

RSWM/SECTT/2023
November 9, 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 September, 2023.

Dear Sir,

Please find enclosed a copy of Investors Presentation on the Unaudited Financial Results of the Company for the quarter ended 30th September, 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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Website : www.rswm.in
GSTIN:08AAACR9700M1Z3

Corporate Identification Number:L17115RJ1960PLC008216



Investor Presentation

NSE: RSWM  BSE: 500350

Q2 & H1 FY24
September 2023

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,

“In the Q2FY24, we've noticed a resurgence in demand in anticipation of the upcoming holiday and festive season, even as we grapple with significant challenges brought on by various factors. While major global economies saw a moderation in growth during the second quarter, despite ongoing banking crises and rate hikes, it's worth noting that elevated inflation has affected consumer purchasing power. We're keeping a close eye on the ever-fluctuating cotton prices in the post-COVID landscape. The global economic environment remains volatile, with the recent Israel-Palestine conflict potentially impacting global sentiments, though our direct exposure is minimal.

Despite persistent concerns about the global economic slowdown, our outlook for FY'24 remains cautiously optimistic. In the midst of these challenges, we draw upon our internal strengths to bolster our operations and maintain our commitment to investing in our facilities and processes. Our dedication remains unwavering as we diligently work towards achieving our long-term objectives.”

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

“The Q2FY24 financial report highlights a positive trend in revenue after a challenging nine months. However, PAT for the quarter showed a decrease in profit, attributed to sluggish demand, depreciation against expansion and mounting inflationary pressures. Nonetheless, there has been a sequential upturn in both revenue and profitability. The company foresees a gradual revival in demand as operational efficiency gains traction. Looking ahead to the latter half of FY24, there is a sense of optimism regarding improved demand visibility among global & domestic markets.

Our resolve remains steadfast as we pursue our enduring objectives which encompasses expanding our product range, improving our financial stability, and discovering more efficient methods to enhance our earnings. We appreciate the dedication and hard work of our team and believe that our positive outlook and commitment will lead us to even greater success in the future. We will keep working hard and aiming for the best as we pursue our goals together. We are also thankful to our shareholders for their continued support and commitment to our shared vision.”





01

◆ Q2 & H1 FY24 Financials

- 07 Key Highlights
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- 10 H1 FY24 Financial Performance
- 11 Average Price Realization



Q2 FY24 Highlights

- ❑ **Revenue Growth:** In the Q2FY24, our revenue increased to ₹1,007 Cr., up by 11.8% from ₹901 Cr. in the previous quarter Q1FY24.
- ❑ **Gross Profit:** Our Gross Profit in Q2FY24 reached ₹363 Cr., marking an 8.1% increase compared to the previous quarter, with a Gross Profit Margin of 36.1%.
- ❑ **EBITDA Performance:** EBITDA for Q2FY24 stood at ₹30 Cr., representing a growth of 20.1% on a QoQ basis, with an EBITDA margin of 3.0%.
- ❑ **Profit After Tax (PAT):** The PAT for the quarter stood at ₹(15) Cr.

H1 FY24 Highlights

- ❑ **Revenue:** For the first half of the financial year 2023-24, our revenue was ₹1,908 Cr., showing a decrease of 3.5% YoY.
- ❑ **Gross Profit:** The Gross Profit was at ₹699 Cr. with a Gross Profit Margin of 36.6%.
- ❑ **EBITDA Performance:** EBITDA for H1FY24 was at ₹55 Cr. with an EBITDA margin of 2.9%.
- ❑ **Profit After Tax (PAT):** The PAT for the period stands at ₹(33) Cr.

Expansion Investment

Compact Cotton Yarn:

- Compact Cotton Yarn unit of 51,072 spindles at Lodha (Banswara) has commenced its commercial production from September 2023. This premium product will hit the market in the coming quarters, reflecting our commitment to growth and product diversification. Despite the challenges in profitability, our company has achieved strategic investments for future success.

