



# BANSWARA SYNTEX LIMITED

Presentation – September 2017

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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

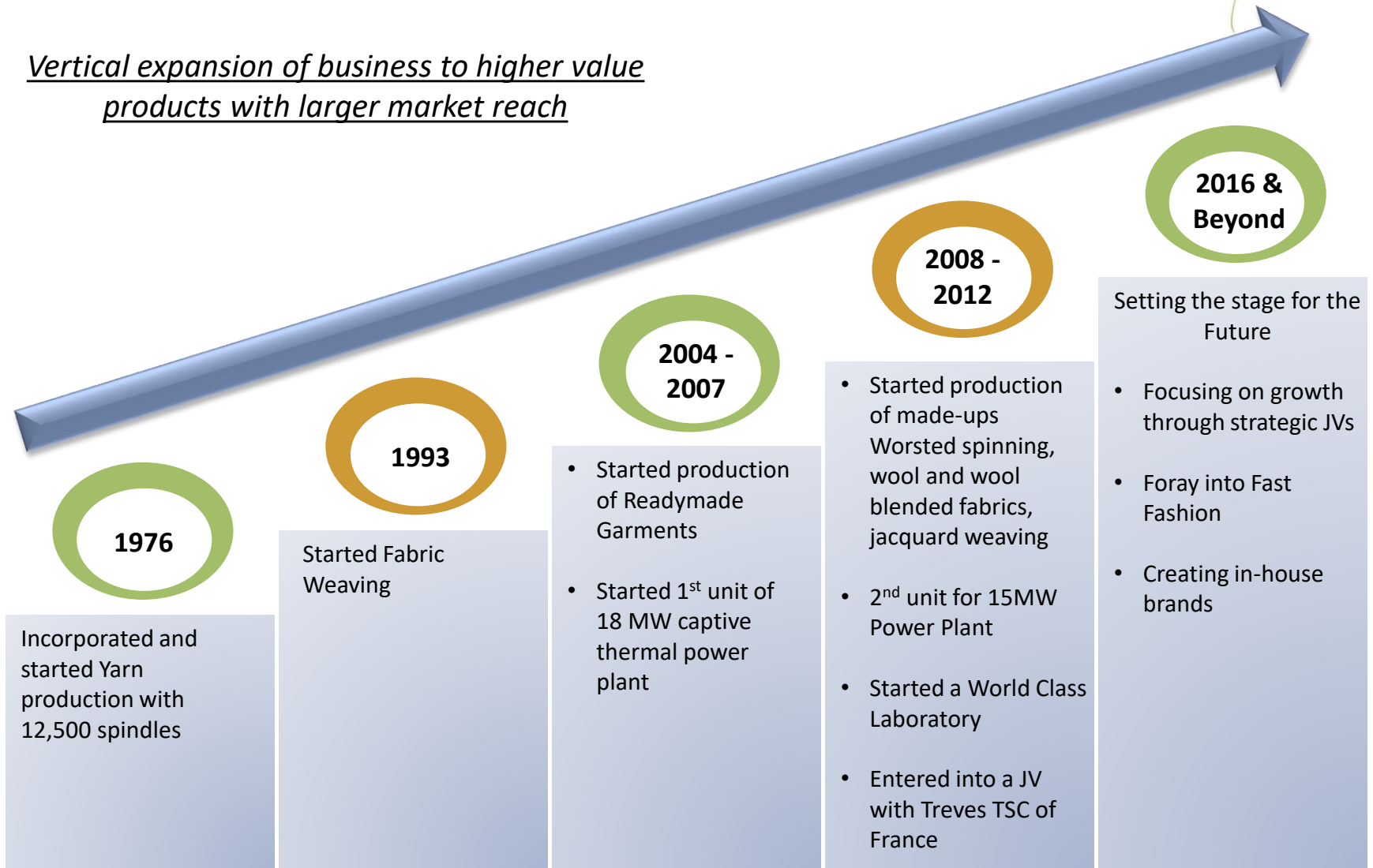
**Global Customer Accreditations** and Quality Certifications

