



BANSWARA SYNTEX LIMITED

Presentation – November 2018

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Banswara Syntex a Global Player...



Incorporated in the year **1976**

Vertically integrated textile solutions

Experienced Design Teams in **India** and **Paris**

Long Term Relationship with Leading Global and Domestic players

Exports to over **60** countries

In House R&D & state of the art facilities

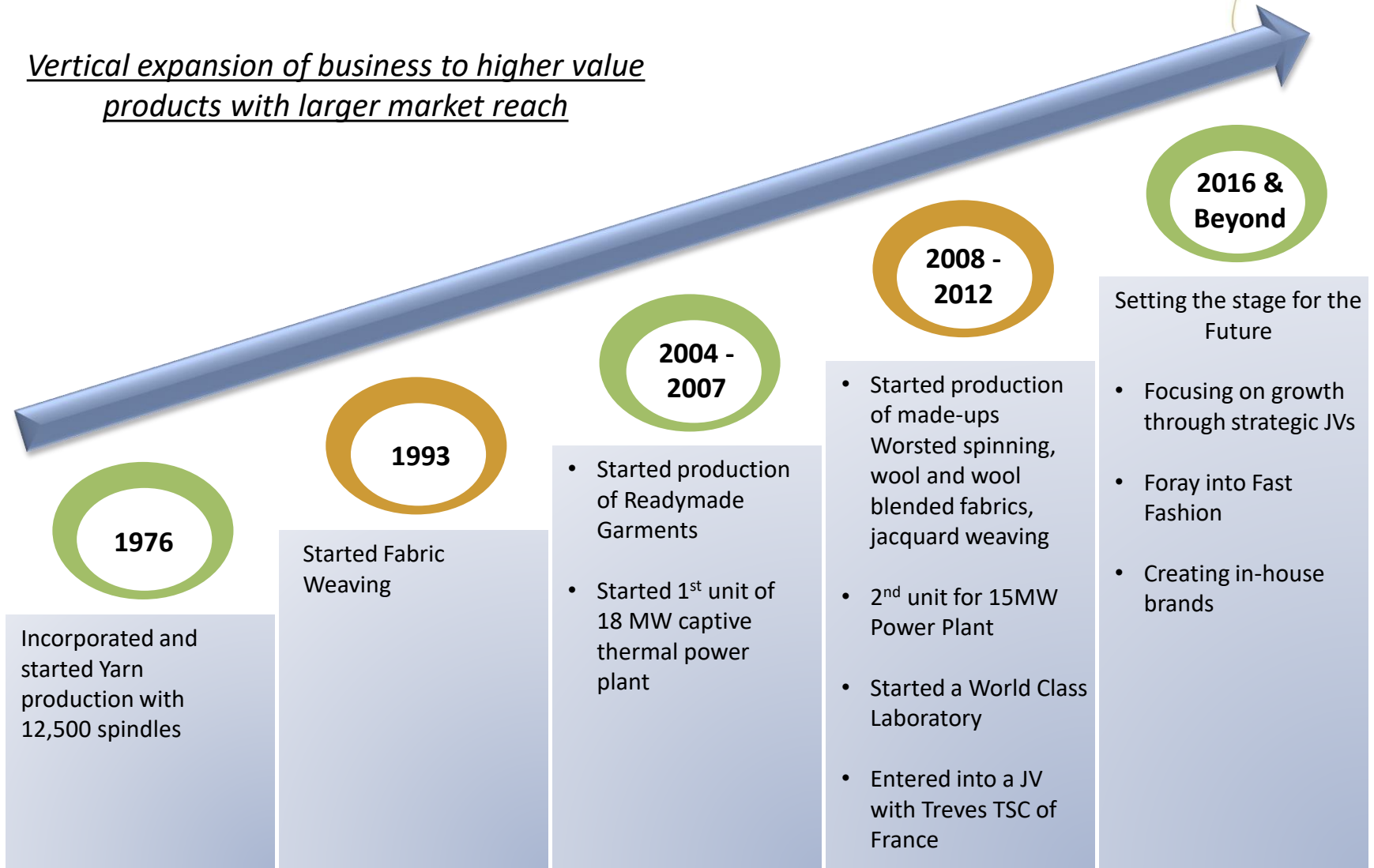
Global Customer Accreditations and Quality Certifications