BG Wind Power Acquisition:

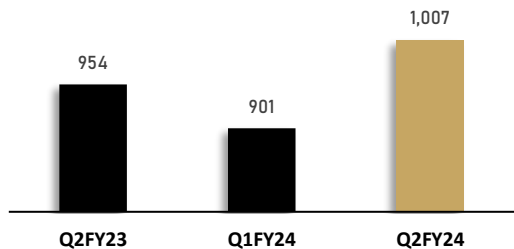
- We've completed acquisition of 100% equity stake in M/s BG Wind Power Limited (BGWPL) on 6th April 2023 for ₹5 Cr., accordingly BGWPL has become a wholly-owned subsidiary of the Company.

Future Outlook

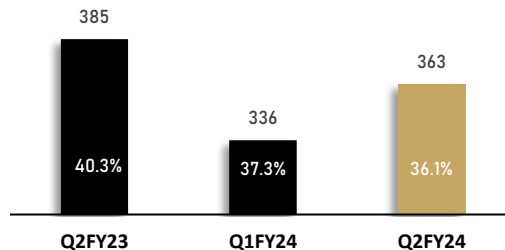
- Positive Signs in Business Growth:** Our increase in total sales happened because we got more orders from both domestic and international markets, hinting at a possible recovery for the struggling textile industry. But there are challenges such as tension between countries, the world's economy slowing down, and volatility in cotton prices. We'll need to watch these carefully and make smart changes to overcome these challenges.
- 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.

Financial Outcomes

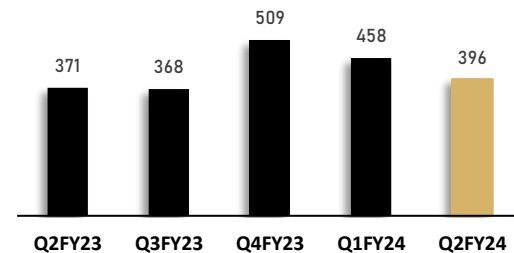
Revenue



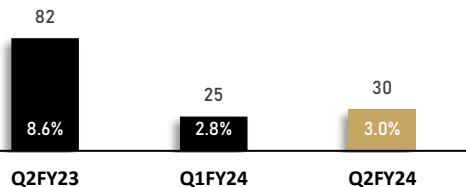
Gross Profit & Gross Profit Margin(%)



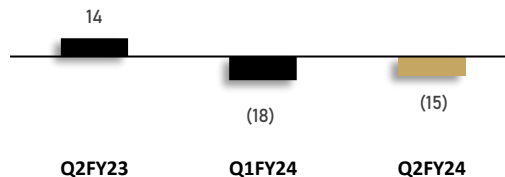
Net Working Capital



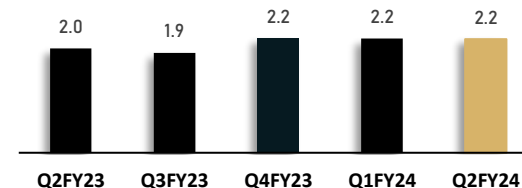
EBITDA & EBITDA Margin(%)