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

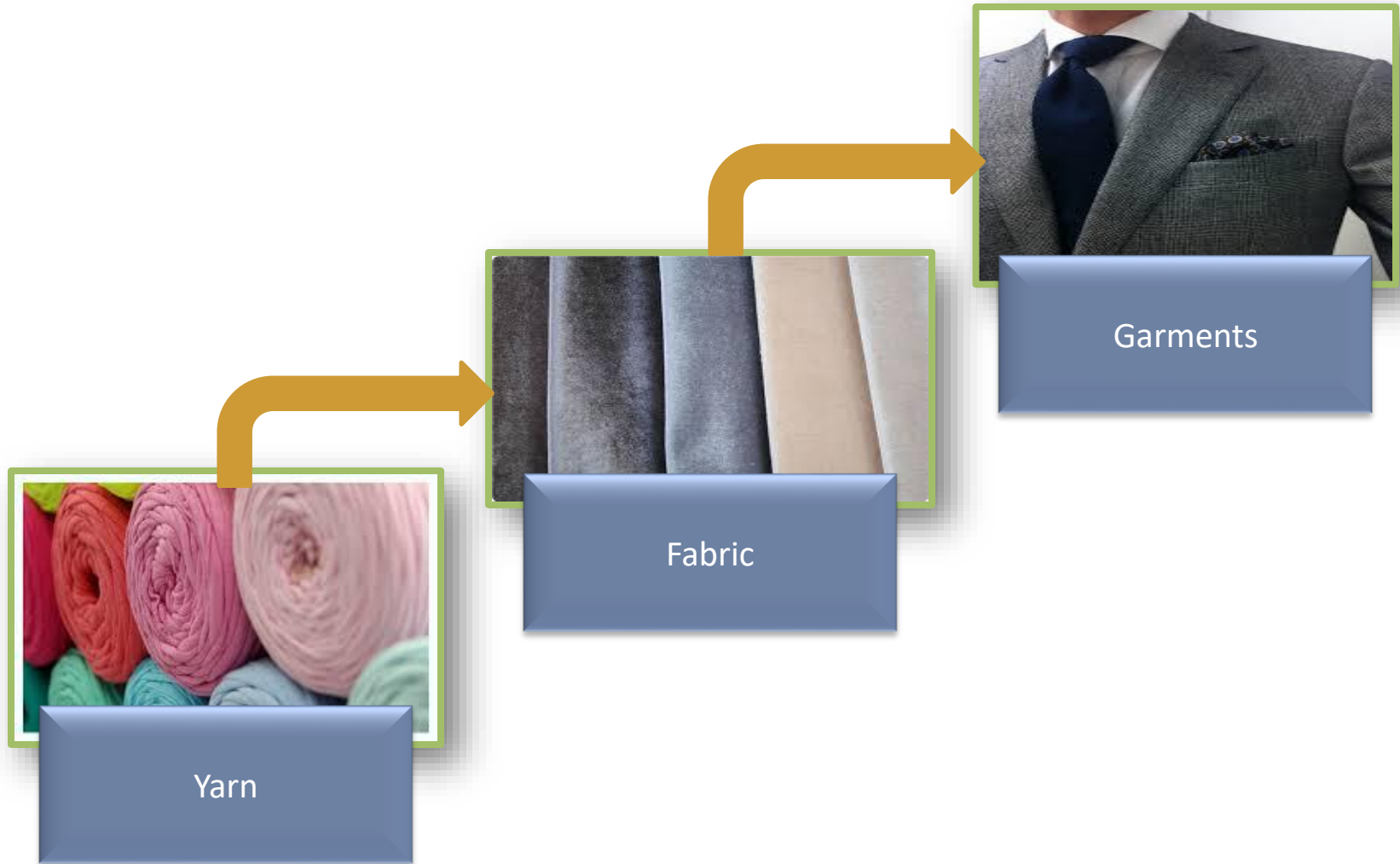
# Evolution into an Integrated Business



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

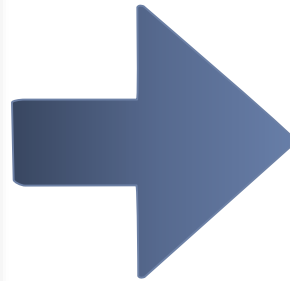
**Invested over Rs. 494 crores towards expansion and modernisation between FY 2010 – December 2016**

- Spinning Rs.235 Crs
- Fabric Rs.171 Crs
- Garmenting Rs.38 Crs
- Power Unit Rs.50 Crs

