



Banswara Syntex Ltd

Investor Presentation

July 2022

This presentation has been prepared by and is the sole responsibility of **Banswara Syntex Limited** (the “Company”). By accessing this presentation, you are agreeing to be bound by the trailing restrictions.

This presentation does not constitute or form part of any offer or invitation or inducement to sell or issue, or any solicitation of any offer or recommendation to purchase or subscribe for, any securities of the Company, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or commitment thereof. In particular, this presentation is not intended to be a prospectus or offer document under the applicable laws of any jurisdiction, including India. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Such information and opinions are in all events not current after the date of this presentation. There is no obligation to update, modify or amend this communication or to otherwise notify the recipient if the information, opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

Certain statements contained in this presentation that are not statements of historical fact constitute “forward-looking statements.” You can generally identify forward looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “objective”, “goal”, “plan”, “potential”, “project”, “pursue”, “shall”, “should”, “will”, “would”, or other words or phrases of similar import. These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results, performance or achievements to differ materially include, among others: (a) our ability to successfully implement our strategy, (b) our growth and expansion plans, (c) changes in regulatory norms applicable to the Company, (d) technological changes, (e) investment income, (f) cash flow projections, and (g) other risks.

This presentation is for general information purposes only, without regard to any specific objectives, financial situations or informational needs of any particular person. The Company may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person of such change or changes.



Q1 FY23 Highlights



Message from Managing Director



Commenting on the Results, Mr. Ravindra Kumar Toshniwal, Managing Director said, “ I am quite pleased with our business performance this quarter. Historically Q1 has been a sluggish quarter but it gives me immense pleasure to see that we were able to deliver at par with Q4FY22 which is the strongest quarter.

Domestic demand is expected to remain strong while we could see some uncertainty in exports due to recession fears. India should sail through this recession that may occur in the Western countries.

Talking about the future, our garment division orderbook is full until March 23. Fabric demand is moving towards speciality products like piece dyed products and high-end wool fabrics. The demand for fabric should pick up in upcoming quarters.

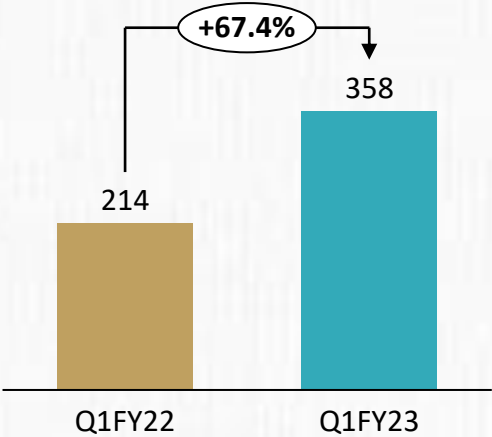
Power costs are expected to remain elevated for some time and the company is trying to adopt Bio-mass as an alternative means. The company has initiated testing of its viability on a small Thermo pack machine. If successful, we will move towards using biomass as fuel for higher capacity boilers too. The entire exercise is expected to take about 2-3 quarters.

Sustainability remains a key parameter, and we are constantly taking efforts on improving it. We are trying to reduce dependence on coal and are moving towards Solar Power and Biomass. We are upgrading the ETP and STP plants and aiming to reduce the wastage of Water at all manufacturing locations. Continuous efforts are being made to use more of recycled polyester as Raw material.”

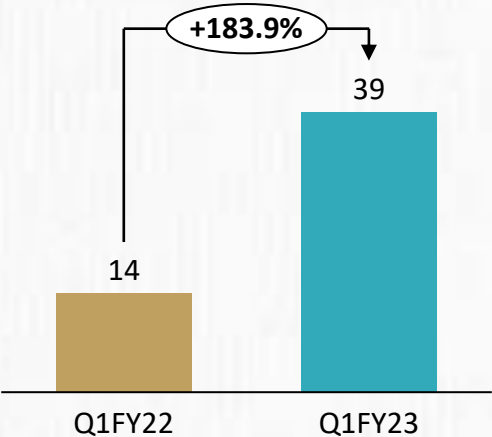
Q1 FY23 Highlights



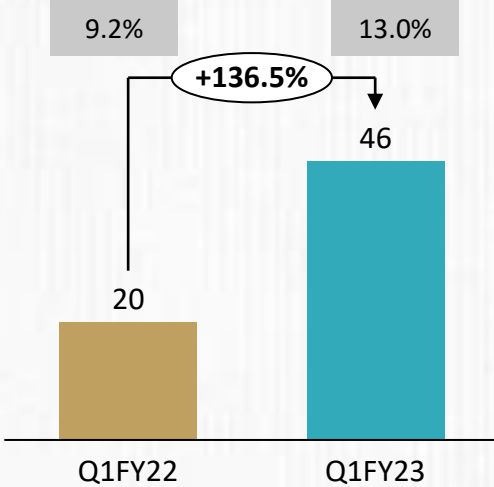
Total Income*



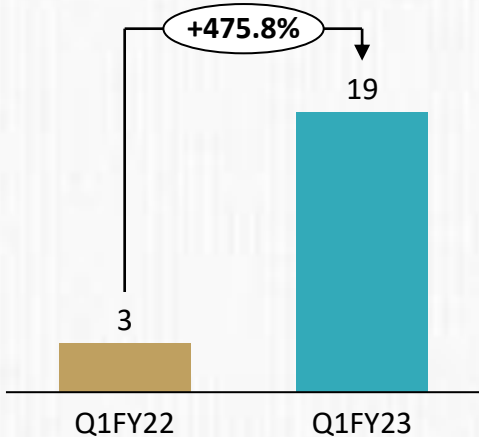
PBDT*



EBITDA*



PAT



■ Represents EBITDA Margins

*includes other income

Key Developments

1

Proportion of the high margin value-added business (Fabric and Garments) has increased to 57.4% of the total sales in Q1FY23 as compared to 55.8% in Q4FY22

2

Proportion of exports dropped to 48% of total sales in Q1FY23 as compared to 51% in Q4FY22, with the export of Fabrics seeing the highest % decline of 12% in exports sales mix. This is majorly due to the seasonal variations in demand in the Western markets

3

Production levels at the Fabric division have witnessed a minor increase of 1% whereas the garments division has produced 6% more jackets and trousers, on a Q-o-Q basis. The yarn division was already running at optimum production levels

4

Other expenditure has reduced by 0.40% as compared to Q4 majorly due to additional costs in Q4FY22 on account of re-export orders. Further, there has been a reduction in packing material costs from 1.76% of Production Value in Q4FY22 to 1.51% in Q1FY23

5

Optimum capacity utilization across divisions has helped the company maintain and improve its margins

6

As an ESG initiative, company is trying to reduce dependence on coal and is moving towards Solar Power and Biomass