PAT



Fixed Asset Coverage Ratio



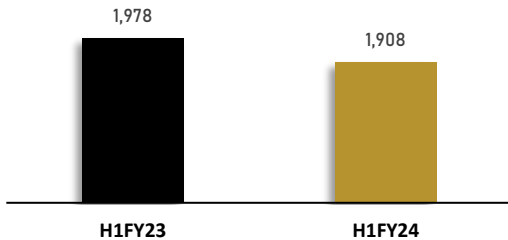
₹ in Cr

In times

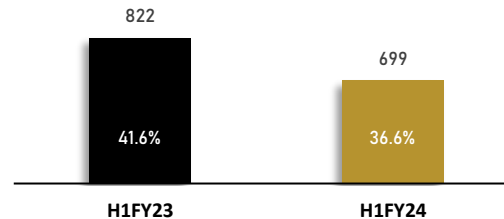
Financial Outcomes

₹ in Cr

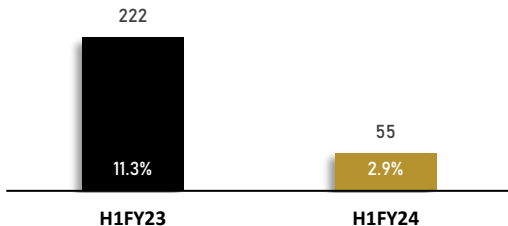
Revenue



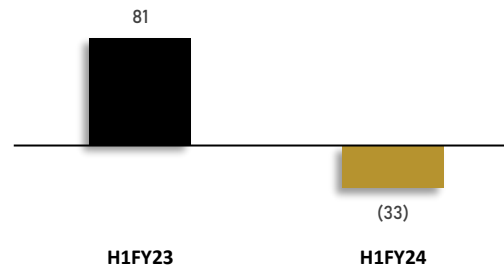
Gross Profit & Gross Profit Margin(%)



EBITDA & EBITDA Margin(%)