# Value Addition in the Yarn Business

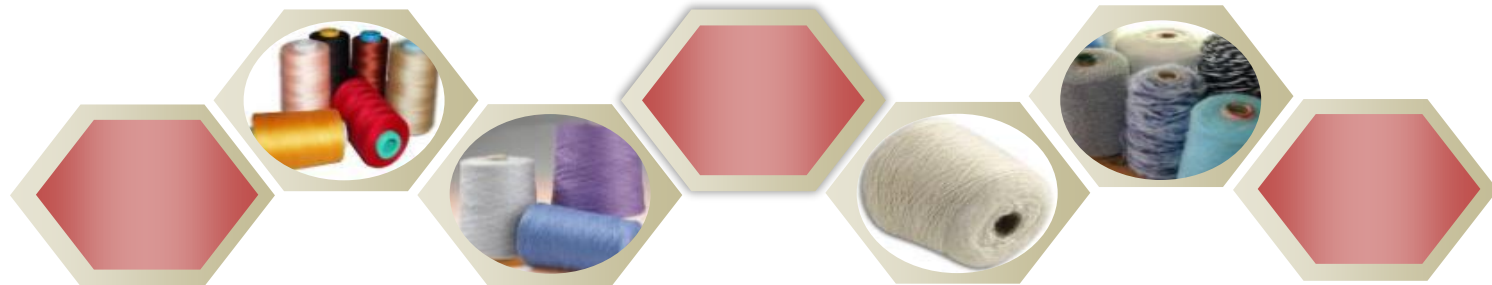
## Current Scenario

- We produce blends of viscose staple fibre, polyester staple fibre, acrylic staple fibre, lycra, cotton, linen, etc.
- Production Capacity – 37,080 tons pa
  - 34,920 tons - polyester blended dyed yarns
  - 2,160 tons - wool mix yarn
- We also produce Worsted Yarn
  - We currently have capacity of 19,680 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