Standalone Profit and Loss Statement

Rs. in Crs.	Q1 FY23	Q1 FY22	YoY	Q4 FY22	QoQ	FY22
Revenue from Operations	355.5	212.2	67.5%	367.4	-3.2%	1,189.8
Other Income	2.7	1.6		5.6		17.0
Total Income	358.1	213.9	67.4%	373.0	-4.0%	1,206.7
Total Expenditure						
Raw materials cost	146.4	86.2		167.8		526.9
Employee Expense	66.3	46.9		62.7		220.9
Power & Fuel	52.0	29.1		46.7		159.6
Other Expenses	46.9	32.0		47.4		163.4
EBIDTA	46.5	19.6	136.5%	48.4	-3.9%	136.0
Margin %	13.0%	9.2%		13.0%		11.3%
Depreciation	9.9	10.9		9.9		41.9
Finance Cost	7.6	6.0		6.5		24.8
Exceptional Item (Gain) / Loss	-0.4	0.2		-0.1		-2.7
PBT	29.4	2.6	1040.3%	32.0	-8.1%	72.0
Tax	10.4	-0.7		12.5		25.3
PAT	19.0	3.3	475.9%	19.4	-2.2%	46.8
PAT Margin %	5.3%	1.5%		5.2%		3.9%
EPS (Rs)	11.12	1.94		11.36		27.31
*Production Value	380.6	234.6		372.5		1226.5

Employee Cost:

- Employee costs have increased by 0.58% as compared to Q4 majorly on account of increments, as well as the increase in the employment at the garmenting division

Power Cost:

- The company has incurred an additional cost of Rs. 5.3 Crores on power and fuel as compared to the previous quarter. The per GCV price of coal has increased which has led to an increase in the Power & Fuel costs
- To moderate the increasing Power and Fuel cost, the company has undertaken the following steps:
 - Endeavoring to bring in a single 132 KVA electricity line replacing the TPP
 - Evaluation of Bio-mass as an alternative means of Power
 - Commissioning of 4MV of Solar power project

Finance Cost:

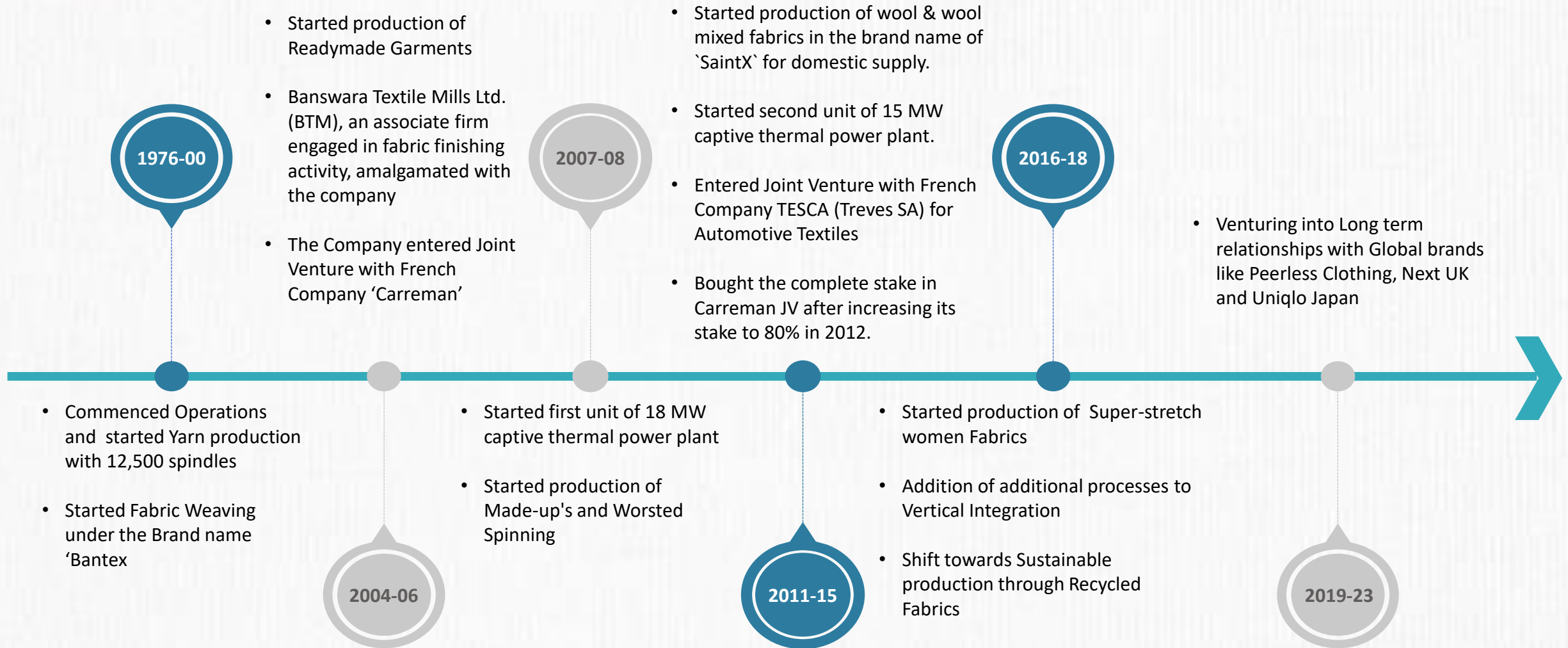
- The increase in finance cost is majorly on account of increased inventories, increased debtors, and increased utilization on account of capital expenditure



About US

Our Specialty is Value Added Textiles

Our Journey



Our Global Footprint



Incorporated in the year 1976
Offering Vertically Integrated
textile solutions

9,000+ Employees



**Experienced Design Teams
Design Studio in Collaboration
with Italy and France**

**In House R&D and State of
the art facilities**

**Consistent Dividend payout
since 2004-05**



**Exports to over 65+ countries across
the Globe**



**Long-Term Relationship with
Leading Global and Domestic
players**



**Global Customer Accreditations
and Quality Certifications**



**JV with TESCA of France for
Automotive fabrics**



Manufacturing Capabilities



Dyeing Unit



Spinning Unit



Weaving Unit



Garmenting Unit



YARN

3,060 Tonnes / month

Rs. 274 Crs.



FABRICS

Weaving- **2.7Mn** Meters/ month
Processing- **4.5Mn** Meters/
month

Rs. 192 Crs.



GARMENTS

3,25,000 Trouser & Suiting's/ Month
80,000 Jackets & Waste Coats/
month

Rs. 57 Crs.



POWER GENERATION

33 MW / Year (18 MW + 15 MW)

Rs. 51 Crs.

The Company owns

- 1,59,000 Spindles
- 400 Looms

Over Rs. 574 crores towards expansion and modernization between FY 2010 – March 2020

Strategically Located Facilities



*Manufacturing Facilities' proximity to raw material suppliers ensures **stable and sustainable supply***

*It also ensures **strong relationship with suppliers** while maintaining **need-based approach***

***Easy Availability** of skilled and Unskilled labour*

*Quality Infrastructure connectivity through Rails, Roads and Ports ensures **seamless dispatches to domestic markets and exports***

Leadership Team

Late Shri. Toshniwal Founder Chairman

- Founded the Company in the year 1976. Masters in Textiles from Leeds University, UK. 55 years of experience in the textile industry.
- Ex-Chairman of Rajasthan Textile Mills Association, Ex-President of Indian Spinners Association and Ex-Chairman of the Synthetic & Rayon Textile Export Promotion Council (SRTEPC)
- Besides Banswara Syntex Ltd., he was a member of the Board of Directors of many other Companies.



Mr. Rakesh Mehra
Chairman

- Chartered Accountant from ICAI
- 34 years experience in Textile Industry
- Responsible for the entire commercial and financial activities with an emphasis on yarn Export and Automotive Fabric Business
- Previously held the position of chairman of 'SRTEPC' and currently the deputy chairman of 'CITI'.