JV with **Treves TSC of France** for Automotive fabrics

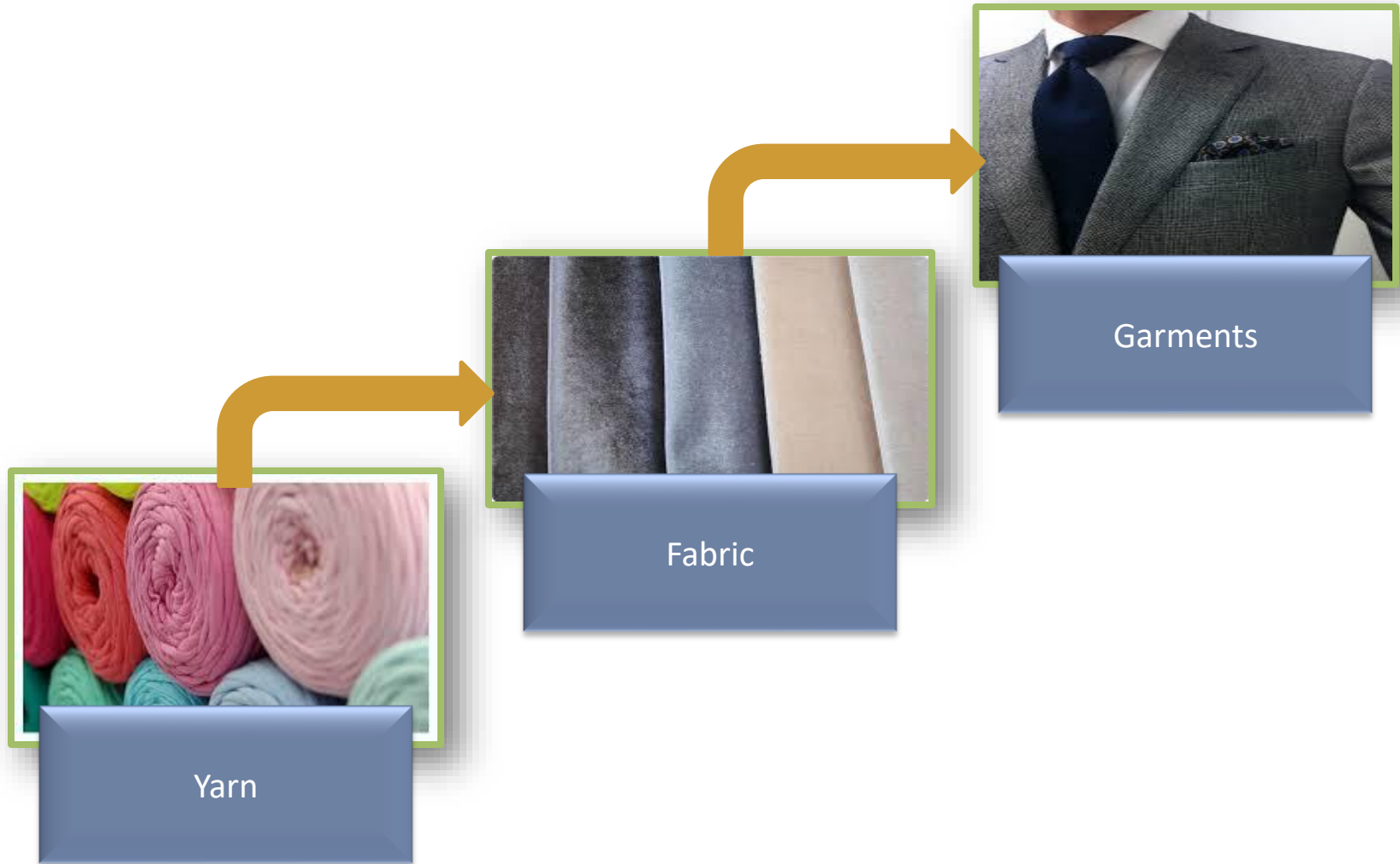
Evolution into an Integrated Business



Vertical expansion of business to higher value products with larger market reach



Presence across the Value Chain



Manufacturing Capabilities



Spinning Unit



Weaving Unit



Dyeing Unit



Garmenting Unit

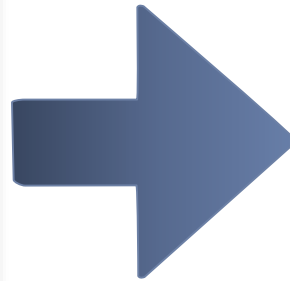
Invested over Rs. 549 crores towards expansion and modernisation between FY 2010 – March 2018

- Spinning Rs.263 Crs
- Fabric Rs.185 Crs
- Garmenting Rs.51 Crs
- Power Unit Rs.50 Crs

Value Addition in the Yarn Business

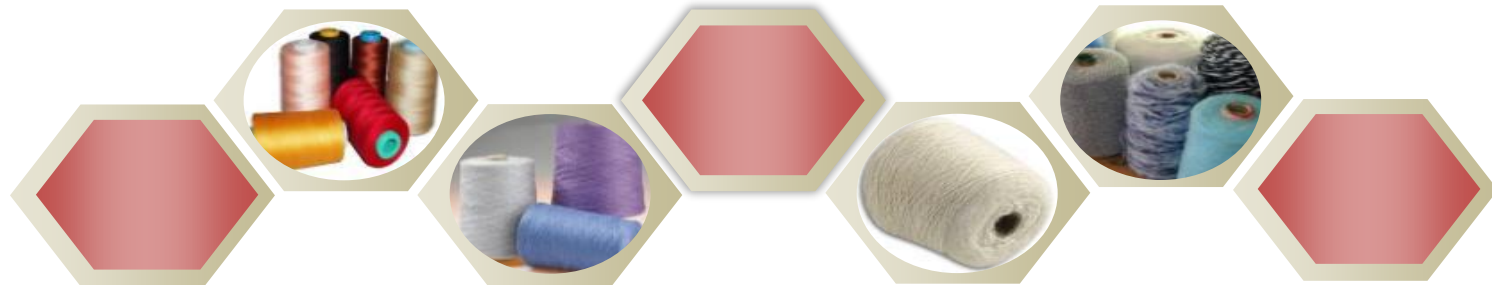
Current Scenario

- We produce blends of viscose staple fibre, polyester staple fibre, acrylic staple fibre, lycra, cotton, linen, etc.
- Production Capacity – 36,504 tons pa
 - 34,344 tons - polyester blended dyed yarns
 - 2,160 tons - wool mix yarn
- We also produce Worsted Yarn
 - We currently have capacity of 21,120 spindles