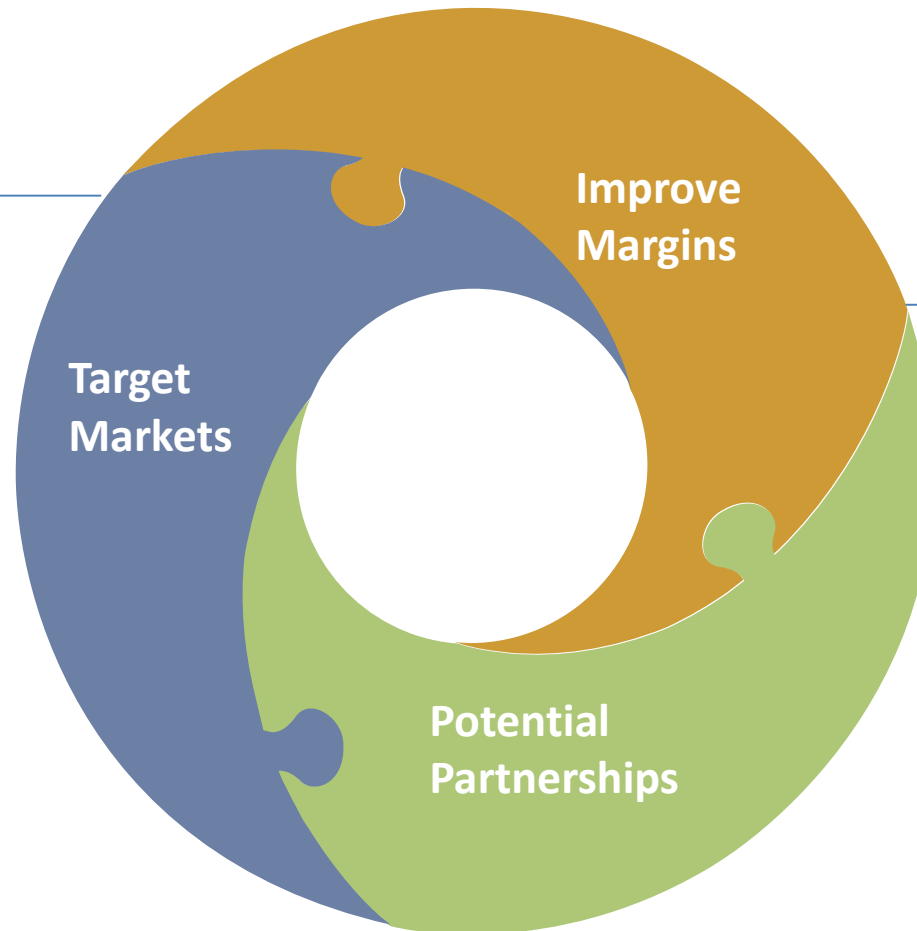


# Focusing on High-Quality & Performance Fabrics





# 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.

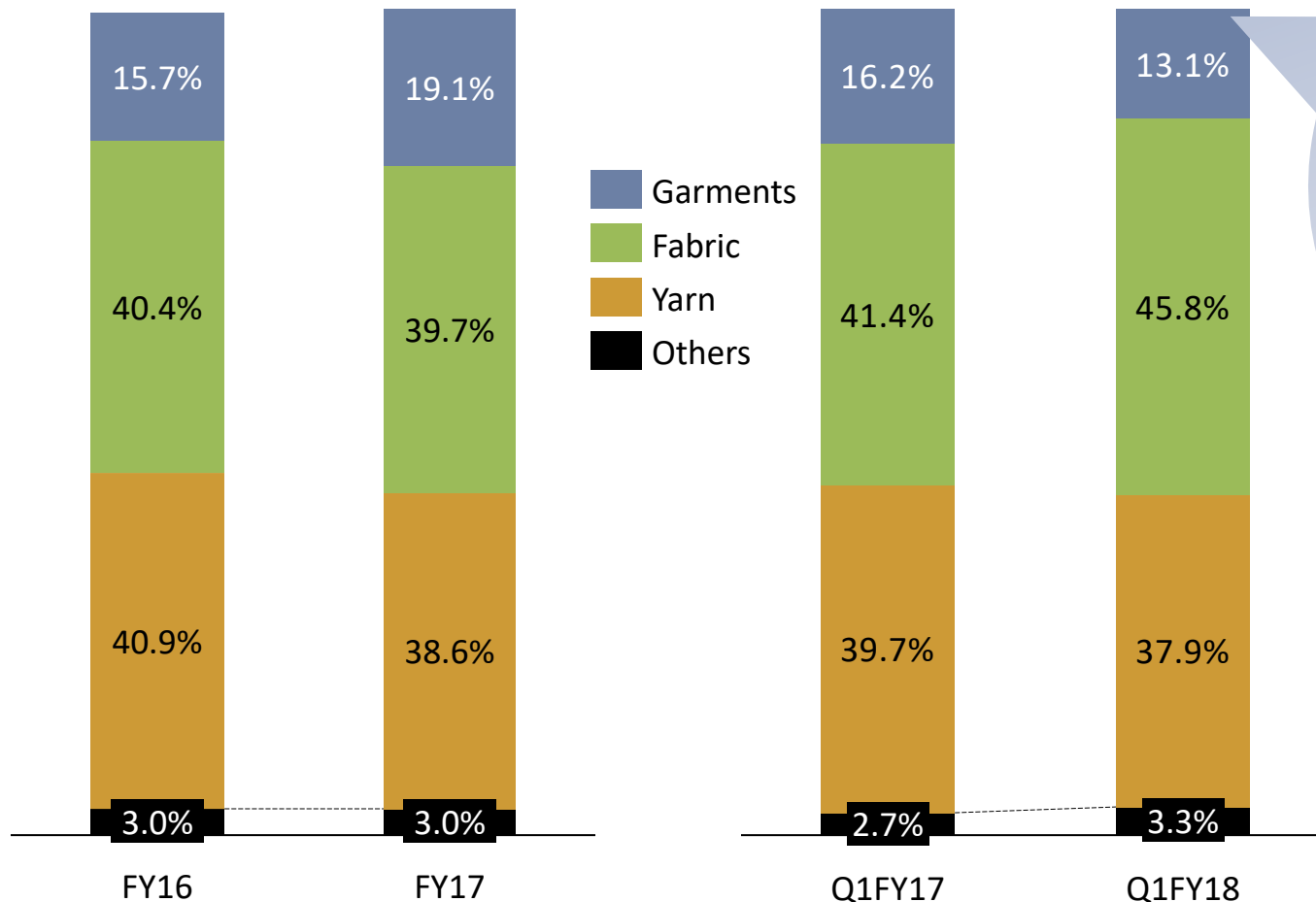
Potential Partnerships with synergistic benefits :