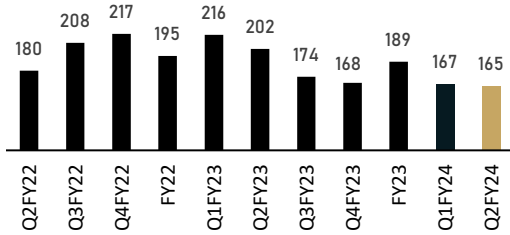


PAT



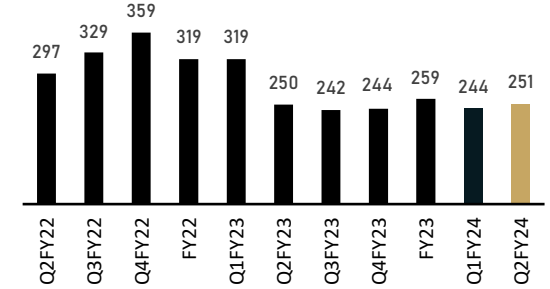
◆ Average Price Realization

PV Grey Yarn

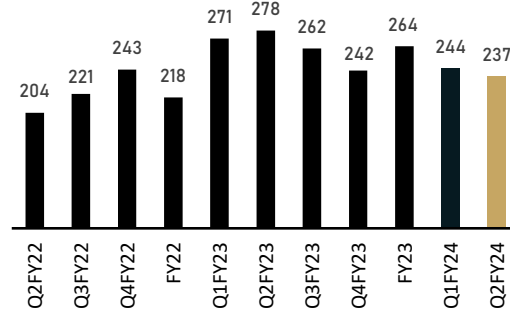


Cotton Grey Yarn

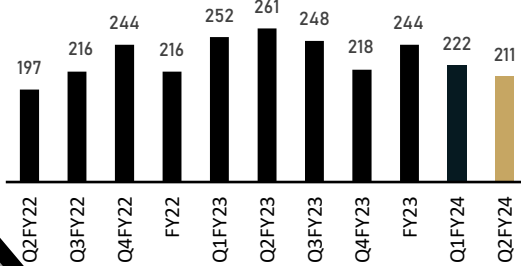
Yarn per Kg
Denim per meter



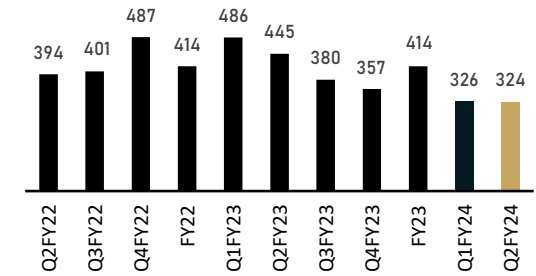
Denim



PV Dyed Yarn



Melange Yarn





02

◆ Growth Drivers

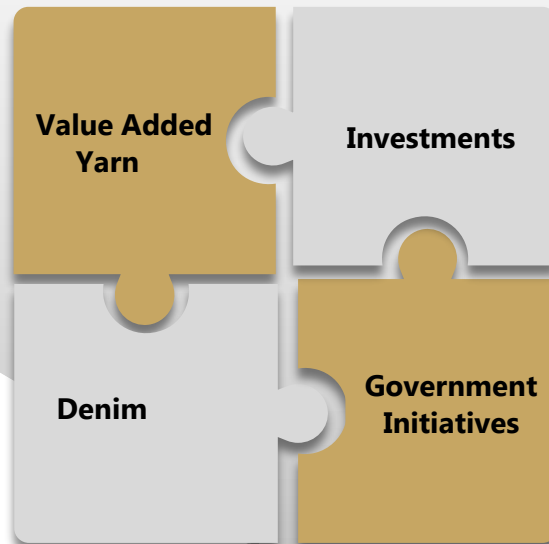
13 Growth Drivers



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 in India**
- **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 had fully commenced its commercial production in September 2023.
- 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.
- **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



03

◆ Company Profile

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- 21 Sustainability
- 22 Strong Parentage



Nation's Largest Textile Manufacturer & Exporter



RSWM Limited, headquartered in Noida, is one of India's 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



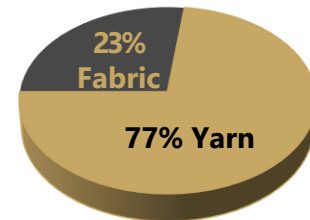
- Exports to **70+** nations globally like Africa, Southeast Asia, Europe, the Middle East, USA
- Export contributed **~25%** of Sales during FY23

Global Presence



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

Business Segments



Contribution to Net Profit
(As per FY23)