Going Forward

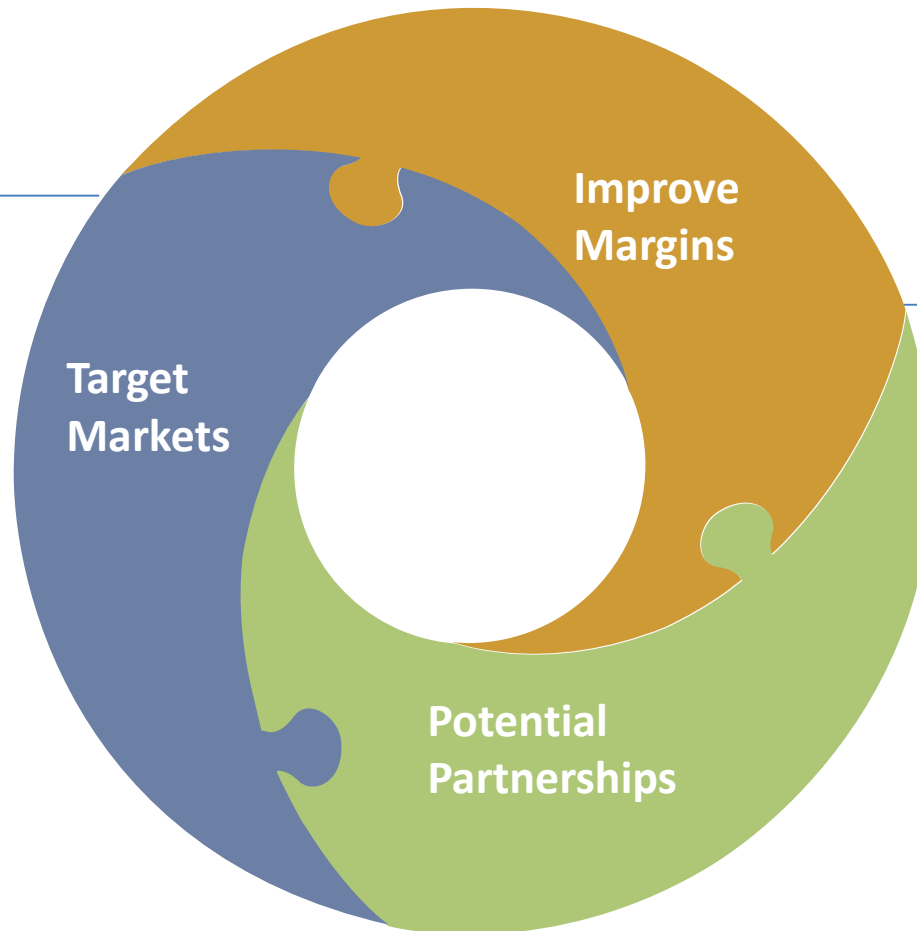
- Focus on higher contributions from value added yarns to the product mix
 - Increase in production of PV Lycra Yarn and Specialty Yarns
- We aim to improve capacity utilization for Worsted Yarn
- Exploring Niche Markets



Focusing on High-Quality & Performance Fabrics



Fabrics Division Growth Strategy



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

Continue to reach out to new markets such as **Mexico** and **Russia**

Steady growth from existing markets

To enhance our profitability by improving product mix towards value added products and improving utilizations along with new product development with performance attributes.

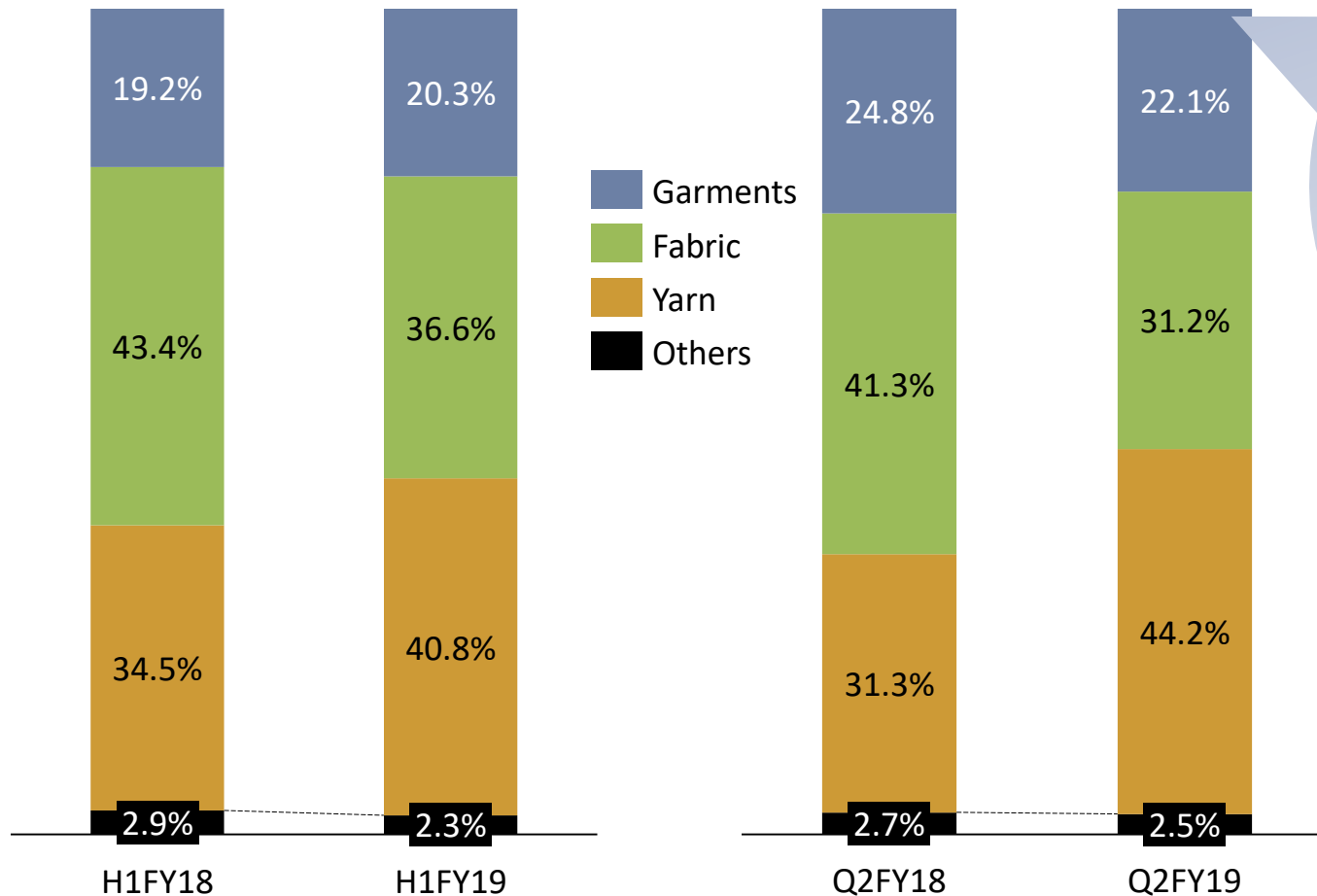
Potential Partnerships with synergistic benefits :

