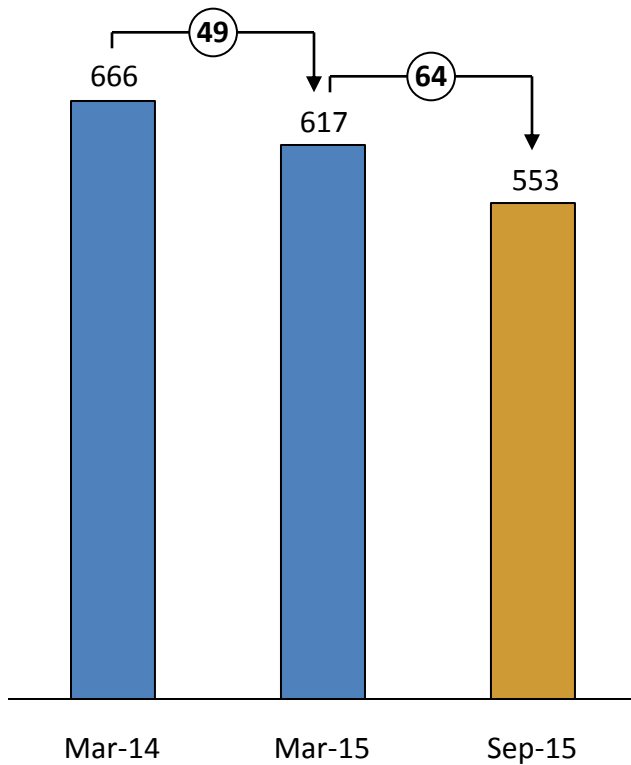


- ▶ Revenue growth of 1% to Rs. 325 crores
  - Revenues loss form Coach logo business and dissolving of Carreman JV impacting sales
- ▶ Better realisations from Garmenting and Fabrics business led to improvements in Gross Margins
- ▶ EBITDA grew by 8% to Rs. 40.7 crores
  - EBITDA margin expanded by 80bps to 12.5%
- ▶ Finance expense lower by 8% to Rs. 19 crores
  - Net Debt reduction of Rs. 64 crores to Rs. 553 crores
- ▶ PAT grew by 83% to Rs. 5.4 crores
- ▶ Focus on retail Garmenting and Fabric to future drive growth
- ▶ Good initial break thorough in market like Japan which can be leveraged going forward using Banswara's Product Differentiation and Cost Innovation Strategy
- ▶ Company has made additional investment worth of Rs. 1 crore during the quarter in Treves Banswara Private Ltd. And now the total investment is Rs. 3.6 crore

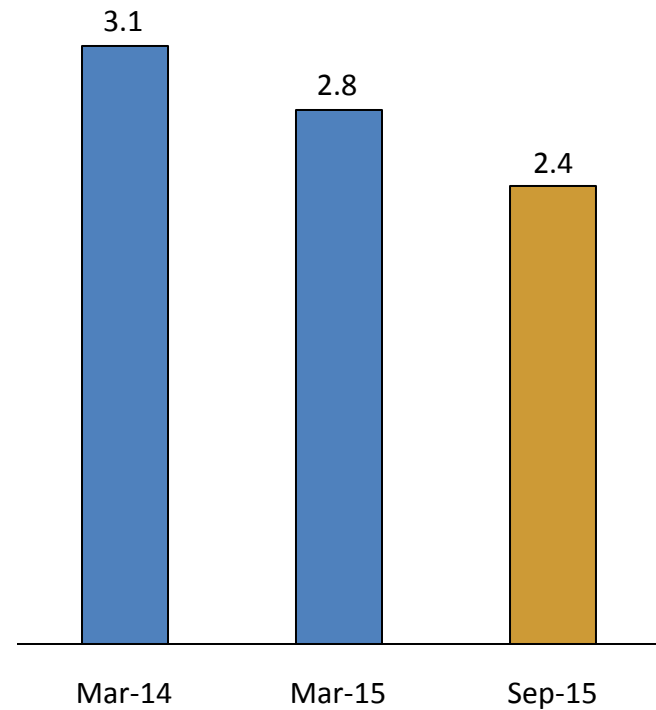
# Debt Repayment on Schedule



Net Debt Rs. crs



Debt:Equity Ratio



Net Debt includes Current Maturity of Debt

# Consolidated Q2 & H1 FY16 P&L Highlights



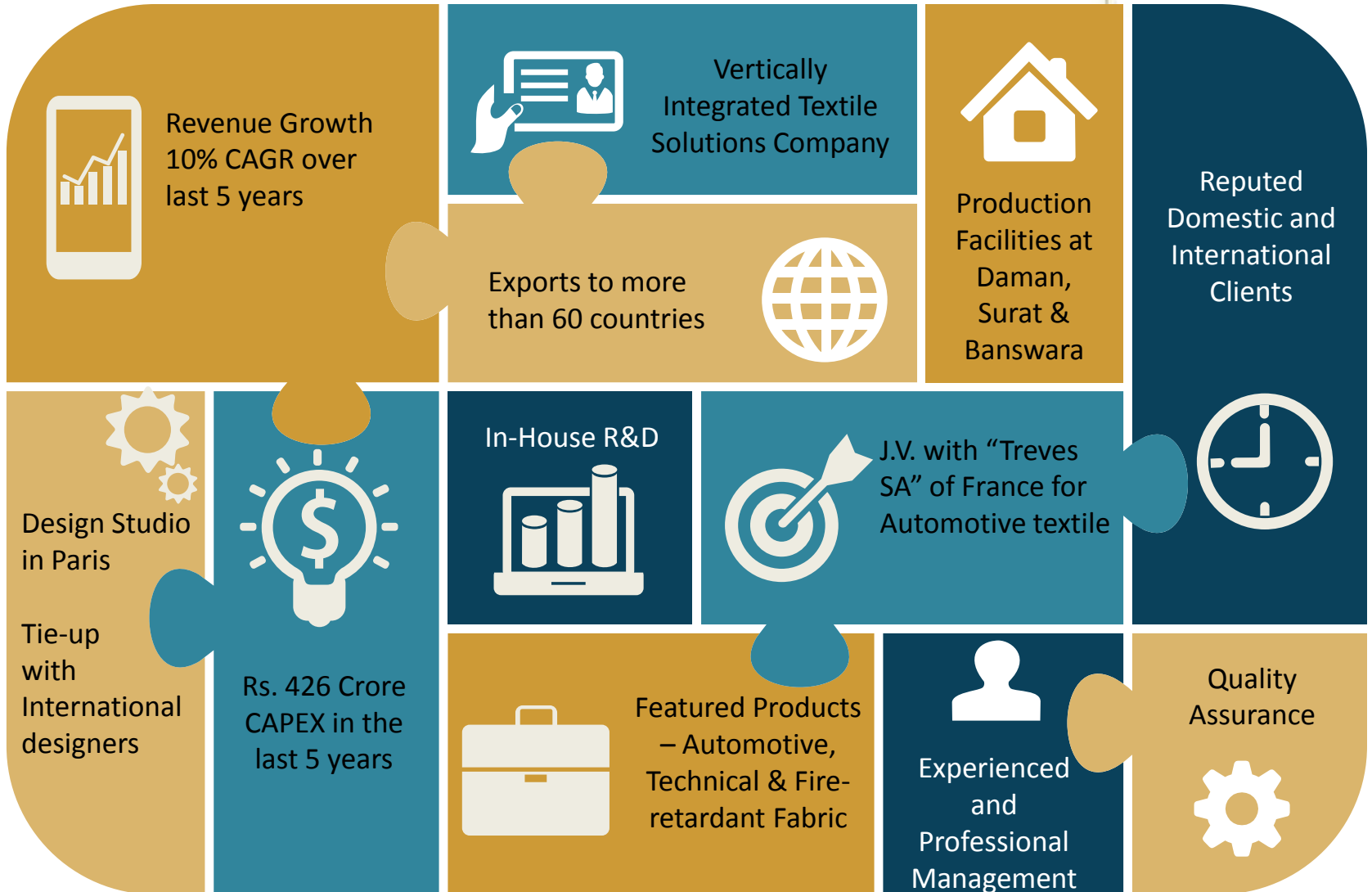
Rs Crs	Q2 FY16	Q2 FY15	Y-o-Y	H1 FY16	H1 FY15	Y-o-Y
<b>Total Operating Income</b>	<b>325.4</b>	<b>321.5</b>	<b>1%</b>	<b>618.1</b>	<b>621.3</b>	<b>-1%</b>
Raw materials	158.4	159.6		299.5	312.6	
Employee Exp	50.9	47.8		96.7	90.6	
Other Expenses	75.3	76.4		145.8	141.9	
<b>EBIDTA</b>	<b>40.7</b>	<b>37.7</b>	<b>8%</b>	<b>76.1</b>	<b>76.1</b>	<b>-</b>
<b>Margin %</b>	<b>13%</b>	<b>12%</b>		<b>12%</b>	<b>12%</b>	
Other Income	2.1	4.6		5.2	8.9	
Depreciation	15.2	16.6		30.1	30.7	
Finance Cost	19.0	20.5		39.6	40.5	
<b>PBT</b>	<b>8.7</b>	<b>5.2</b>	<b>67%</b>	<b>11.6</b>	<b>13.7</b>	<b>-15%</b>
Tax	3.3	2.2		4.7	5.9	
<b>PAT</b>	<b>5.4</b>	<b>3.0</b>	<b>83%</b>	<b>6.9</b>	<b>7.8</b>	<b>-11%</b>
<b>PAT Margin</b>	<b>2%</b>	<b>1%</b>		<b>1%</b>	<b>1%</b>	