Mr. Ravindra Kumar Toshniwal
Managing Director

- B.Tech (Chem.) from IIT, Mumbai
- Undertaken OPM Course of Harvard University, USA
- 33 years of experience in the Textile Industry
- Responsible for the overall activities of the company with an emphasis on Fabrics Business
- Involved in Strategic decision making, drawing up of business plans and stakeholder management.



Mr. Shaleen Toshniwal
Joint Managing Director

- Business Management from Bentley College, USA
- Over 17 Years of experience in Textile Industry
- Responsible for Readymade Garment business, Thermal Power Plant operations and HR strategy of the Company.

Board of Directors



Mr. Rakesh Mehra

Chairman

Mr. Ravindra Kumar Toshniwal

Managing Director

Mr. Shaleen Toshniwal

Joint Managing Director

Mr. Parduman Kumar

Independent Director

Mr. D P Garg

Independent Director

Mr. J. M. Mehta

Independent Director

Mr. Vijay Mehta

Independent Director

Mr. Kamal Kishore Kacholia

Independent Director

Dr. S B Agarwal

Independent Director

Mr. Vijay Kumar Agarwal

Independent Director

Mr. David Vlerick

Independent Director

Dr. Vaijayanti Pandit

Independent Director



Business Segments



Yarn Business – The Building Block



Preferred Partner for the quality Focused Customers for Synthetic Blended Yarns

Multi-specialty Yarn range
with functional features

36,720 TPA Capacity

Stretch Yarns for weaving using
branded lycra and non-branded elastane

Production of blends made of
viscose staple fibre, polyester staple fibre, acrylic
staple fibre, lycra, cotton, linen, etc.

Received globally recognized certifications
including– GRS (Global Recycled Standard),
Oekotex, Environmental safety besides QMS,
ISO & social compliance

Use of high-end branded fibers
from globally accredited suppliers and brands like
Green Gold, Unifi, Liva, Eco Vero, Radianza
and Durashine

Post CoVID-19, and things settling down,
the Company expects to clock
Revenues of ~Rs.560 crores during **FY25**

GROWTH DRIVERS



Integration of Banswara products into supply
chains of larger brands



Getting into Niche markets with
Product re-engineering



Getting into volume markets with newer
products with better quality standards to
create product differentiation



Acquisition of new brands to
improve the overall product
portfolio

Fabric Business – The Growth Engine







Company is Focusing on High-Quality & Performance Fabrics

Current Presence	Expansion in Value Added Fabrics	Leveraging our advantages
<ul style="list-style-type: none"> Worsted Wool Specialties Viscose PV PV Lycra Cotton Suiting Shirting Automotive Textiles 	<ul style="list-style-type: none"> Stretch Fabrics for suiting and pants Fabrics for Jackets and Blazers for formal and semi formal wear Fancy jacquard fabrics Technical textiles Automotive textiles 	<ul style="list-style-type: none"> In-House Design Studio for Fabric Design and Development Strong Marketing capabilities in the Global Market Space Global delivery capabilities

Our Goals

- Newer markets and geographies like Japan and Korea
- Widening our customer base across geographies
- World class product development
- Shortening lead times by increasing our internal synergies.

Company sees favorable opportunities in production of Comfort fabric

- 
Flexibility in production due to best-in-class technology and state-of-art machineries
- 
Specialized in-house Yarn production ensure seamless flow of raw materials
- 
Reliability and Trust amongst big customers like **Peerless Clothing, Next UK and Uniqlo** due to our constant endeavor to deliver quality goods
- 
Constant R&D for developing value-added products to create value for both **global** and **domestic client** base
- 
Expertise in production of Bi-stretch and Knitted fabrics
- 
Versatile product mix providing a competitive edge

Fabric Business – Growth Plan



Venturing into production of Knitted fabrics

Increasing the market share in production of high value-added Technical Fabrics

Evaluation of production of fabrics for Automatives and Defense applications



Potential partnerships with synergistic benefits

To shorten lead times by partnering with garment manufacturers in the leading Asian manufacturing hubs such as Bangladesh Myanmar, Sri Lanka, Vietnam

Leverage our marketing abilities by partnering with established players in the women’s wear segment which will lead to incremental growth



USA

Deepen penetrations within brands with special emphasis on women’s wear category



Europe

Expand our reach to larger retail brands in Europe with special emphasis on new product development



Japan & Korea

Build relationships with key Brand and act as preferred supplier for stretch fabrics and premium wool fabrics

Developed strategic partnerships in UK to become their preferred Supplier

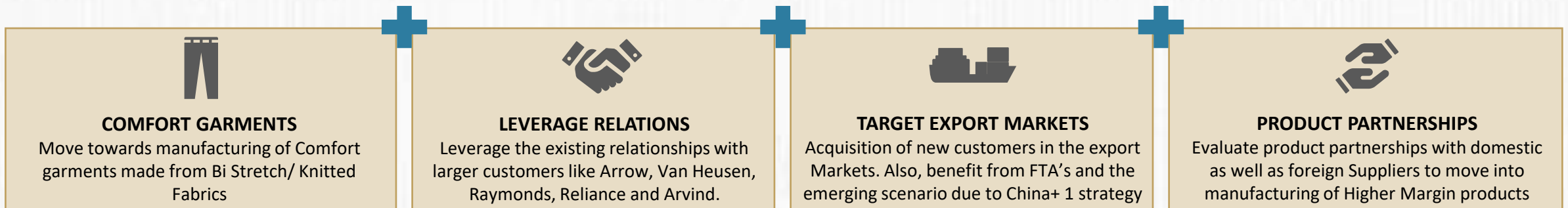
The Company Aims to be the Market Leader in Bi Stretch Fabrics

Garment Segment – Value Addition Division

Garments is one of the fastest growing segments in the Textile industry



GROWTH DRIVERS



Domestic Clientele



E-Commerce Clients



International Clientele

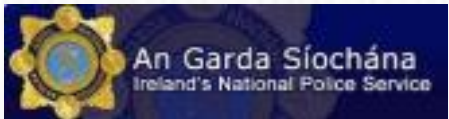
Working with some of the world's biggest names



PHILLIPS-VAN HEUSEN CORPORATION



Korea and Japan



CSR Activities



Creation of garden in Banswara to provide locals with a means of recreation

Cleaning of lake near the garden to increase the oxygen level of the water body. This has helped in the reduction of mosquitos and has brought back migratory birds



Creation of a walking path of 5 KM along the edge of the lake to promotes physical health and well-being of the people of Banswara

Creation of a learning center for migratory birds thereby developing in educational Interest of Banswara people