- 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

Garmenting business – A customized offering



Focus on Moving up the value chain visible in the sales mix



The influx of international garment brands into India has led to Indian brands adopting a more global approach and we at Banswara are in a position to leverage our existing design and manufacturing capabilities to cater to their fast fashion needs.

Expansion within the Garments Space

- Leveraging our existing manufacturing capabilities at Daman & Surat SEZ
 - Trousers & Suiting's – 3,28,125 (pcs/ month)
 - Jackets & Waist Coats - 81,250 (pcs/ month)
- Leveraging our Marketing capabilities for tie-ups with leading global retailers
- Promote the Banswara brand

Potential partnerships targeting

- Leading fast fashion brands
- Expertise in women's-wear
- Leadership in targeted markets
- Leverage our in-house design and manufacturing capabilities



Organic Expansion

Inorganic Expansion

Outlook:

- Focus on the fast fashion segment
- Increasing global reach

Our Strategic Partnerships



Partnership with European Company

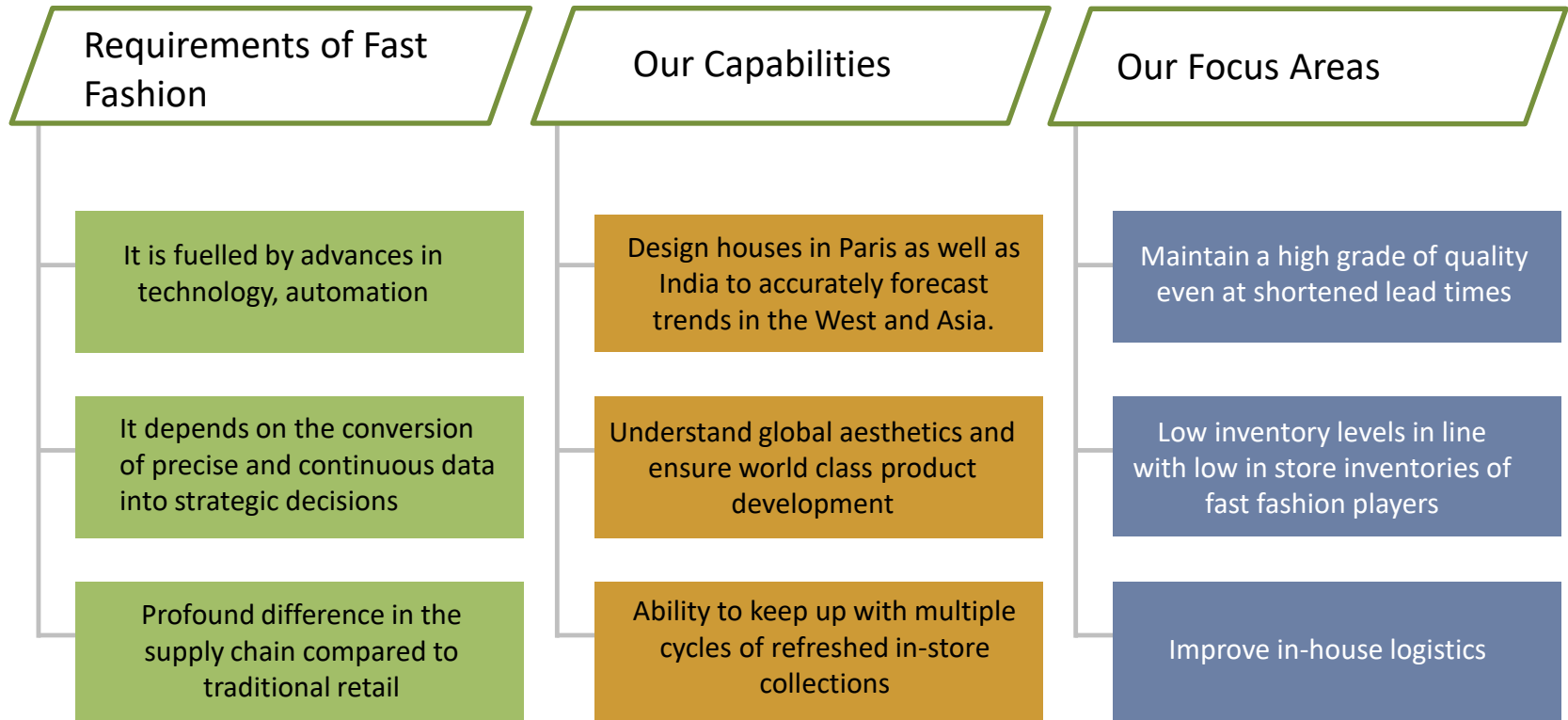
- Marketing agreement with a 90 year old European company, who, has been a major supplier to the global Fast Fashion retailers
- Focus, on Women's wear fabrics and would be Key supplier from India for fashion brands in USA and Europe
- Leverage on our manufacturing capabilities and provide best in class fabrics with design inputs from our European Partner
- Opportunity to market the design and fabrics, to the to our customers in Korea and Japan, after paying a royalty for design