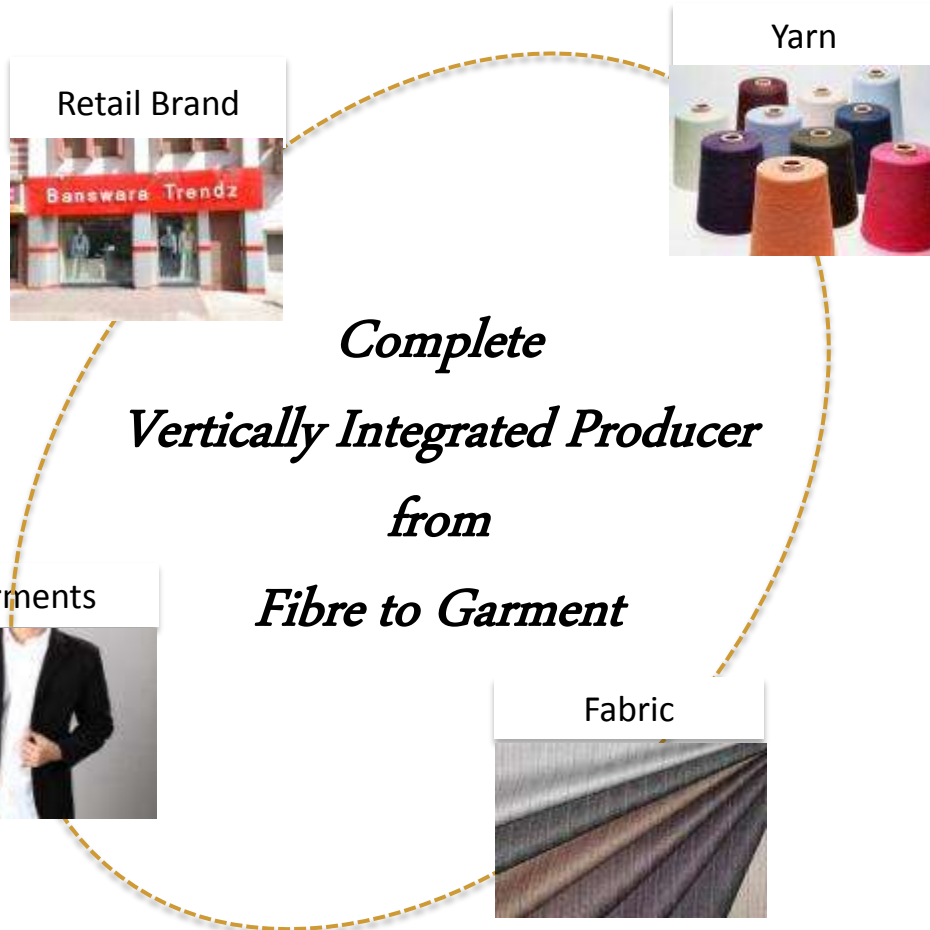


► About Banswara Syntex Ltd



# Business Snapshot





## Yarn

- Produces blends of viscose staple fibre, polyester staple fibre, acrylic staple fibre, lycra, cotton, linen and wool
- Production Capacity – 35,460 tons pa
  - 33,300 tons - polyester blended dyed yarns
  - 2,160 tons - wool mix yarn

## Fabrics

- Produce Hi-Quality Hi- Performance Textile wear finished fabric
- Manufactures 3 mn mts p.m. of suiting fabric for Domestic & Exports Markets

## Garments

- Garmenting Units: Daman & SEZ Surat
- Specialise in Trousers , Jackets & Waist Coat production
- Manufacturing Capacity pcs/ month
  - Trousers & Suiting's– 3,45,000
  - Jackets & Waist Coats - 38,000

## Power Generation

- 2 Thermal Power Plants with capacity of 33 MW

# Evolution – Complete Textile Vertical



- Incorporated as a Joint Sector Co. with RIICO Ltd.
- Started Yarn production with 12,500 spindles
- Started production of **Readymade Garments**
- Started first unit of 18 MW captive thermal power plant
- Take over of manpower from Banswara Fabric Ltd
- 2<sup>nd</sup> unit of 15 MW thermal power plant
- Started wool & wool mixed fabrics brand "**SaintX**" - for formal wear
- Bought the complete stake in Carreman JV after increasing its skate to 80% in 2012



- Started cloth Weaving under brand **BANTEX**
- Amalgamation of Banswara Textile Mills Ltd. (BTM), an associate firm engaged in fabric finishing activity
- Entered into a 50:50 JV with Carreman, France
- Started production of **Made-up's** and **Worsted Spinning**
- Started **Jacquard** Weaving
- Started a **World Class Laboratory**
- Entered into **Joint Venture** with French Company "**Treves SA**" for Automotive Textiles

# Leadership Team



1

## Mr. R L Toshniwal – Chairman

- Masters degree in Textiles from Leeds University, UK
- 52 years experience in Textile Industry
- On the board of four other companies
- Held the positions of Chairman of RTMA and SRTEPC
- Ex-President of Indian Spinners Association