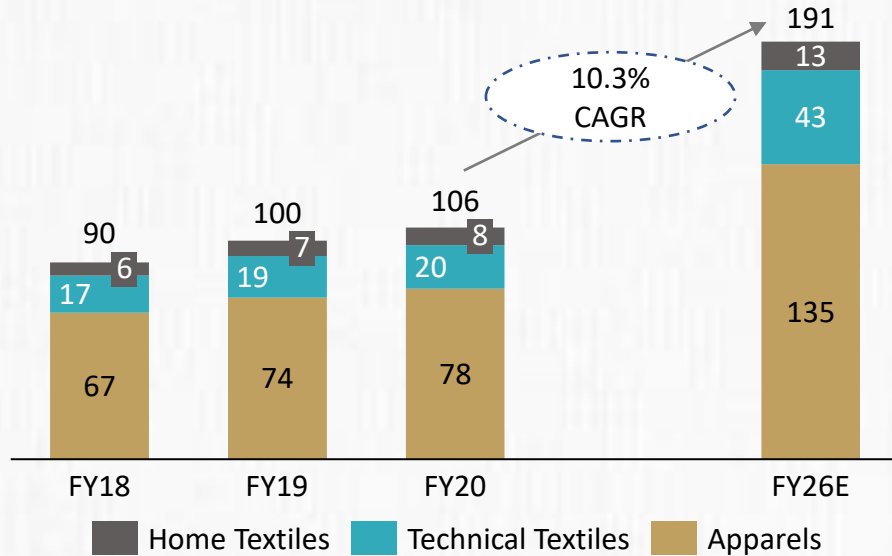


Strategic Focus & Outlook



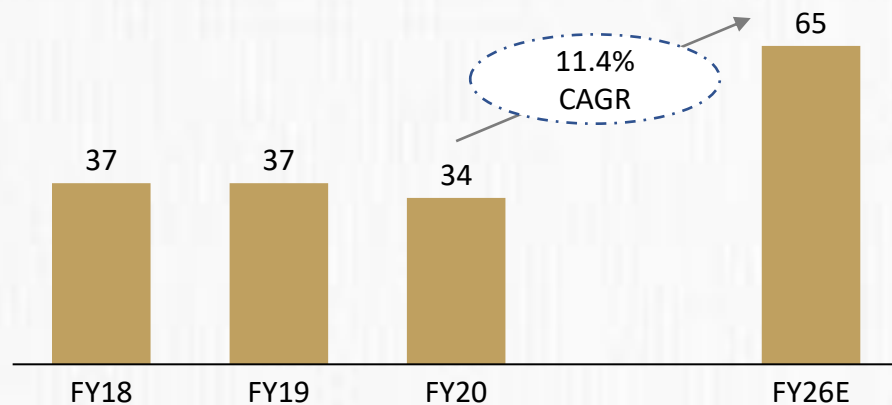
Industry expected to grow at ~11% CAGR over the next 5 years

Indian Domestic Apparels and Textiles Market (USD bn)



- Domestic textile and apparel industry faced a range of challenges post covid induced lockdowns; fall in retail sales, logistical disruptions, manufacturing shutdown and cancellation of orders
- However, post easing of the lockdowns, Industry recovered from these challenges
- The pace of recovery varied across the apparel categories mostly from low demand of occasional wear and formal wear, towards increased demand of casual wear, loungewear and inner wear due to the work from home culture.

Indian Apparels and Textiles Exports (USD bn)



- Indian **Domestic** textiles and Apparel market is expected to grow at ~**10% CAGR** over FY20-26E to USD 190 bn
- Indian textile and apparel **Exports** expected to grow at ~**11% CAGR** over FY20-26E to USD 65 bn

China +1 provides huge opportunity for Indian Textiles Industry



Why Banswara Syntex Limited?

Investment
Rationale



**Modernized
Outlook to
Textiles and
Fashion**



An illustration of a green and yellow textile machine, possibly a loom or a spinning machine, positioned at the bottom right of the card.

**Skilled Design
and Marketing
Teams**



An illustration of two people, a man and a woman, standing and talking. The man is wearing a white lab coat and the woman is wearing a white dress, suggesting a professional or design team.

**Competent
Leadership
Team**



An illustration of two people, a man and a woman, standing and talking. The man is wearing a red cap and the woman is wearing a white lab coat, suggesting a professional or leadership team.

**Transition to
Value Added
Products**



An illustration of two spools of thread, one red and one white, with a needle and thread nearby, representing value-added products in the textile industry.

**Focus on
Export and
Domestic
Markets**



An illustration of a map of India with a factory and a ship, representing focus on export and domestic markets.

**Vertically
integrated
business**



An illustration of a magnifying glass over a bar chart, representing a vertically integrated business.

**Consistently
Lowering Debt**



An illustration of stacks of gold coins with a red arrow pointing downwards, representing consistently lowering debt.

**40+ years of
Industry
Experience**

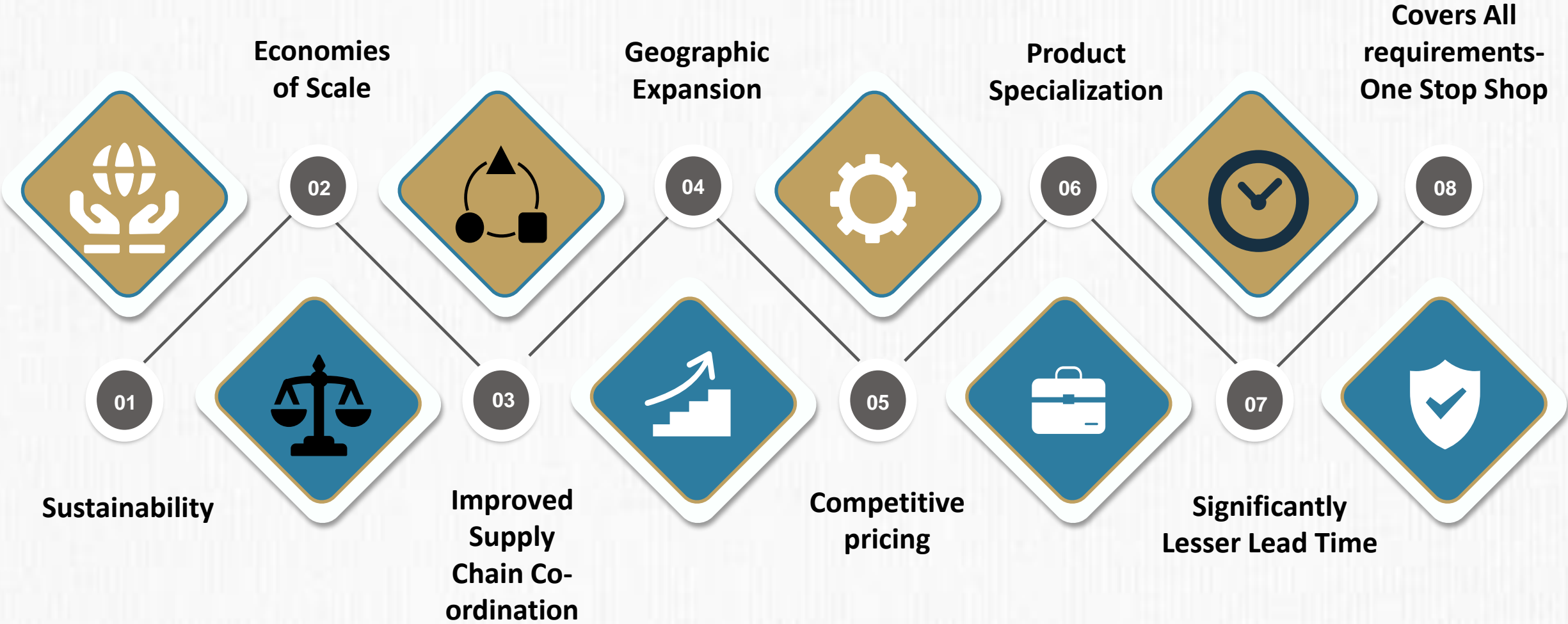


An illustration of a person in a suit sitting at a desk, representing industry experience.