Partnership with Japanese Company

- Marketing agreement with a Japanese company for value added product sales of Fabrics and Garments in Far east market including Japan
- Enable us to leverage on design and technical know how's of the Japanese company to develop products for Japan, S Korea and other far east markets
- Partnership will allow us to cater to the Japanese brands in sourcing garments from India, with added advantage of FTA between India and Japan
- We have witnessed a good traction in Japanese market since 2013 and this agreement shall provide further push to that sales with efficient use of our manufacturing capacities

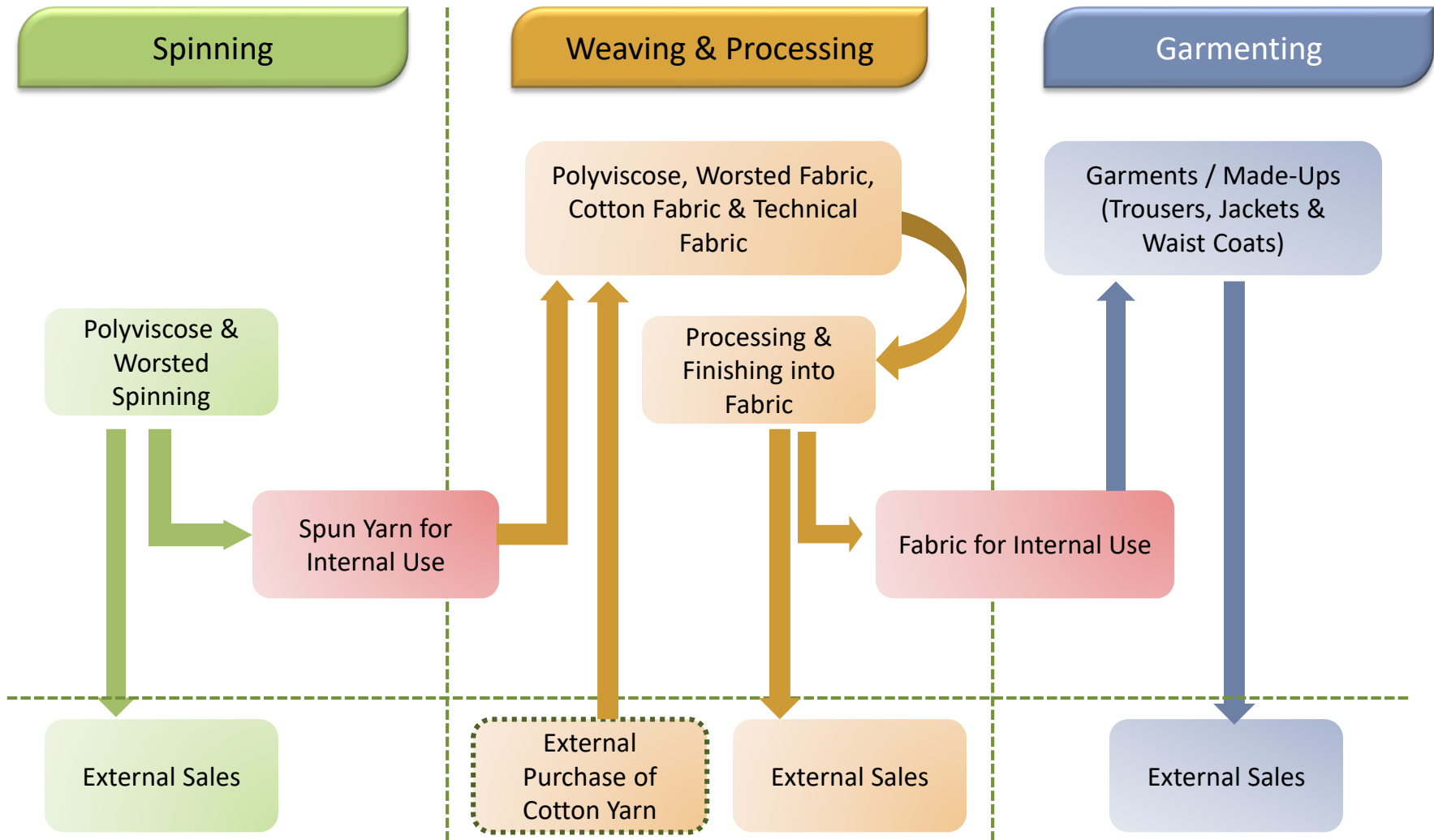
Our Partnerships will enable us to better utilize our existing manufacturing capacities and increase value added product sales

Riding the Fast Fashion Wave



Our Goal: To be the ***PREFERRED SUPPLIER*** to our Customers

Synergies from Vertical Integration



Domestic Clientele



VAN HEUSEN

JOHN MILLER

MAKE IT LOOK EASY

WILLS CLASSIC

INDIGO NATION

MEGA MART

Love brands. Love value.



Look good. Feel good.

PETER ENGLAND

UNITED COLORS OF BENETTON.



BELMONTE
SUITS YOUR STYLE

EXCALIBUR

Louis Philippe
The upper crest.