2

## Mr Rakesh Mehra – Vice Chairman

- Chartered Accountant from ICAI
- 29 years experience in Textile Industry
- Responsible for the entire commercial and financial activities with an emphasis on yarn Export and Automotive Fabric Business
- Holds the position of Chairman of SRTEPC

3

## Mr. Ravindra Kumar Toshniwal – Managing Director

- B.Tech (Chem.) from IIT, Mumbai
- Undertaken OPM Course of Harvard University, USA
- 25 years of experience in Textile Industry
- Responsible for the overall activities of the company with an emphasis on export of fabrics

4

## Mr. Shaleen Toshniwal – Joint Managing Director

- Business Management from Bentley College, USA
- Over 11 Years of experience in Textile Industry
- Responsible for Readymade Garment business of the Company

# Board of Directors

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**Mr. R. L Toshniwal**  
*Chairman*

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**Mr. Rakesh Mehra**  
*Vice-Chairman*

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**Mr. Ravindra Kumar Toshniwal**  
*Managing Director*

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**Mr. Shaleen Toshniwal**  
*Joint Managing Director*

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**Mr. Parduman Kumar**  
*Independent Director*

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**Mr. D P Garg**  
*Independent Director*

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**Dr. S B Agarwal**  
*Independent Director*

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**Mr. Vijay Kumar Agarwal**  
*Independent Director*

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**Mr. Kamal Kishore Kacholia**  
*Independent Director*

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**Mr. Vijay Mehta**  
*Independent Director*

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**Mr. A N Jariwala**  
*Independent Director*

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**Dr. Vaijayanti Pandit**  
*Independent Director*

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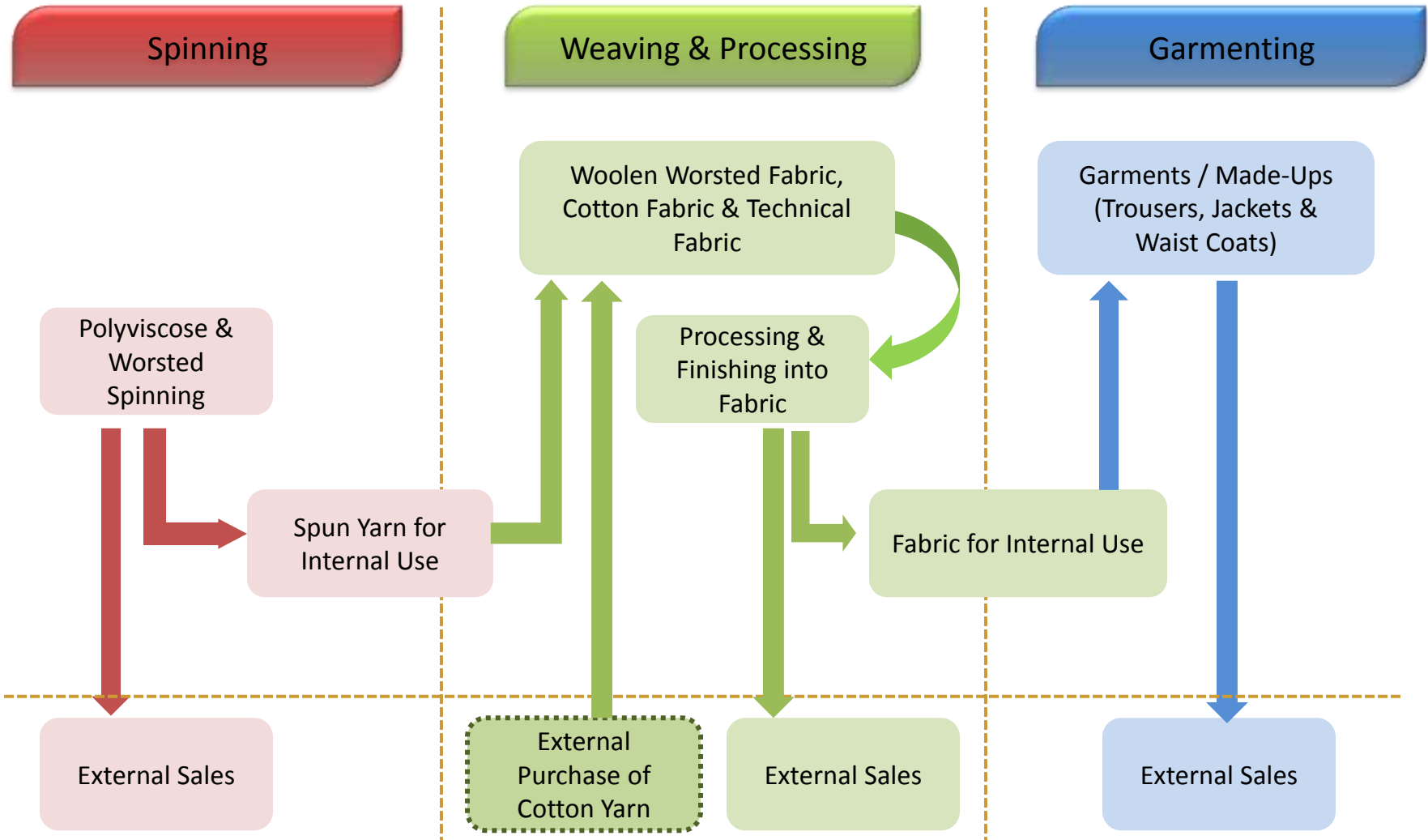
**Mr. Arun Agarwal**  
*Additional Director*

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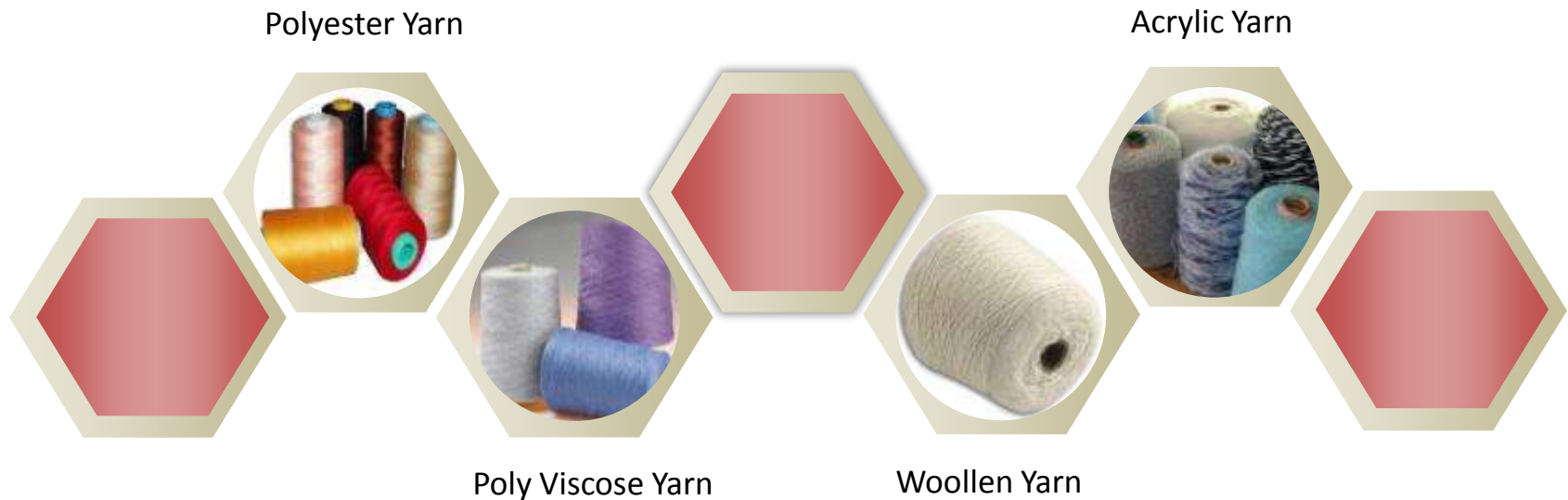


► Business Overview

# Business Model (Process)



- ▶ One of the largest single-mill setups producing spun fibre-dyed yarns in Asia
- ▶ Specialties include :
  - P/V Dyed Yarn - Rigid and Lycra, 100% Acrylic Yarn, Worsted Yarn with blends like P/W and P/W/Lycra
  - Specialty Yarn - Grindle and Slub in Dyed form
- ▶ 90% of production consists of fibre-dyed yarns
- ▶ Capacity – 35,460 tons yarn p.a.