Strategically Located in Rajasthan State

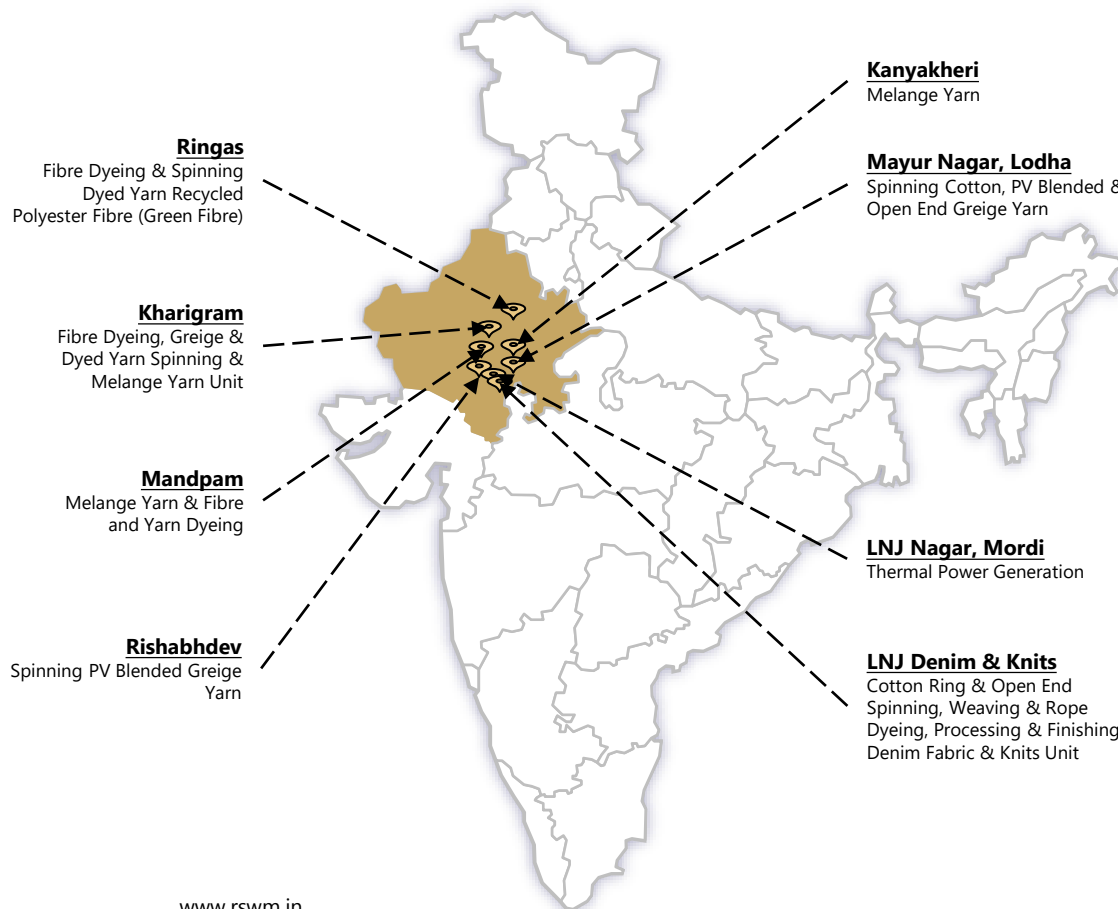
5,45,752 SPINDLES

4,800 ROTORS

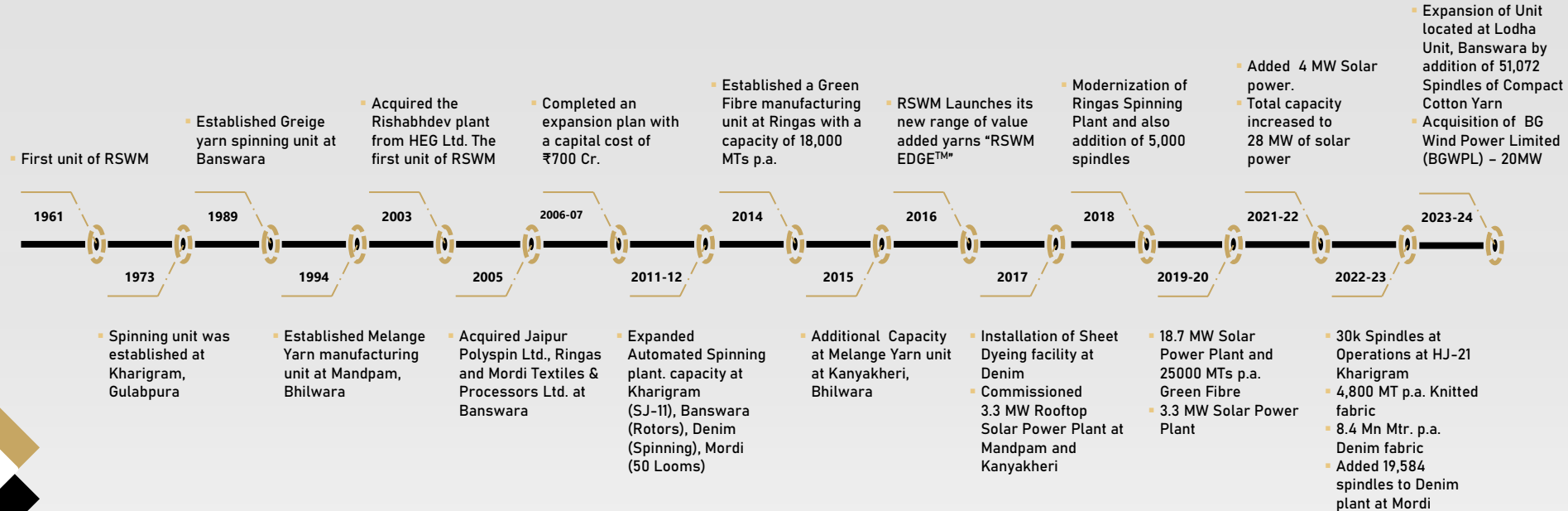
172 LOOMS

43K MT p.a. GREEN FIBRE

4,800 MT p.a. KNITTED FABRIC



Well Established Player



Producing Top-Quality Yarn in Distinct Categories

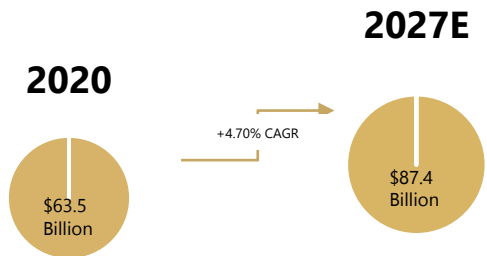
Dyed Yarn	Greige Yarn	Melange Yarn	Combined Compact Yarn
<ul style="list-style-type: none"> ▪ Dyed PV Blended, Poly 100%, Visc. 100%, Poly/Visc/Cotton Blended Specialty Yarns from unorthodox fibres ▪ We have two advanced facilities located in Bhilwara and one near Jaipur ▪ These two units offer the most optimum efficiency and excellence when it comes to creating exquisite designer yarns like Slub, Neppy, Siro, Siro Slub, CSY, Grindle, and many more 	<ul style="list-style-type: none"> ▪ 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 	<ul style="list-style-type: none"> ▪ 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 	<ul style="list-style-type: none"> ▪ RSWM started its latest innovation Kapaas a fresh line of 100% cotton compact yarn at Lodha (Banswara)
			