BOND WITH THE BEST

SCULLERS



E-Commerce Clients:



International Clientele



PEERLESS CLOTHING

JCPenney

PVH

PHILLIPS-VAN HEUSEN CORPORATION



PERRY ELLIS®

DUNNES STORES



KOHL'S
expect great things



★ macy's



YOUR M&S

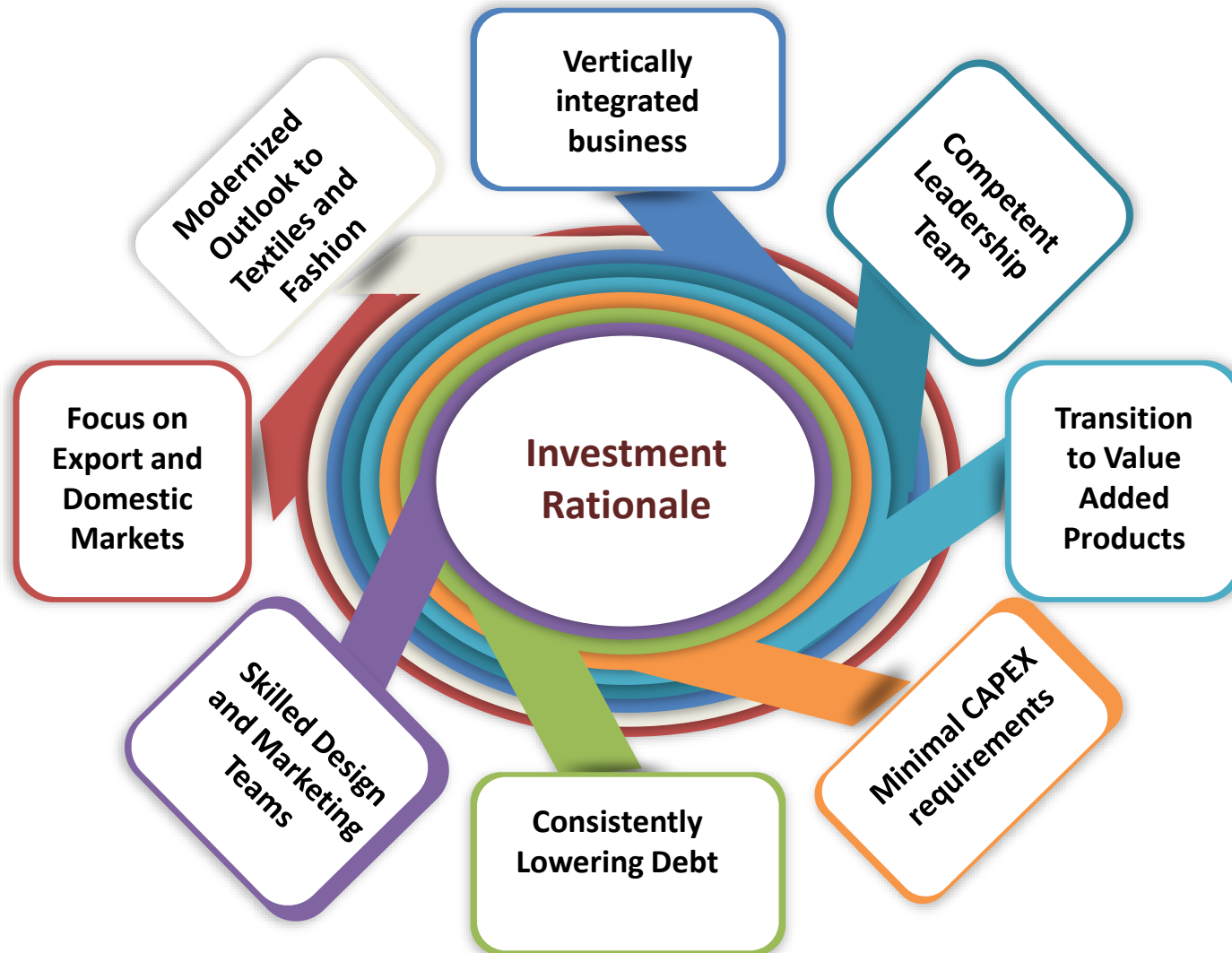
DOUGLAS & GRAHAME
GENTLEMEN'S CLOTHIERS SINCE 1926

TESCO



Working with some of the world's biggest names

Why Banswara Syntex Limited?



Leadership Team



1 Mr. R L Toshniwal – Chairman

- Masters degree in Textiles from Leeds University, UK
- 54 years experience in Textile Industry
- 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
- 31 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
- 27 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 13 Years of experience in Textile Industry
- Responsible for Readymade Garment business of the Company

Board of Directors



Mr. R. L Toshniwal
Chairman

Mr. Rakesh Mehra
Vice-Chairman

Mr. Ravindra Kumar Toshniwal
Managing Director

Mr. Shaleen Toshniwal
Joint Managing Director

Mr. Parduman Kumar
Independent Director

Mr. J. M. Mehta
Independent Director

Mr. D P Garg
Independent Director

Mr. Kamal Kishore Kacholia
Independent Director

Dr. S B Agarwal
Independent Director

Mr. Vijay Kumar Agarwal
Independent Director

Dr. Vaijayanti Pandit
Independent Director

Mr. Vijay Mehta
Independent Director

Standalone Profit and Loss Highlights



Rs. in Crs.	Q2 FY19	Q2 FY18	YoY	Q1 FY19	QoQ
Net Operating Income	375.8	317.8	18.2%	302.5	24.2%
Raw materials	199.0	136.7		140.1	
Employee Expense	59.8	62.8		56.5	
Manufacturing Expenses	29.0	31.7		26.8	
Power & Fuel	34.1	31.7		32.8	
Other Expenses	21.6	21.8		17.9	
+ Other Income	2.4	0.8		1.8	
EBIDTA (Including Other Income)	34.7	33.9	2.3%	30.2	14.8%
Margin %	9.2%	10.7%		10.0%	
Depreciation	14.2	15.4		14.2	
Finance Cost	14.5	15.1		14.7	
Exceptional Item (Gain) / Loss	1.6	(0.1)		(0.0)	
PBT	4.4	3.6	24.3%	1.4	222.2%
Tax	-5.5	1.5		0.5	
PAT	9.9	2.1	384.8%	0.8	1094.1%
PAT Margin %	2.6%	0.6%		0.3%	
Other Comprehensive Income (OCI)	0.7	-0.2		0.5	
EPS	5.80	1.20		0.49	