# Fabric

- ▶ Hi-Quality Hi-Performance Textile wear finished fabric for both Domestic and Exports
  - Leadership in Poly Viscose and Poly Viscose Lycra for Suiting
  - **Presence Across:** *Worsted, Wool Specialties, Viscose, Poly Viscose, Poly Viscose Lycra, Cotton Suiting and Shirting*
- ▶ Our Speciality Textiles include:
  - **Technical Textile** - Coatings & Lamination on fabrics
    - Shiny & Waxy Coating
    - PU coating on Fabric for Water Repellent and Stain Release
    - Breathable Water Proof membrane coating on Fabric
    - Expertise in Three-Layer Fabric for Defence
  - **Flame Retardant Fabric**
- ▶ 50:50 J.V. with “Treves S.A.” of France for **Automotive textile**
  - Fabric Cut Panels used for Automobile
  - Laminated Fabric for Interior of Automobiles
- ▶ **In-House Design Studio** for Fabric Design and Development in India and Paris

Poly Viscose Fabric



Worsted Fabric



Cotton Fabric



Fire Retardant



Automotive



Technical Fabric



# Readymade Garments



- ▶ Specialties:
  - **Formal Trousers** – Water Repellent and Stain Release
  - **Suits** – In depth know-how in Lined and Unlined 3-Piece Suiting
  - **Casuals** - Enzyme Washed/Bleached Casual Bottoms & Jackets
- ▶ Garmenting units – Daman and Surat SEZ
  - Installed capacity for 3.45 lakh Trousers & Suiting's and 37,500 Jackets & Waist Coats p.m
- ▶ Retail Focus:
  - A completely vertically integrated Mill with Specialized line dedicated to Trouser and Jacket Production
  - Own Formal & Casual merchandise under "**Integration**" and "**SaintX**" brands
  - Operates 4 factory outlet stores in India



# Domestic Clientele



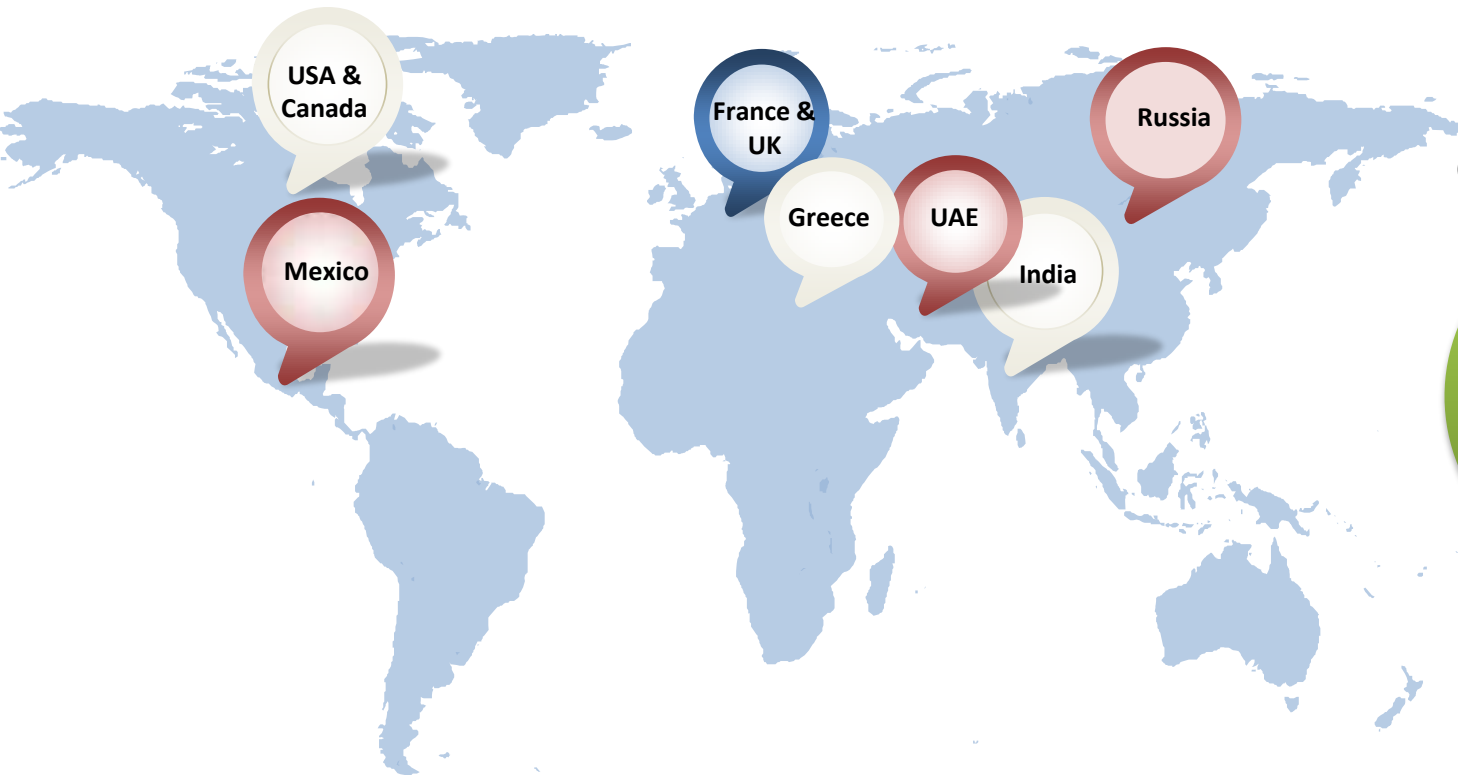
## E-Commerce Clients:



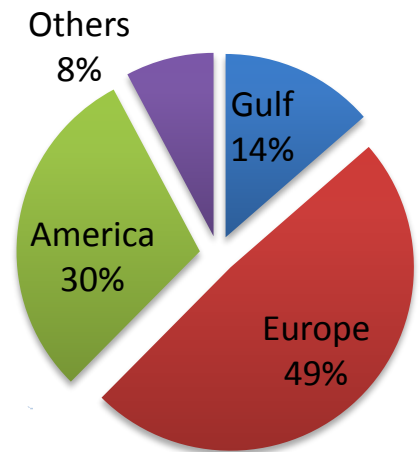
# International Clientele



*Increasing presence in Garmenting Space*



**Geographical Export  
break up FY15**



**Exports to more than 60 countries**



► Manufacturing Capability

# Manufacturing Facilities



**Surat SEZ Unit**



**Thermal Power Plant**



**Daman Facility**



**Banswara Facility**

*Invested over Rs. 14 crores towards expansion and modernization of Surat SEZ over 5 years*