Vertical Integration - A Game Changer for Banswara

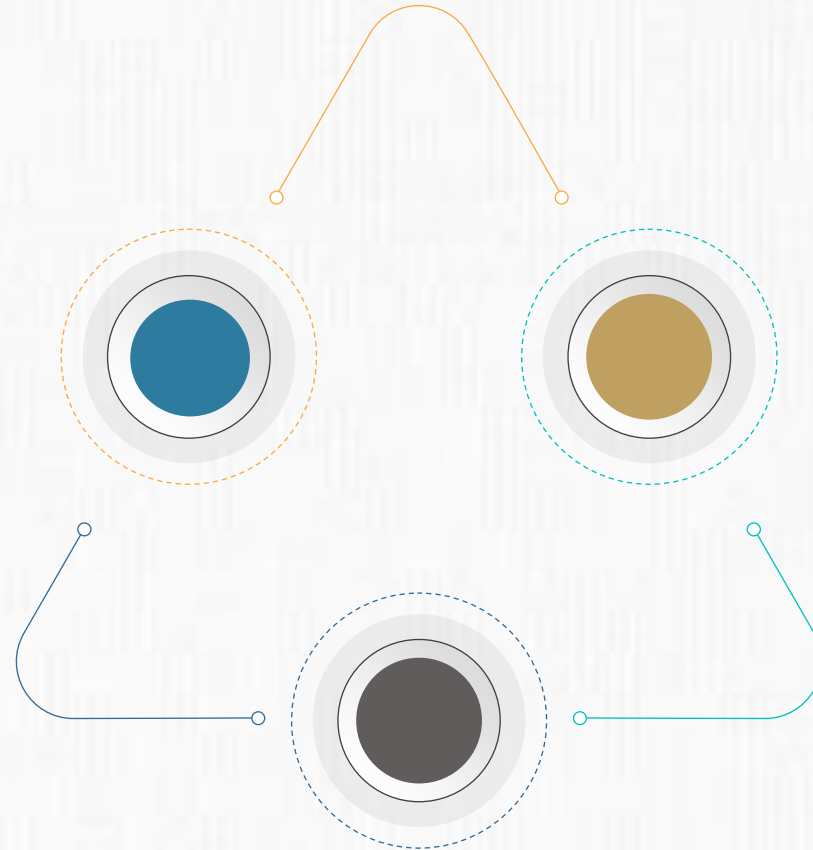


Benefits



Improvement in Capacity Utilization

- Demand improvement across textile value chain across domestic and International markets
- Order book visibility is high in fabrics & garments segments
- Target to increase own yarn consumption in fabrics



Increase in Value Added Products

- Structural shift in demand towards quality fabrics
- Product mix to move favorably towards value added products; to help improve overall margins

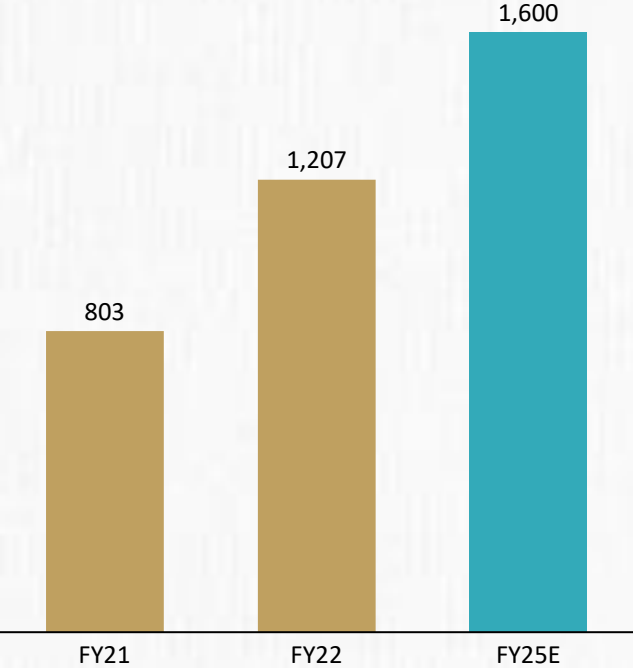
Cost Optimisation Measures

- Switched to grid power as thermal power cost has increased
- Looking to increase usage of solar power and targeting zero thermal power usage
- Improvement in productivity per person led to manpower cost opt capacity would help the company in significant cost savings
- Optimized travel, advertising costs
- Plants' strategic location ensures RM & Freight cost optimisation
- Increase in capacity utilization to reduce overall fixed expenses (as % of sales)

Shift from Yarn to Garment

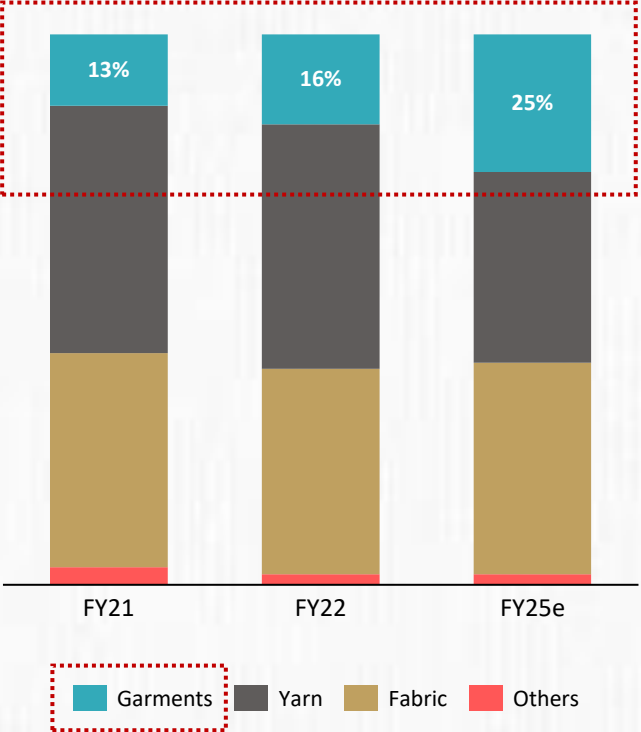


Revenues



CAGR 19%

Revenue Breakup

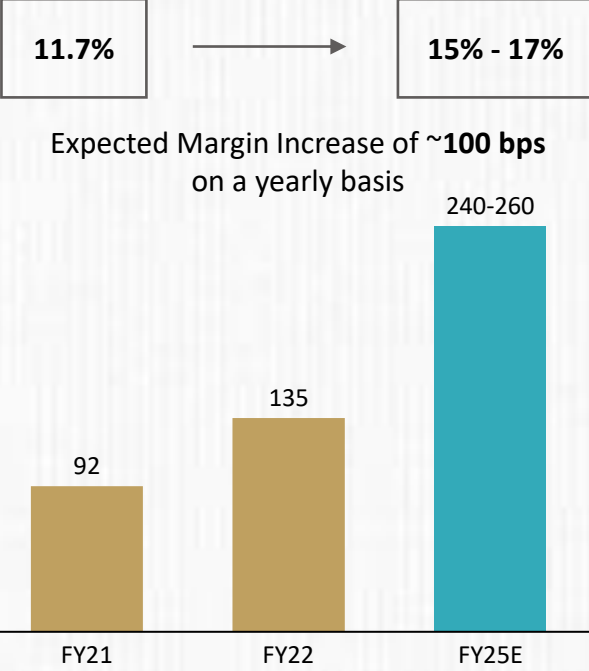


Legend: Garments (Teal), Yarn (Dark Grey), Fabric (Brown), Others (Red)