- **Forex Realisation** for the quarter were Rs 68.49/USD as compared to Rs 66.26/USD in Q1FY19
- **Tax Benefit:** The provision for the tax has been taken as per the provision of the Income Tax Act, considering the Company's claim u/s 80IA on its Thermal Power Plant profitability
- As per IndAS, **Other comprehensive income** includes accrued gratuity which are not due today

Standalone Profit and Loss Highlights



Rs. in Crs.	H1 FY19	H1 FY18	YoY	FY18
Net Operating Income	678.3	623.6	8.8%	1,293.0
Raw materials	339.2	276.9		622.6
Employee Expense	116.3	118.5		235.8
Manufacturing Expenses	55.8	62.0		111.8
Power & Fuel	66.8	62.7		125.9
Other Expenses	39.4	45.0		85.8
+ Other Income	4.3	5.6		16.0
EBIDTA (Including Other Income)	64.9	64.2	1.2%	127.0
Margin %	9.6%	10.3%		9.8%
Depreciation	28.3	29.0		58.4
Finance Cost	29.2	30.4		59.1
Exceptional Item (Gain) / Loss	1.6	(0.1)		(1.4)
PBT	5.8	4.9	19.4%	10.86
Tax	-5.0	1.9		2.9
PAT	10.8	2.9	269.0%	7.9
PAT Margin %	1.6%	0.5%		0.6%
Other Comprehensive Income (OCI)	1.2	-0.1		1.9
EPS	6.29	1.71		4.63

Business Highlights:



- During the Quarter, the production of yarn and readymade garments increased by 13.43% and 28.07% respectively whereas fabric production was lower by 9.93% as against Q1FY19 due to paucity of orders/lower machine utilization
- During the quarter, there were repayment of term loan installments of Rs.22.30 Crores and no increase in borrowings for working capital

We expect coming quarters to be better in wake of improving scenario within the sector

Standalone Balance Sheet



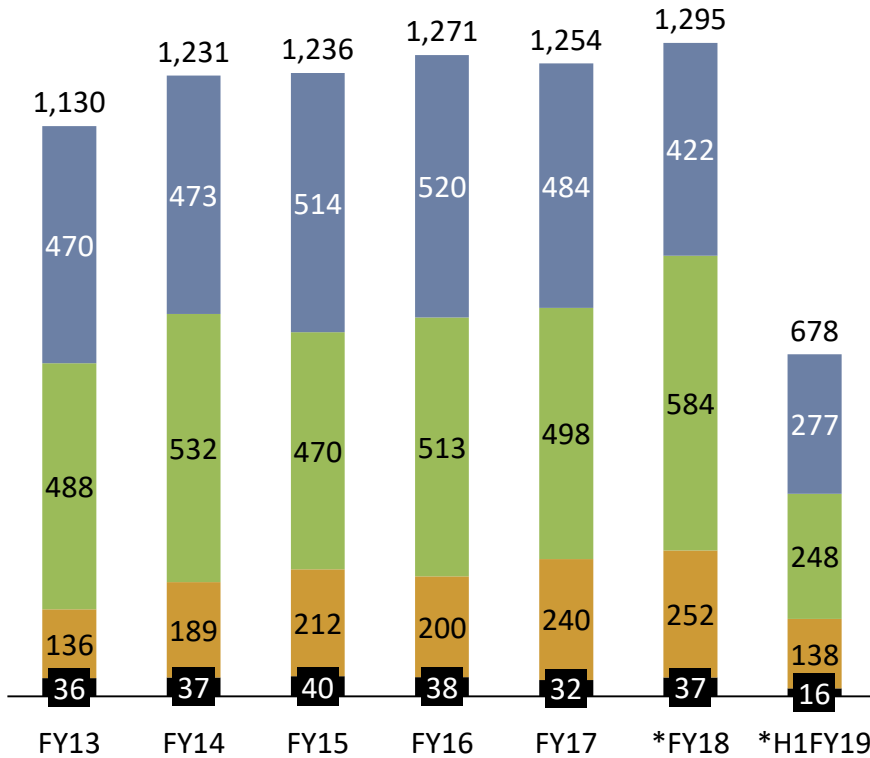
Asset (Rs. in Crores)	Sept-18	Mar-18
Non-current assets	459.5	483.5
Property, Plant & Equipment	435.2	455.0
Capital Work in progress	1.1	5.4
Intangible assets	4.5	4.9
Investment In Joint Ventures	3.6	3.6
Financial Assets		
Investments	0.0	0.0
Loans	4.0	2.4
Others	1.3	2.0
Other non current assets	9.8	10.2
Current assets	613.1	590.7
Inventories	305.3	309.6
Financial Assets		
Investments	0.2	0.2
Trade receivables	202.6	183.6
Cash & cash Equivalent	8.4	3.7
Other bank balance	10.9	9.6
Loans	1.9	1.9
Others	19.3	16.4
Other current assets	64.6	65.9
Total Assets	1,072.6	1,074.2

Equity & Liabilities (Rs. in Crores)	Sept-18	Mar-18
Equity	280.02	270.1
Equity share capital	17.1	17.1
other equity	262.9	253.0
Non-current liabilities	210.2	241.5
Financial Liabilities		
Borrowing	160.5	184.3
Long term Provision	7.1	7.4
Deferred tax Liabilities (tax)	35.0	41.7
Government Grant	7.6	8.0
Current liabilities	582.3	562.6
Financial liabilities		
Borrowing	297.2	293.8
Trade payable	185.1	170.9
Other Financial liabilities	59.8	64.5
Other current Liabilities	33.0	26.2
Government Grant	0.8	0.8
provisions	4.5	4.5
Current tax Liabilities (Net)	2.0	1.9
Total Liabilities	1,072.6	1,074.2