# Manufacturing Capabilities



**Spinning Unit**



**Weaving Unit**



**Dyeing Unit**



**Garmenting Unit**

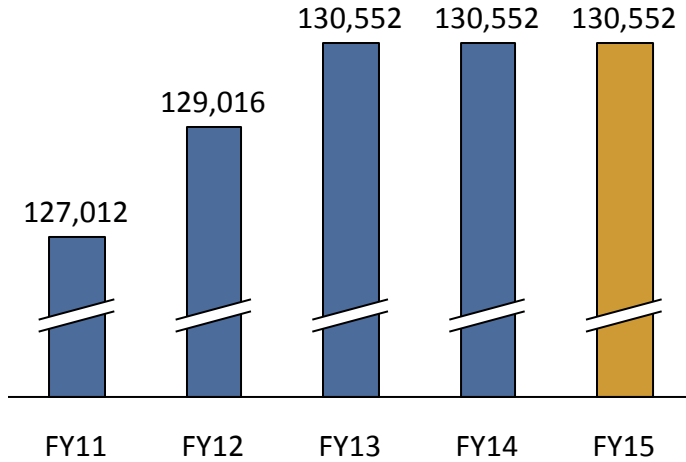
*Invested over Rs. 425.7 crores towards expansion and modernisation during the last 5 years*



# Spinning and Yarn

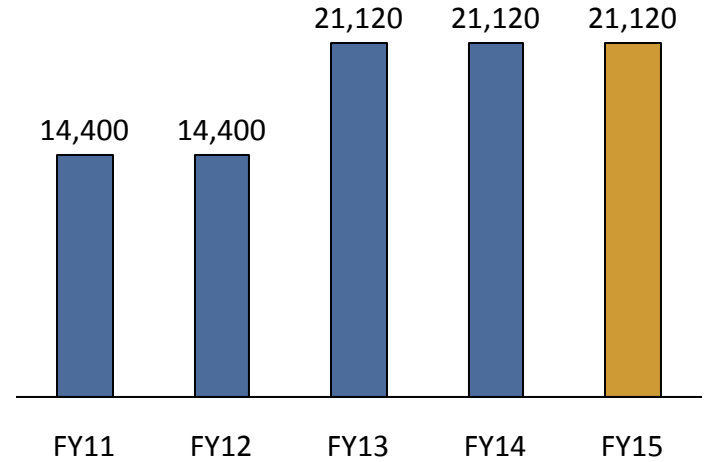


Synthetic Blended Yarn

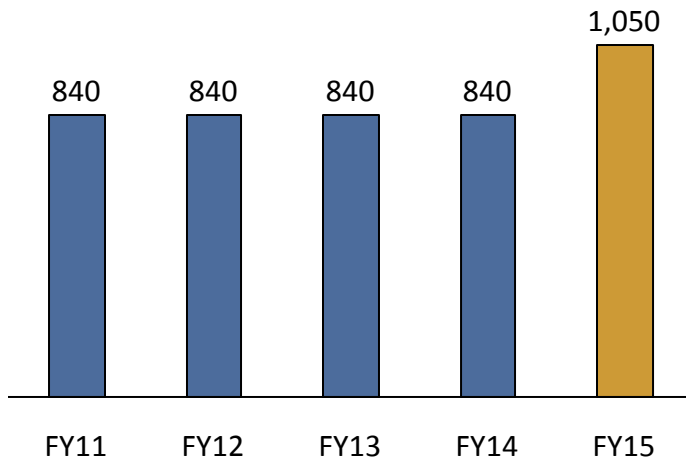


Spinning (Spindles)

Worsted Yarn

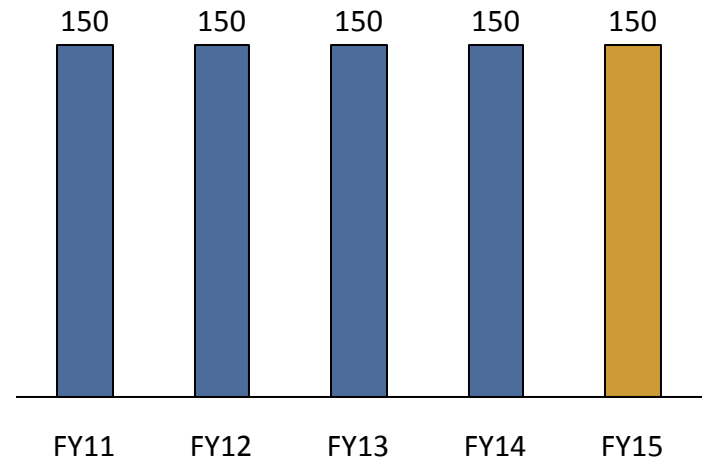


Fiber & Wool Dyeing



(MT/month)

Yarn Dyeing

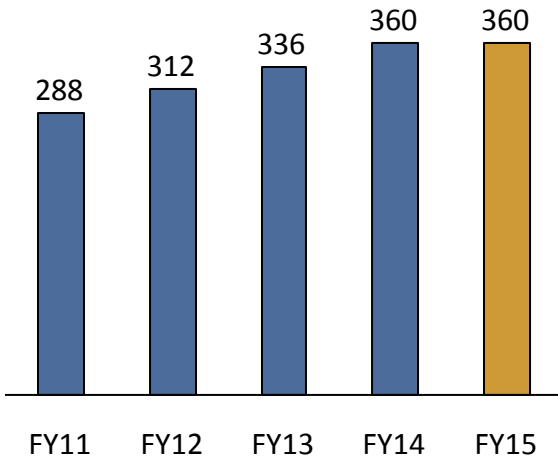


# Fabric Weaving and Processing



## Capacity in Lac Mtrs/Year

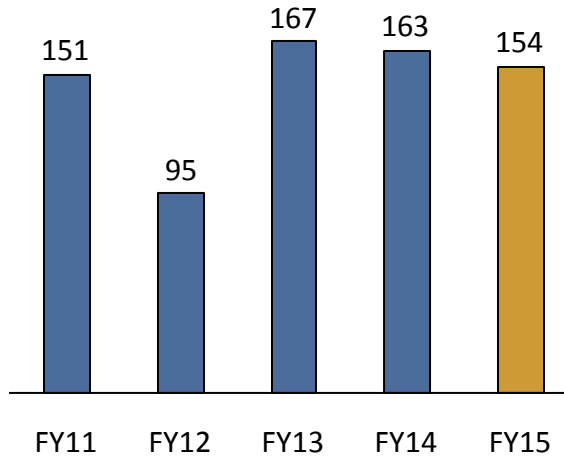
Fabric Weaving



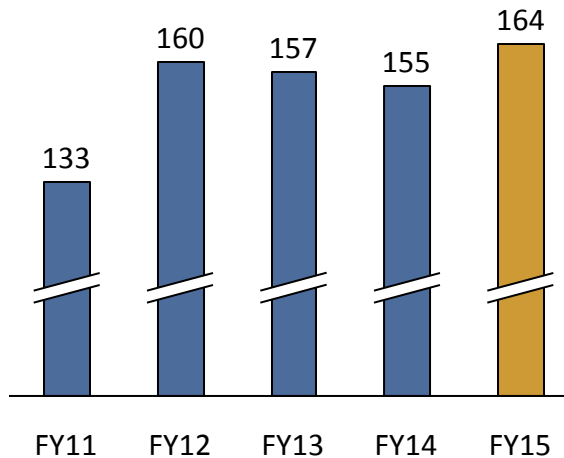
**Fabric Processing Capacity of 600 Lac Mtrs/Year**