- 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.*

**In view of GST, Q1 FY18 was an aberration for the Garment segment due to the build up of inventories. However, there has been a steady increase in the production over the quarters.**

# Expansion within the Garments Space

- Leveraging our existing manufacturing capabilities at Daman & Surat SEZ
  - Trousers & Suiting's– 3,45,000 (pcs/ month)
  - Jackets & Waist Coats - 37,500 (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

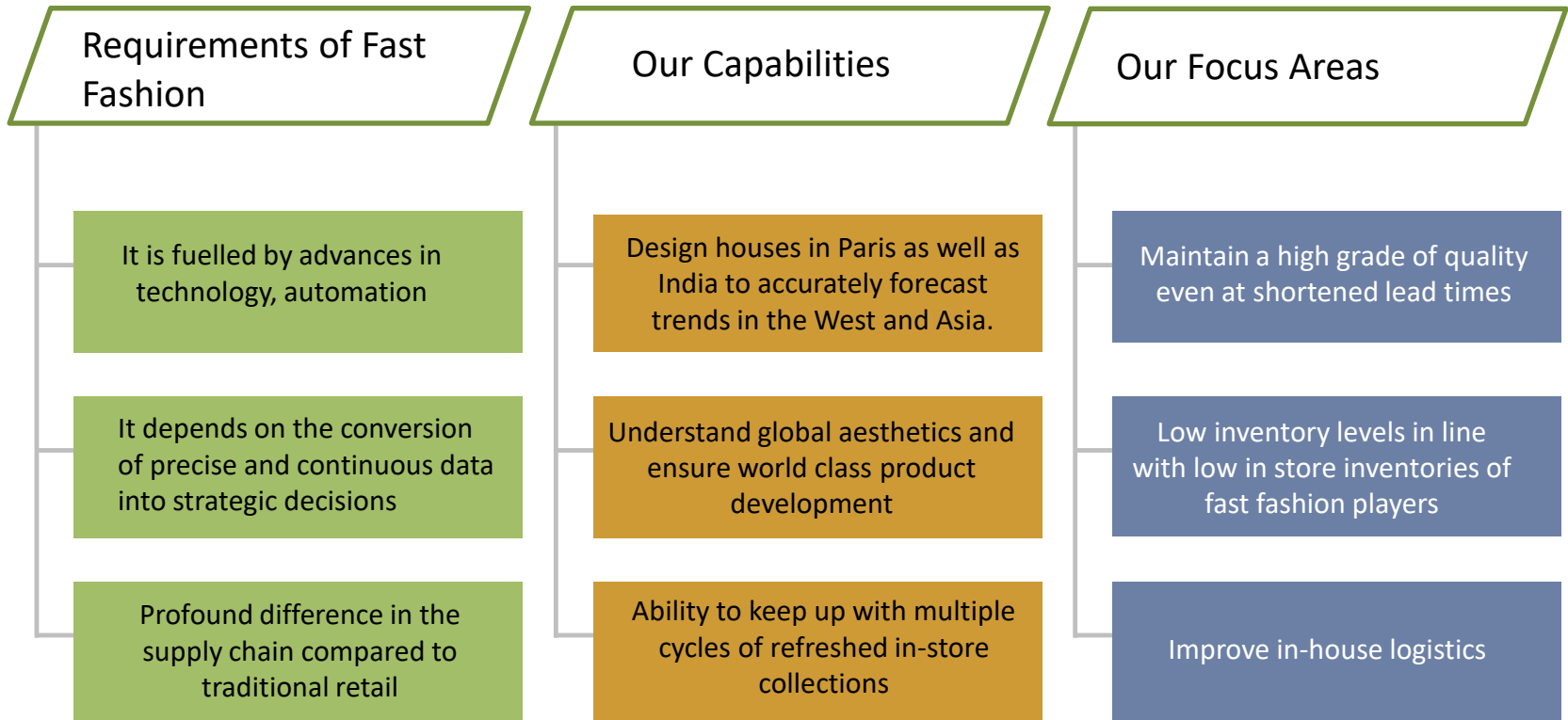
- Marketing agreement with a 90 year old European company, who, has been a major supplier to the global Fast Fashion retailers
- Focus, on Women's wear fabrics and would be Key supplier from India for fashion brands in USA and Europe
- Leverage on our manufacturing capabilities and provide best in class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