Renowned for Exceptional Quality Worldwide

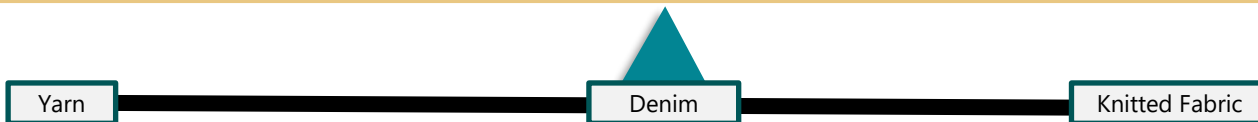
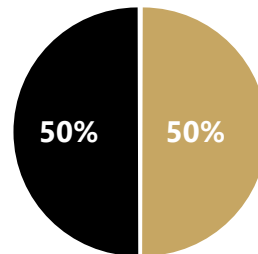
- LNJ Denim, a denim-manufacturing facility established in 2007 under RSWM Limited (the flagship company of LNJ Bhilwara Group), has a manufacturing capacity of 32.4 million meters annually. Capable of processing 3,000+ denim variants
- LNJ Denim has earned an excellent reputation amongst international and domestic brands as an innovator and a quality supplier of denim fabric.

Global Denim Industry



Denim Industry Snapshot

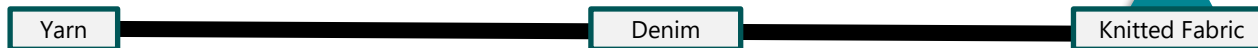
- 50% Organised Sector
- 50% Unorganised Sector



Creating Value Through Exploration of Knitted Fabric Production

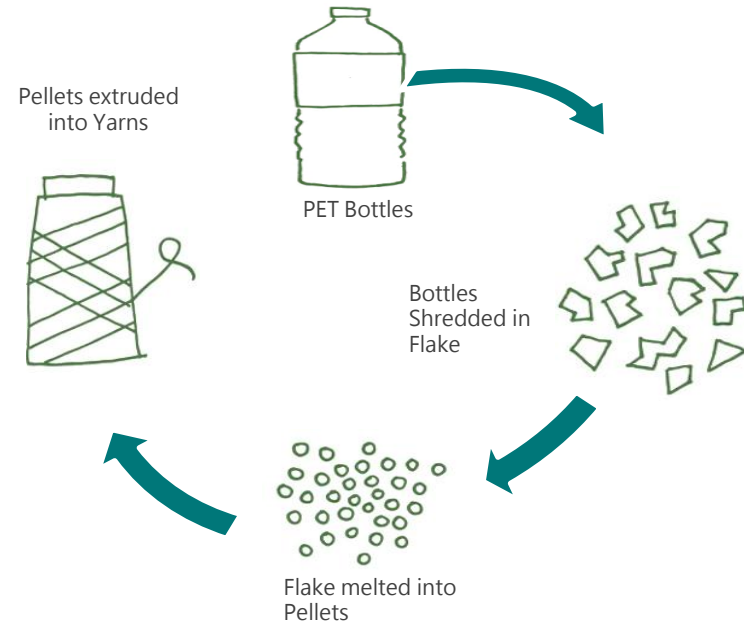
Ventured into Knitted Fabric to create value

- 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 \$206 Bn 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 Cr.
- 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.