## Sales in Lac Mtrs/Year

Commodity Fabric

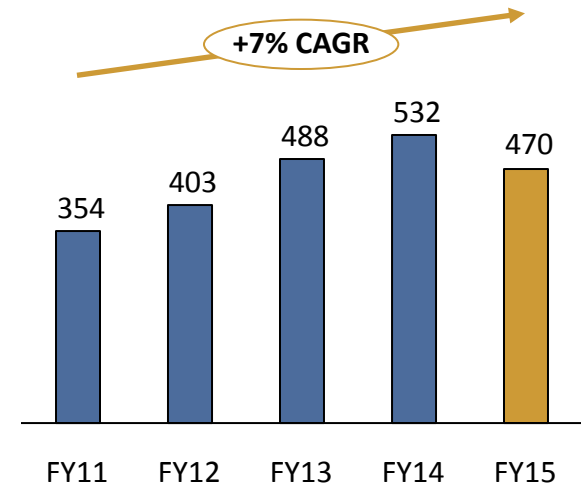


Value Added Fabric



## Revenue in Rs Crores

Fabric Weaving

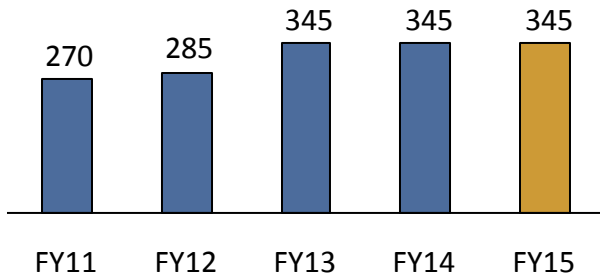


# Garmenting

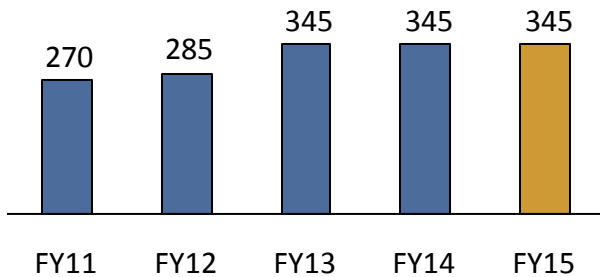


Capacity in '000 pcs/month

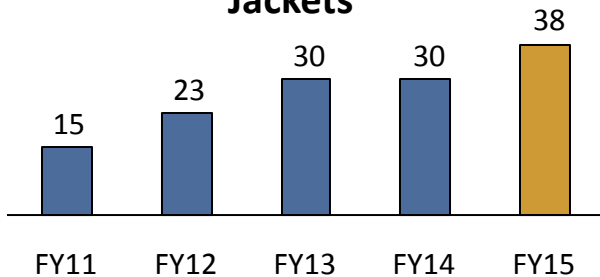
## Trousers



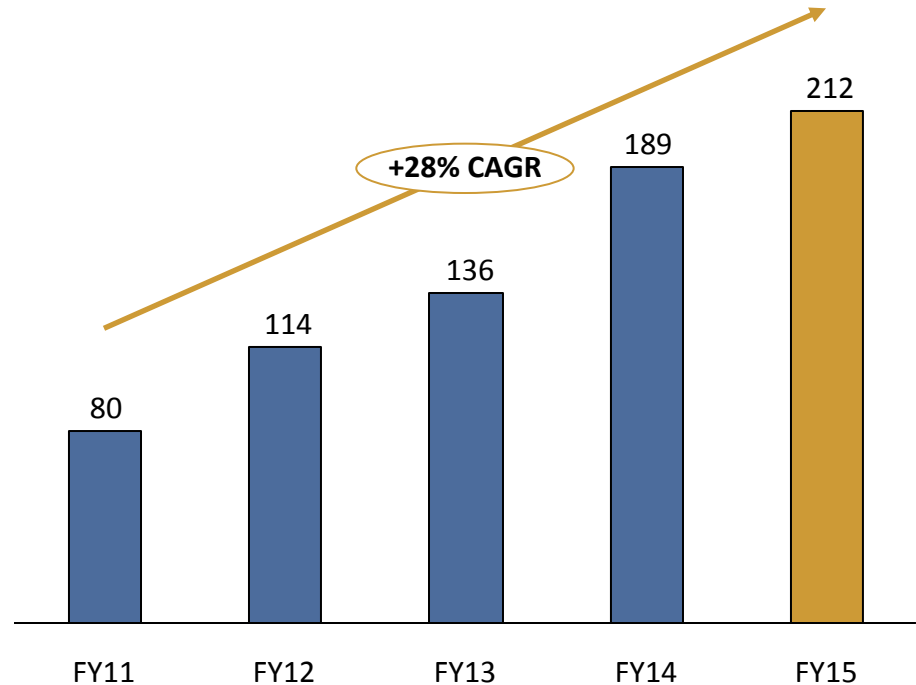
## Suiting



## Jackets



Garmenting Sales (Rs Crores)



# In-House Research & Development



- ▶ World class fabric testing laboratory as per ISO, AATCC, ASTM, LS & Co., M & S etc. testing protocol
- ▶ Achieved accreditation of Levis & Co., Marks & Spencer and undergoing ISO 17025 NABL accreditation
- ▶ Computer software for developing new designs for manufacturing of Jacquard fabric
- ▶ In House Design Studio in India and France





- ▶ First laboratory in the country to be approved by Marks & Spencer, UK and Levis Strauss & co., USA
- ▶ Golden trophy for BEST EXPORTER of "Synthetic and Rayon Spun Fabric Silver Trophy for SECOND BEST Exporter
- ▶ Accredited partner for Semi-Luxury bag brand "Coach" for three years in a row from India

***Highest Export performance awards from The Synthetic & Rayon Textile Export Promotion Council in the Following Categories***

2011-12 / 2012-13 / 2013-14: Best Export Performance in Synthetic & Rayon Spun Fabrics