Target is to increase revenue contribution from **Garments Segment**

Banswara is well placed to capitalize its design & manufacturing capabilities to cater fast fashion market

EBITDA



11.7%

15% - 17%

Expected Margin Increase of ~100 bps on a yearly basis

CAGR 25% - 35%

Note: Revenues and EBITDA includes other income



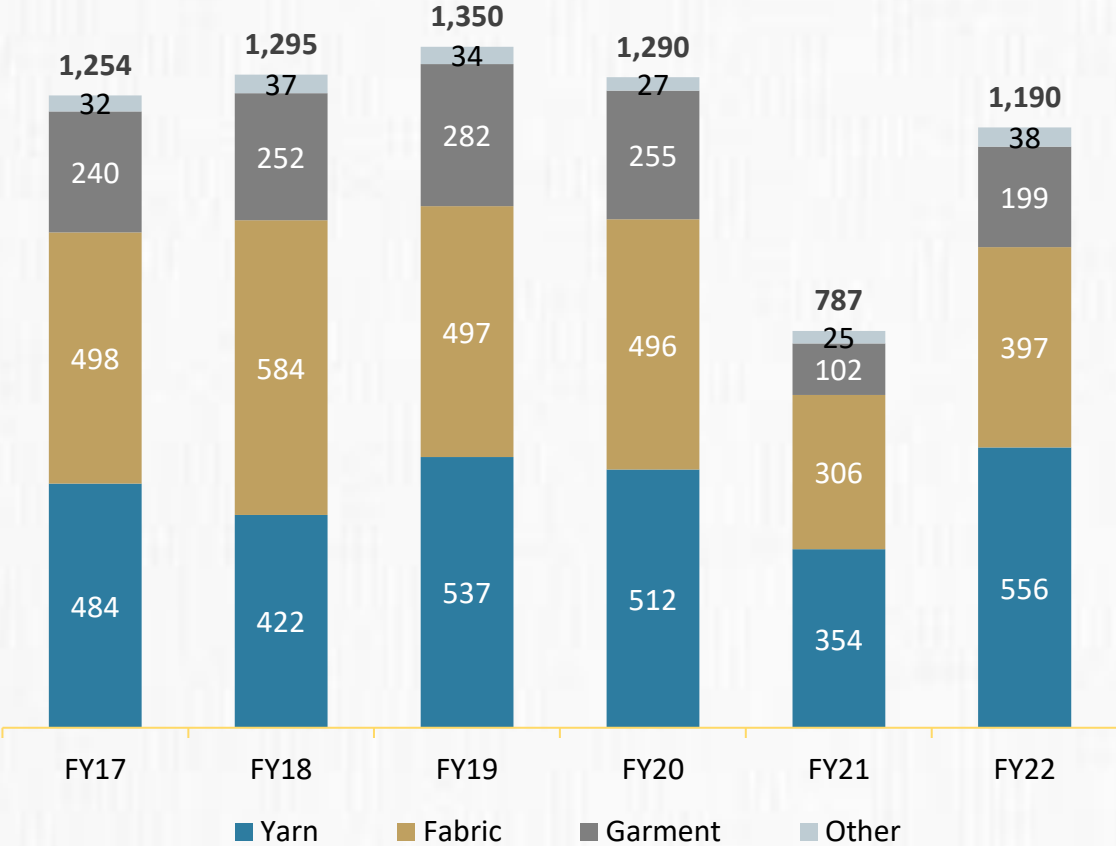
Financials



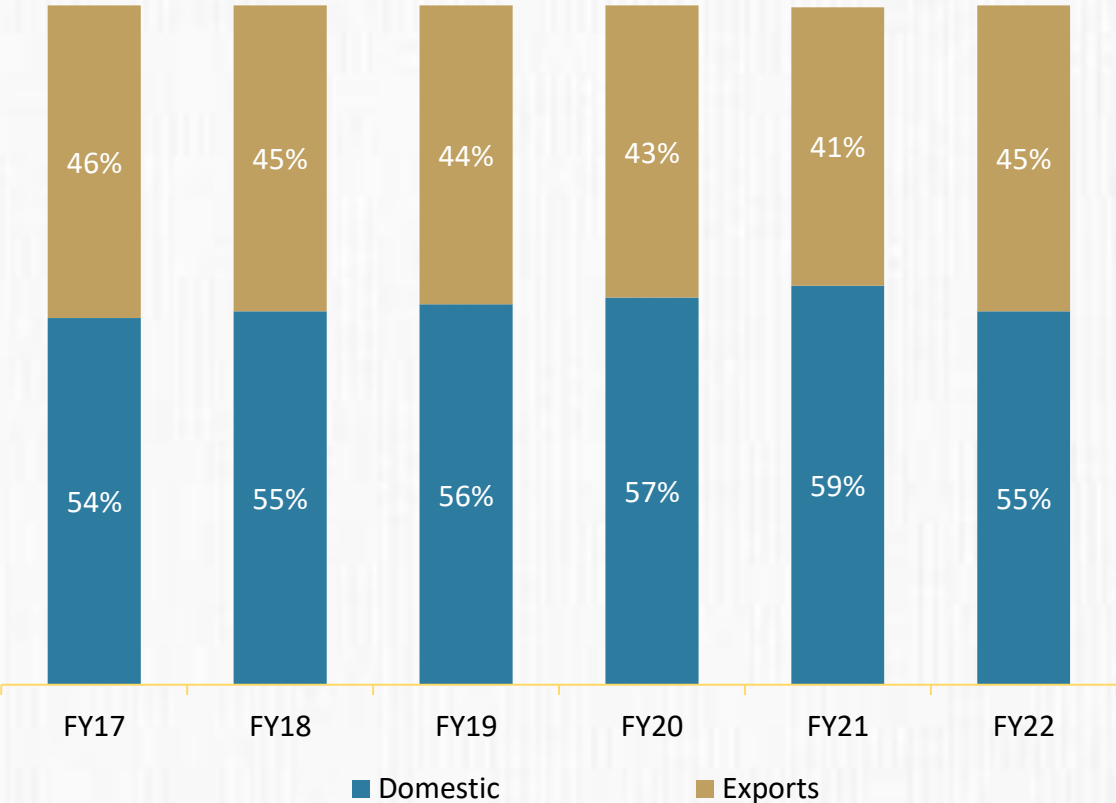
Revenue Mix – Segmental and Geography wise



Division-Wise Gross Revenue (Rs. in Crores)