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 FY23, we proudly recycled an impressive 54,000 MT of PET plastic bottles, recycled 360 MT of waste fabric, saved 1,350 KL/Day of water, thereby 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, 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

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 25,000 strong workforce.



04

◆ Strong Historical Fundamental

24 Financial Data

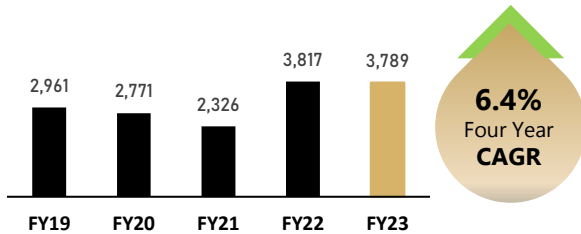
25 Financial Ratios



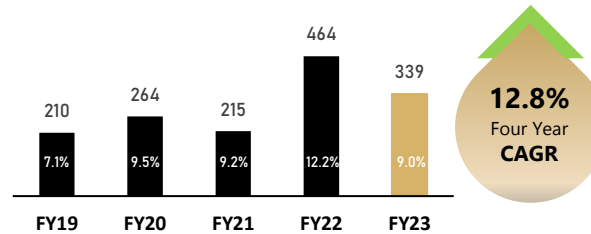
Underlying Financial & Operational metrics

₹ in Cr

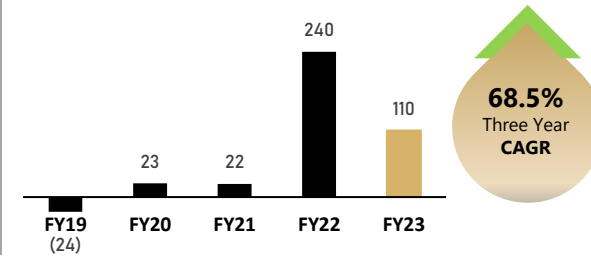
Revenue



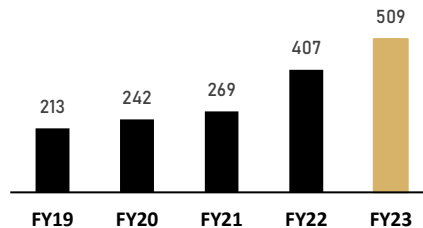
EBITDA & EBITDA Margin(%)