2010-11: Best Export Performance in Synthetic & Rayon Spun Fabrics

2009-10: Best Export Performance in Man-Made Fibre Blended Fabrics

2008-09: Best Export Performance in Acrylic Yarn

2008-09: Best Export Performance in Man-Made Fibre Blended Yarn

2008-09: Best Overall Export Performance SRTEPC Special Award



► Business Strategy

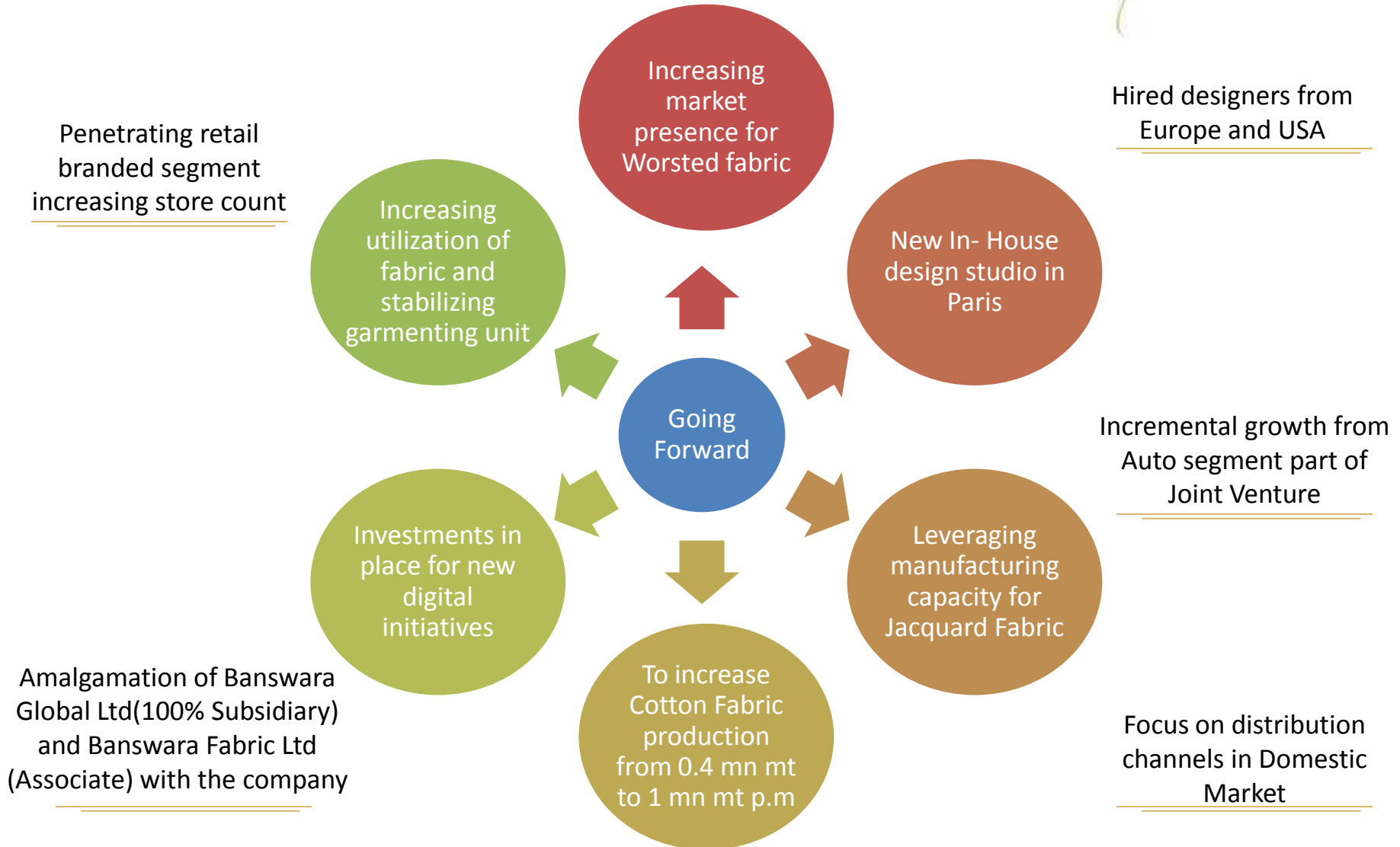
# Business Initiatives...



**Impacting Profitability**

- Major Capex Completed
- Established Own Design Studio and Marketing Network in Europe
- Consolidating Product Portfolio in Fabrics
- Established worsted & Cotton fabric Marketing
- Value added Technical Textile
- Utilisation of increased capacities in Jackets & Suites
- Entered 50:50 JV with for Automotive Textiles

# ...creating Future Drivers







► Detailed Financial Performance

# Standalone Quarterly P&L Highlights



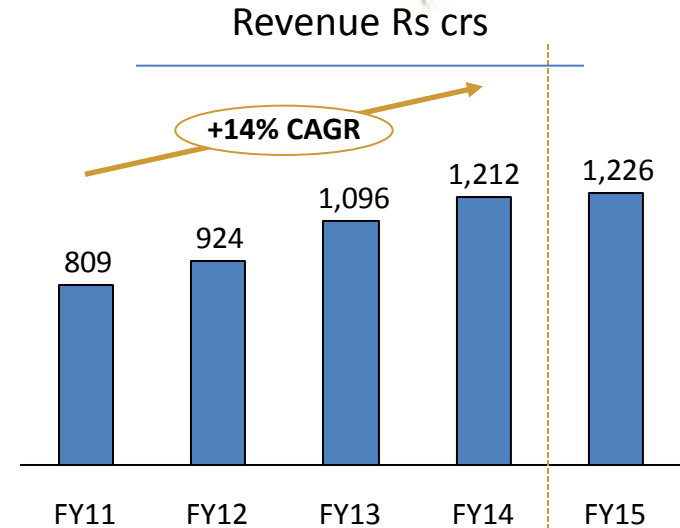
Rs Crs	Q2 FY16	Q2 FY15	Y-o-Y	H1 FY16	H1 FY15	Y-o-Y
<b>Total Operating Income</b>	<b>324.2</b>	<b>320.9</b>	<b>1%</b>	<b>615.7</b>	<b>620.7</b>	<b>-1%</b>
Raw materials	157.5	159.1		297.7	312.7	
Employee Exp	50.1	46.9		95.1	89.1	
Other Expenses	76.6	77.8		148.2	144.3	
<b>EBIDTA</b>	<b>39.9</b>	<b>37.0</b>	<b>8%</b>	<b>74.8</b>	<b>74.6</b>	<b>0%</b>
<b>Margin %</b>	<b>12%</b>	<b>12%</b>		<b>12%</b>	<b>12%</b>	
Other Income	2.1	4.6		5.2	8.8	
Depreciation	14.5	16.0		28.5	29.1	
Finance Cost	19.0	20.5		39.5	40.4	
<b>PBT</b>	<b>8.7</b>	<b>5.2</b>	<b>66%</b>	<b>11.9</b>	<b>14.0</b>	<b>-14%</b>
Tax	3.2	2.2		4.8	6.0	
<b>PAT</b>	<b>5.4</b>	<b>3.0</b>	<b>80%</b>	<b>7.1</b>	<b>7.9</b>	<b>-10%</b>
<b>PAT Margin</b>	<b>2%</b>	<b>1%</b>		<b>1%</b>	<b>1%</b>	

# Standalone Operating Performance



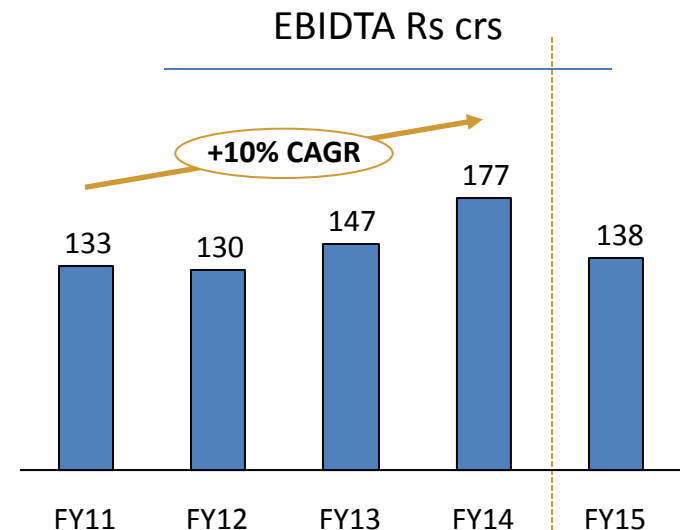
## FY15 Revenue impacted due to

- ▶ Delay in stabilization of Worsted fabric unit
- ▶ Loss of Coach Logo business to the tune of Rs 50 crores
- ▶ Dissolved Joint Venture with Carreman