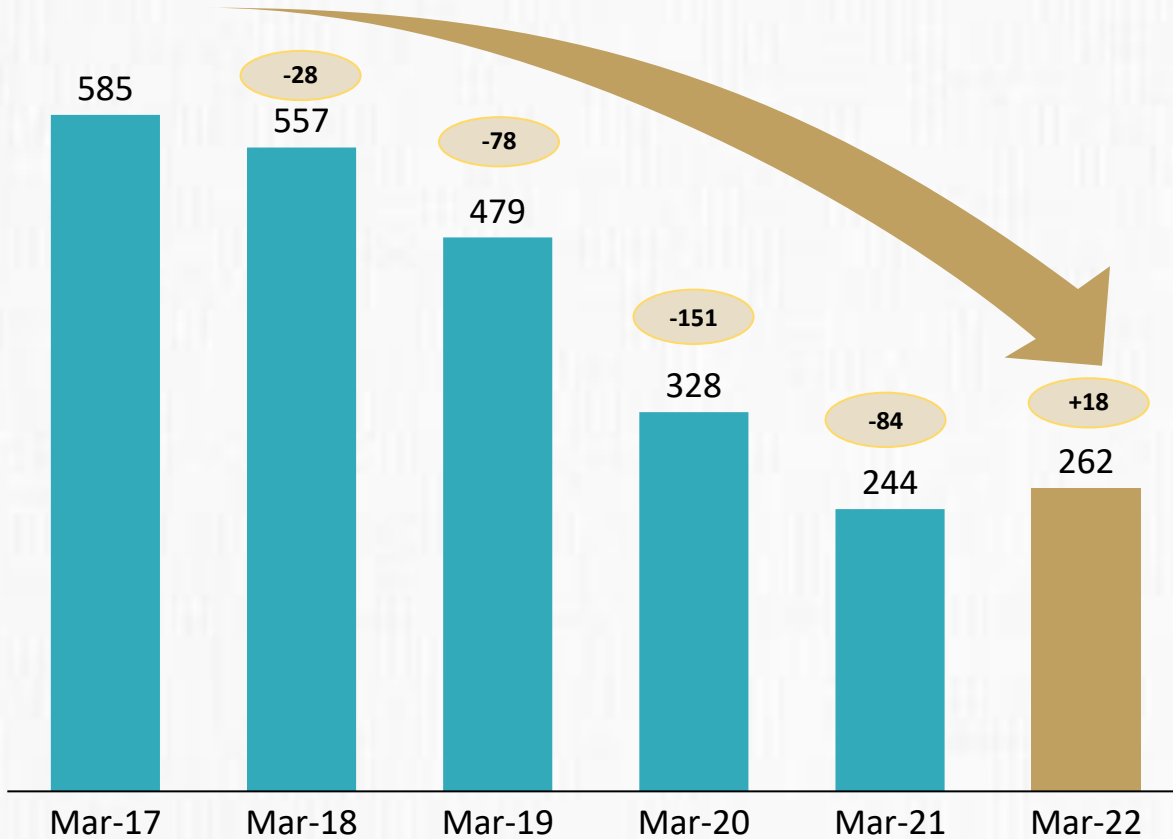


Geography-wise Gross Revenue (in %)

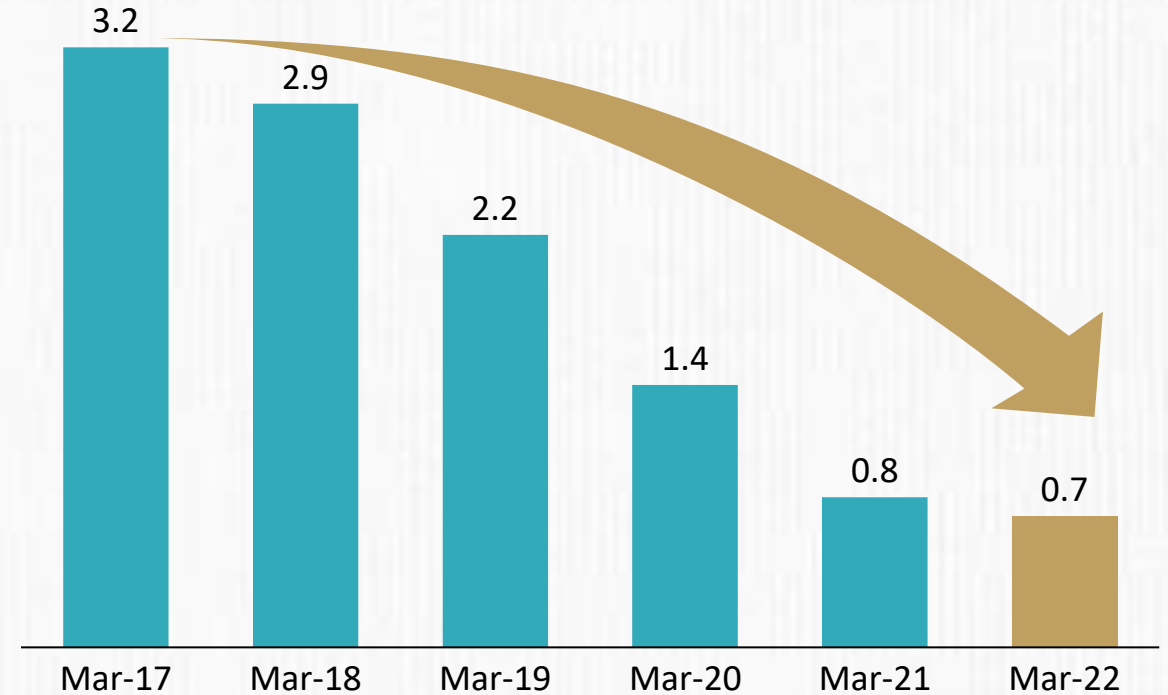


Improving Balance Sheet

Net Debt* (Rs. Crores)



Debt-Equity Ratio*



Debt-Equity Ratio= Total Debt / Total Shareholders funds

The company has reduced its net debt by Rs 323 crores over the last 5 years

*Total debt includes foreign bill discounting which is part of contingent liabilities in the balance sheet

Standalone Profit and Loss Statement



Rs. in Crs	FY22	FY21	FY20	FY19
Revenue from Operations	1,189.8	786.6	1,289.5	1,350.9
Other Income	17.0	16.2	12.9	13.6
Total Income	1,206.7	802.8	1,302.4	1,364.5
Total Expenditure				
Raw materials	526.9	375.1	601.3	667.7
Employee Expense	220.9	153.1	241.7	236.9
Power & Fuel	159.6	73.7	119.4	131.0
Other Expenses	163.4	108.8	182.9	195.1
EBITDA	136.0	92.1	157.1	133.8
<i>EBITDA Margin %</i>	11.3%	11.5%	12.1%	9.8%
Depreciation	41.9	46.5	51.2	54.9
Finance Cost	24.8	32.6	48.7	56.4
Exceptional Item (Gain) / Loss	2.7	3.3	0.4	-3.0
PBT	72.0	16.3	57.6	19.5
Tax	25.3	2.4	4.2	-4.6
PAT	46.7	13.9	53.4	24.1
<i>PAT Margin %</i>	3.9%	1.7%	4.1%	1.8%
EPS (Rs)	27.3	8.1	31.2	14.1

Standalone Balance Sheet

Asset (Rs. in Crs)	Mar-22	Mar-21	Mar-20	Mar-19
Non-current assets	377.1	360.3	393.6	433.9
Property, Plant & Equipment	306.4	330.8	370.7	413.6
Right of use assets	5.7	3.9		
Capital Work in progress	28.9	0.3	0.6	0.1
Intangible assets	2.3	2.9	3.3	4.1
Intangible Assets under development	-	0.4	-	-
Financial Assets				
Investments	4.7	2.9	3.6	3.6
Loans	-	-	2.1	2.4
Others	6.7	6.2	3.8	2.8
Other non current assets	22.5	12.8	9.5	7.4
Current assets	505.2	385.8	459.1	552.5
Inventories	278.9	196.4	237.5	287.9
Financial Assets				
Investments	0.0	0.0	0.1	0.2
Trade receivables	126.4	115.0	140.2	163.4
Cash & cash Equivalent	18.7	7.7	3.6	8.1
Other bank balance	8.7	6.7	9.4	9.6
Loans	1.2	0.7	4.9	1.5
Others	17.5	14.7	14.9	20.6
Other current assets	53.7	44.6	48.6	61.2
Total Assets	882.3	746.1	852.7	986.4