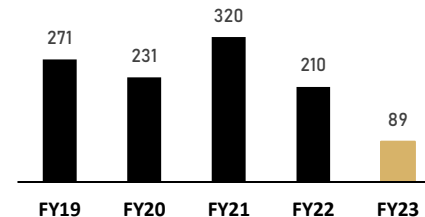
PAT



Net Working Capital

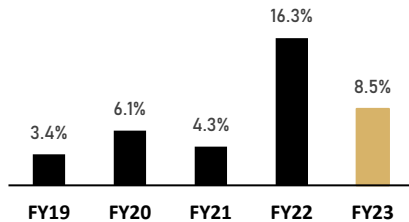


Net Cash Flow From Operation

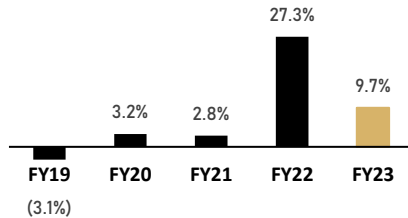


Financial Ratios

ROCE

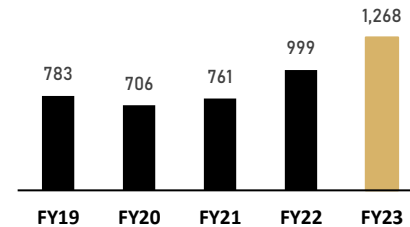


RONW

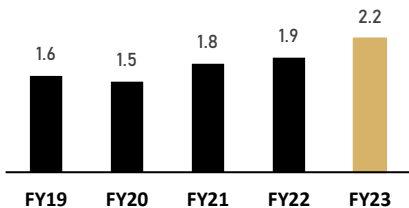


Net Worth

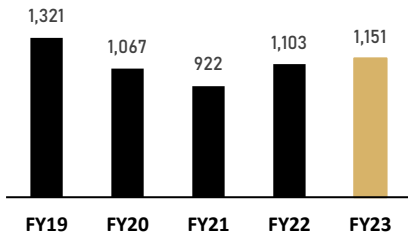
₹ in Cr



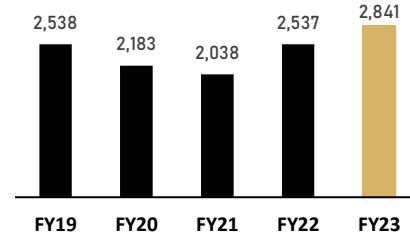
Fixed Asset Turnover In times



Net Debt



Capital Employed





05

◆ Management Team

27 Management Team

29 Achievement



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
(Corp. Affairs & TPP)

Mr. Balkrishan Sharma
Business Head &
Chief Executive (Yarn)

Mr. Arvind Kumar Maurya
Chief Executive
(Knits)

Mr. Puneet Anand
Chief Strategy Officer

Mr. Suketu Shah
Chief Executive
(Denim)

Mr. Arvind Gupta
Chief Executive
(Melange Yarn)

Mr. Manoj Sharma
President & CHRO

Executive Director &
Key Managerial Personnel

Corporate Team

Program for Enhancing Leadership Abilities



Leadership Training Program

Remarkable Testimonial of Endeavor





RSWM Limited
an LNJ Bhilwara Group Company



Thank You

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
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Bhilwara Towers,
A-12, Sector - 1
Noida – 201 301 (U.P.)
<https://www.rswm.in>

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



Profit & Loss Statement

₹ in Cr

Parameter	Quarterly				Half-Yearly		Yearly
	Q2FY24	Q1FY24	QoQ	Q2FY23	H1FY24	H1FY23	FY23
Total Income	1,016.58	910.84	11.80%	963.27	1,927.42	2,018.41	3,880.34
Raw Material Cost	666.89	600.49		609.74	1,267.40	1,252.16	2,356.59
Employee Cost	118.49	114.24		109.95	232.73	218.66	418.48
Power Cost	120.34	112.96		103.61	233.30	213.90	424.78
Other Expenses	103.66	93.61		99.13	197.26	207.86	384.10
Inc./Dec. in Inventory	(22.75)	(35.40)		(40.79)	(58.15)	(96.61)	(43.14)
EBIDTA	29.95	24.94	20.14%	81.63	54.88	222.44	339.53
EBIDTA Margin (%)	2.97%	2.77%	21 Bps	8.56%	2.88%	11.25%	8.96%
Depreciation	34.53	34.53		34.77	67.55	62.21	127.30
Finance Cost	17.79	19.93		18.51	37.71	37.11	73.95
Profit Before Tax	(22.37)	(28.01)		28.35	(50.38)	123.12	138.28
Tax	(7.70)	(10.07)		14.61	(17.76)	42.13	28.67
Net Profit After Tax (PAT)	(14.67)	(17.94)		13.74	(32.62)	80.99	109.61
PAT Margin (%)				1.44%		4.10%	2.89%

Balance Sheet Statement

₹ in Cr

Assets	H1 FY24	FY23	Liabilities	H1 FY24	FY23
Non-current Assets	1,580.19	1,449.07	Shareholders' Fund	1,238.32	1,268.42
Fixed Assets	1,420.48	1,298.23	Share Capital	47.10	47.10
Investments	105.79	75.01	Reserve & Surplus	1,191.22	1,221.32
Other Non-current Assets	53.92	75.83	Non-current Liabilities	636.67	604.94
Current Assets	1,344.57	1,391.90	Long Term Borrowing	544.07	499.74
Inventories	603.89	677.25	Other Non-current Liabilities	92.60	105.20
Trade Receivable	442.26	454.40	Current Liabilities	1,049.77	967.61
Other Current Assets	298.42	260.25	Short Term Borrowing	724.70	650.93
			Other Current Liabilities	325.07	316.68
Total Assets	2,924.76	2,840.97	Total Liabilities	2,924.76	2,840.97