## FY15 EBIDTA impacted due to

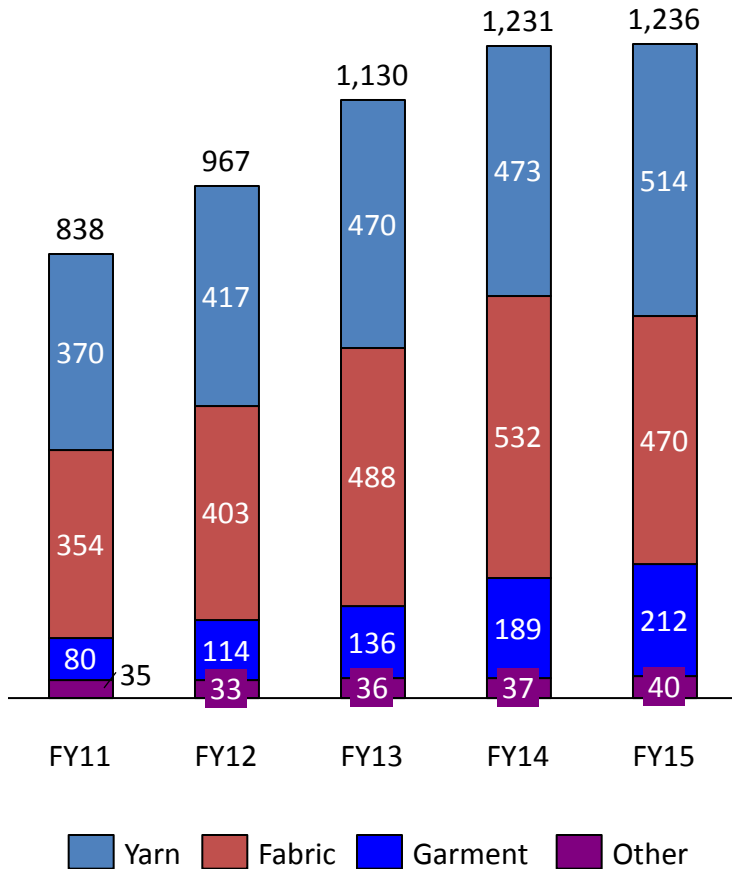
- ▶ Investments in employee base in Garmenting, Retailing and Design Studio
- ▶ Discontinuation of High margin Coach Logo Business and Carreman JV
- ▶ Lower Realization and Inventory loss due to fall in Polyester prices



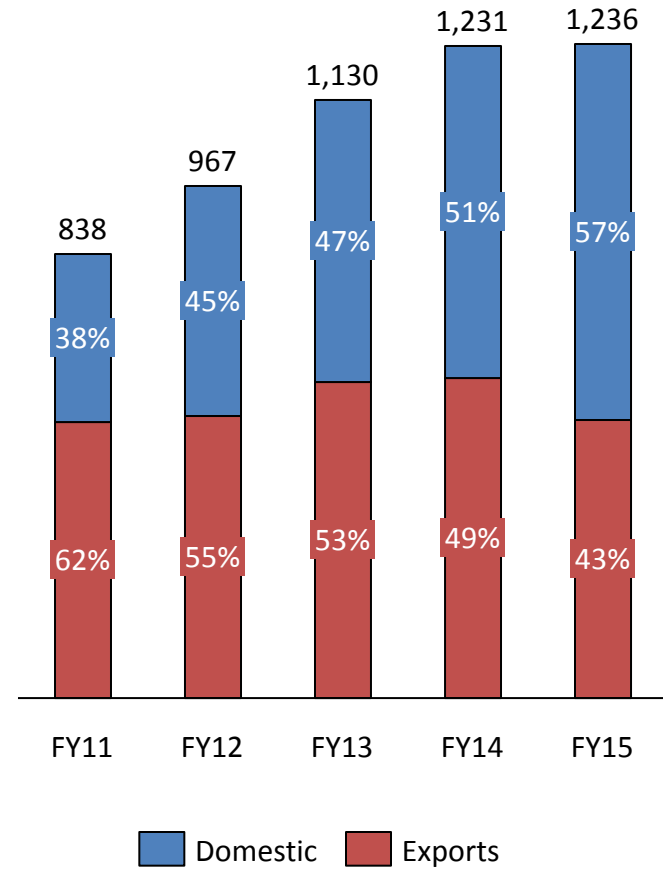
# Standalone Revenue Performance



## Segment Gross Revenue Rs crs



## Geographic Gross Revenue Rs crs



# Consolidated Annual P&L Highlights



Rs Crs	FY15	FY14	Y-o-Y
<b>Total Operating Income</b>	<b>1230.6</b>	<b>1215.4</b>	<b>1.3%</b>
Raw materials	617.2	581.6	
Employee Exp	183.5	162.3	
Other Expenses	288.9	293.5	
<b>EBIDTA</b>	<b>140.9</b>	<b>178.0</b>	<b>-20.8%</b>
<b>Margin %</b>	<b>11.45%</b>	<b>14.65%</b>	
Other Income	17.0	4.2	
Depreciation	62.6	53.7	
Finance Cost	81.0	81.5	
<b>PBT</b>	<b>14.4</b>	<b>47.0</b>	
Tax	6.4	21.2	
<b>PAT</b>	<b>8.0</b>	<b>25.8</b>	<b>-68.9%</b>
<b>PAT Margin</b>	<b>0.65%</b>	<b>2.13%</b>	

# Consolidated Balance Sheet



Rs. Cr.	Sep 15	Mar 15
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders Funds</b>	<b>231</b>	<b>221</b>
Share Capital	17	16
Reserve & Surplus	214	204
Money received against share warrants	0	1
<b>Minority Interest</b>	<b>0</b>	<b>0</b>
<b>Total Non-current Liabilities</b>	<b>288</b>	<b>315</b>
Long-term borrowings	235	263
Deferred tax liabilities	40	42
Other Non-current liabilities	13	11
<b>Total Current Liabilities</b>	<b>522</b>	<b>542</b>
Short Term Borrowings	280	303
Trade Payables	146	139
Other Current Liabilities	81	86
Short Term Provisions	15	13
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1041</b>	<b>1078</b>

Rs. Cr.	Sep 15	Mar 15
<b>ASSETS</b>		
<b>Non-Current Assets</b>	<b>518</b>	<b>535</b>
Fixed Assets	506	525
Non current investment	1	1
Long term loans & Advances	5	4
Other non Current Assets	5	5
<b>Current Assets</b>	<b>523</b>	<b>543</b>
Inventories	314	330
Trade Receivables	142	139
Cash	22	17
Short Term Loans & Advances	24	22
Other Current Assets	21	35
<b>TOTAL ASSETS</b>	<b>1041</b>	<b>1078</b>

**For further information, please contact:**

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**Investor Relations Advisors :**

Strategic Growth Advisors Pvt. Ltd.  
CIN: U74140MH2010PTC204285

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