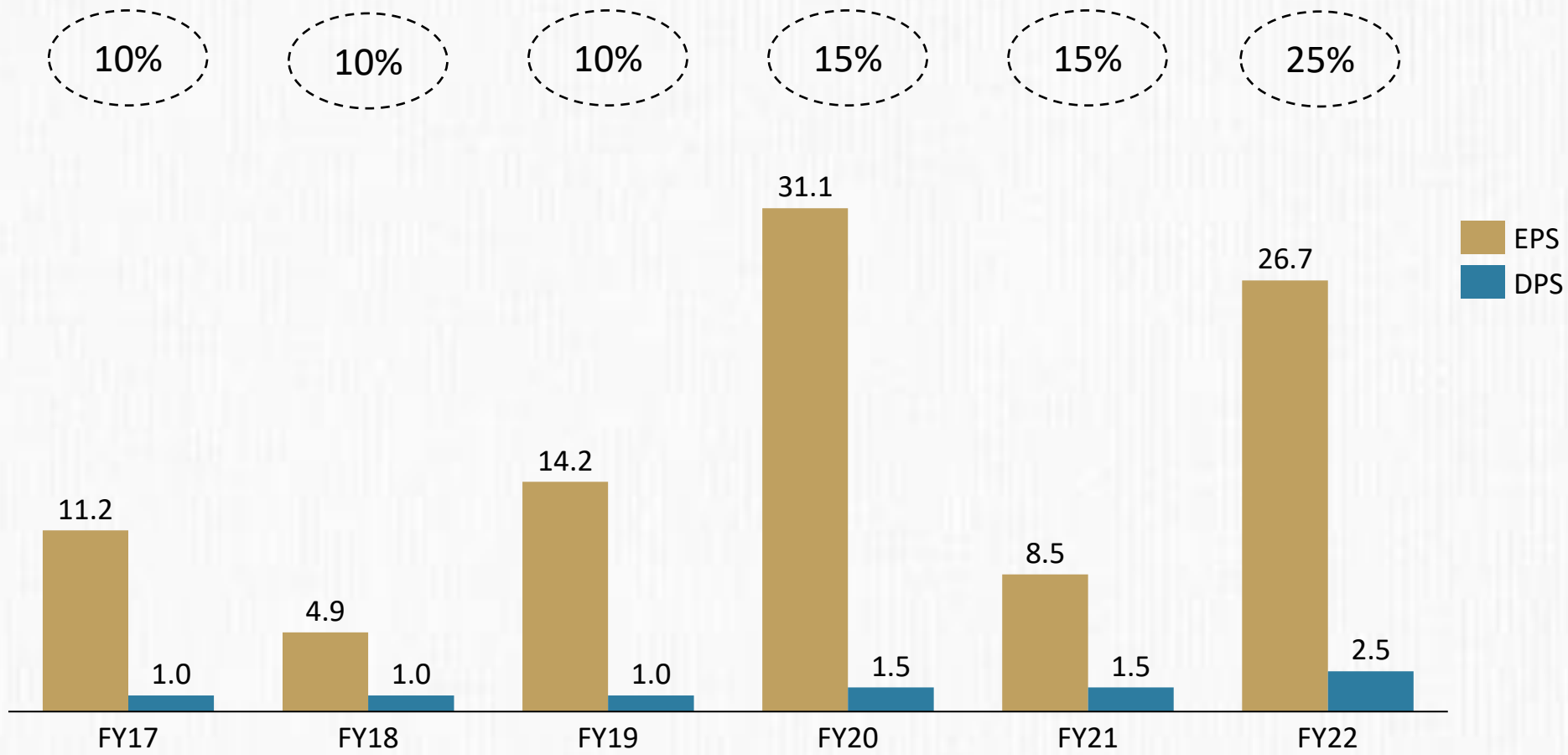
Equity & Liabilities (Rs. in Crs)	Mar-22	Mar-21	Mar-20	Mar-19
Equity	400.1	357.4	341.9	294.4
Equity share capital	17.1	17.1	17.1	17.1
other equity	383.0	340.3	324.8	277.3
Non-current liabilities	143.8	172.1	136.4	184.7
Financial Liabilities				
Borrowings	106.3	137.4	97.0	140.4
Lease Liabilities	2.0	0.2	-	-
Provisions	4.0	1.7	5.2	3.6
Deferred tax Liabilities (tax)	26.1	27.0	27.8	33.5
Government Grant	5.4	5.9	6.4	7.2
Current liabilities	338.4	216.6	374.4	507.3
Financial liabilities				
Borrowing	153.0	89.0	163.2	279.5
Lease Liabilities	0.6	0.5	-	-
Trade payable	147.7	101.2	104.4	132.6
Other Financial liabilities	5.1	7.6	69.3	57.0
Other current Liabilities	25.0	15.1	34.3	32.4
Government Grant	0.8	0.8	0.8	0.8
provisions	1.8	0.8	2.6	3.8
Current tax Liabilities (Net)	4.4	1.5	-	1.1
Total Liabilities	882.3	746.1	852.7	986.4

Standalone Cash Flow

(Rs. in Crores)	Mar-22	Mar-21	Mar-20	Mar-19
Operating profit before working capital changes	133.1	89.8	150.7	133.7
Changes in working capital	-57.9	45.3	65.5	6.6
Cash generated from operations	75.2	135.1	216.1	140.3
Income Tax Refund/(Direct Taxes Paid)	22.6	-2.7	-10.8	-3.0
Net Cash from Operating Activities (A)	52.7	132.4	205.4	137.3
Net Cash from Investing Activities (B)	-47.2	-2.6	-3.8	-9.9
Net Cash from Financing Activities (C)	5.6	-125.7	-206.0	-123.0
Net Change in cash and cash equivalents	11.0	4.2	-4.5	4.4
Cash & Cash Equivalents at the Beginning of the Period	7.7	3.6	8.1	3.7
Cash & Cash Equivalents at the End of the Period	18.7	7.7	3.6	8.1

Dividend Payout History

Dividend Pay-out



The company has Consistently declared dividends Year-on-Year

Company:	Investor Relations Advisors:
 The logo for BANSWARA SYNTEX LIMITED, featuring a stylized orange and blue graphic of a bird or wing above the text "BANSWARA SYNTEX LIMITED" in a serif font.	 The logo for Strategic Growth Advisors (SGA), featuring the letters "SGA" in a large serif font, followed by "Strategic Growth Advisors" in a smaller serif font, with a horizontal line underneath.
Banswara Syntex Limited	Strategic Growth Advisors Pvt. Ltd.
CIN: L24302RJ1976PLC001684	CIN: U74140MH2010PTC204285
Mr. Pankaj Gharat	Mr. Rahul Agarwal / Ms. Brinkle Shah Jariwala
pankajgharat@banswarasyntex.com	rahul.agarwal@sgapl.net / Brinkle.shah@sgapl.net
	+91 98214 38864 / +91 9619385544
www.banswarasyntex.com	www.sgapl.net