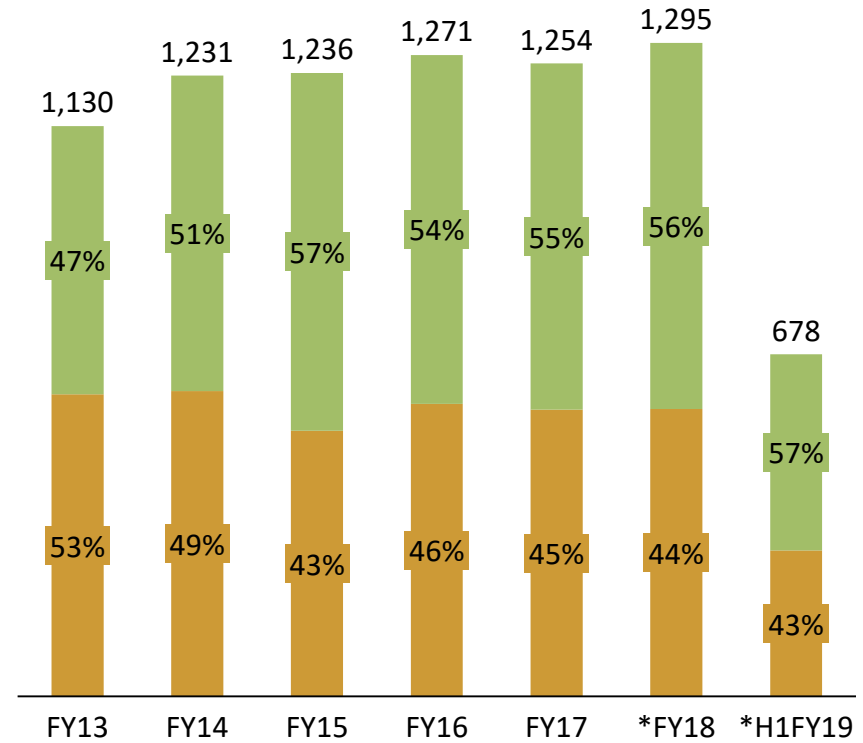
Revenue Performance*



Segment Gross Revenue (Rs crs)



Geographic Gross Revenue (Rs crs)



■ Yarn
 ■ Fabric
 ■ Garment
 ■ Other

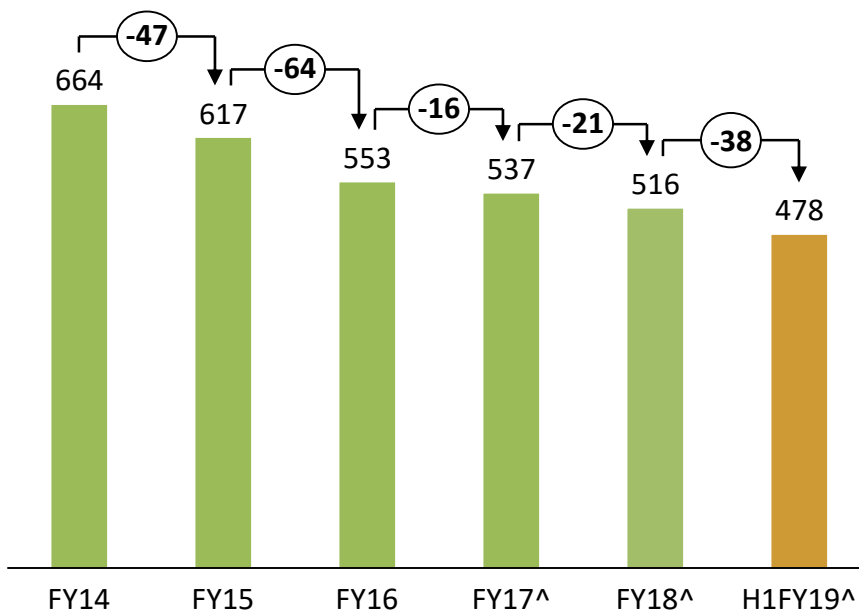
■ Domestic
 ■ Exports

* As per IND AS rest as per Indian GAAP

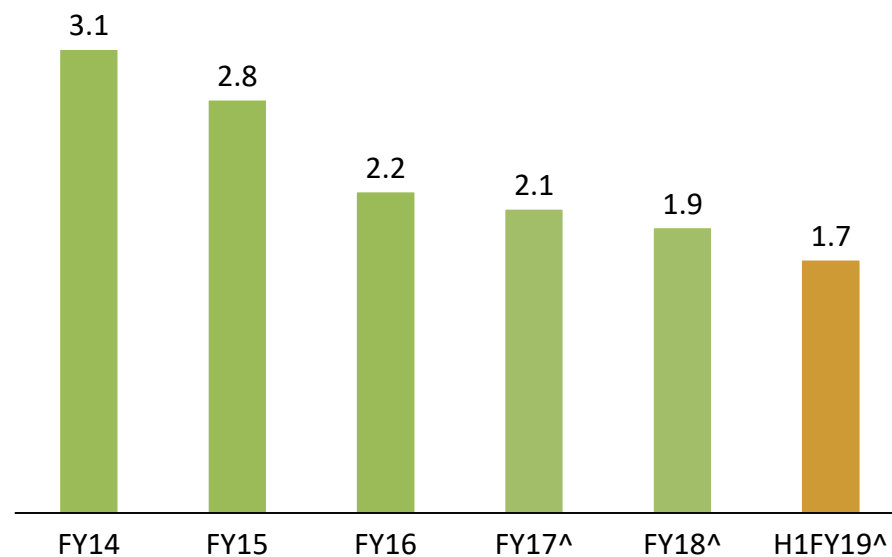
Improving Balance Sheet



Net Debt *(Rs. Crs)



Net Debt:Equity



*Net Debt includes Current Maturity of Debt

^ As per IND AS rest as per Indian GAAP

For further information, please contact:

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