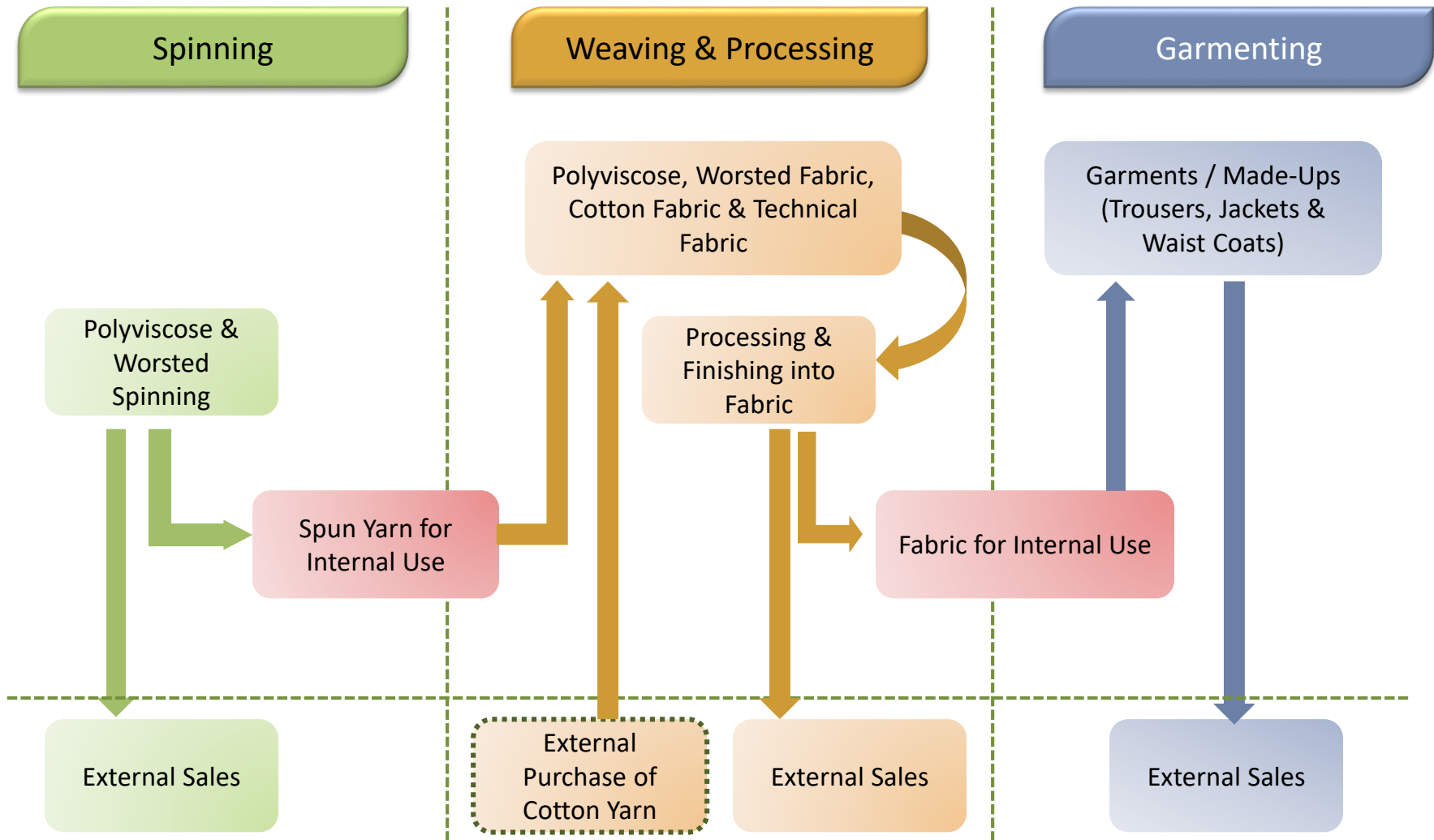
Our Partnerships will enable us to better utilize our existing manufacturing capacities and increase value added product sales

# 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

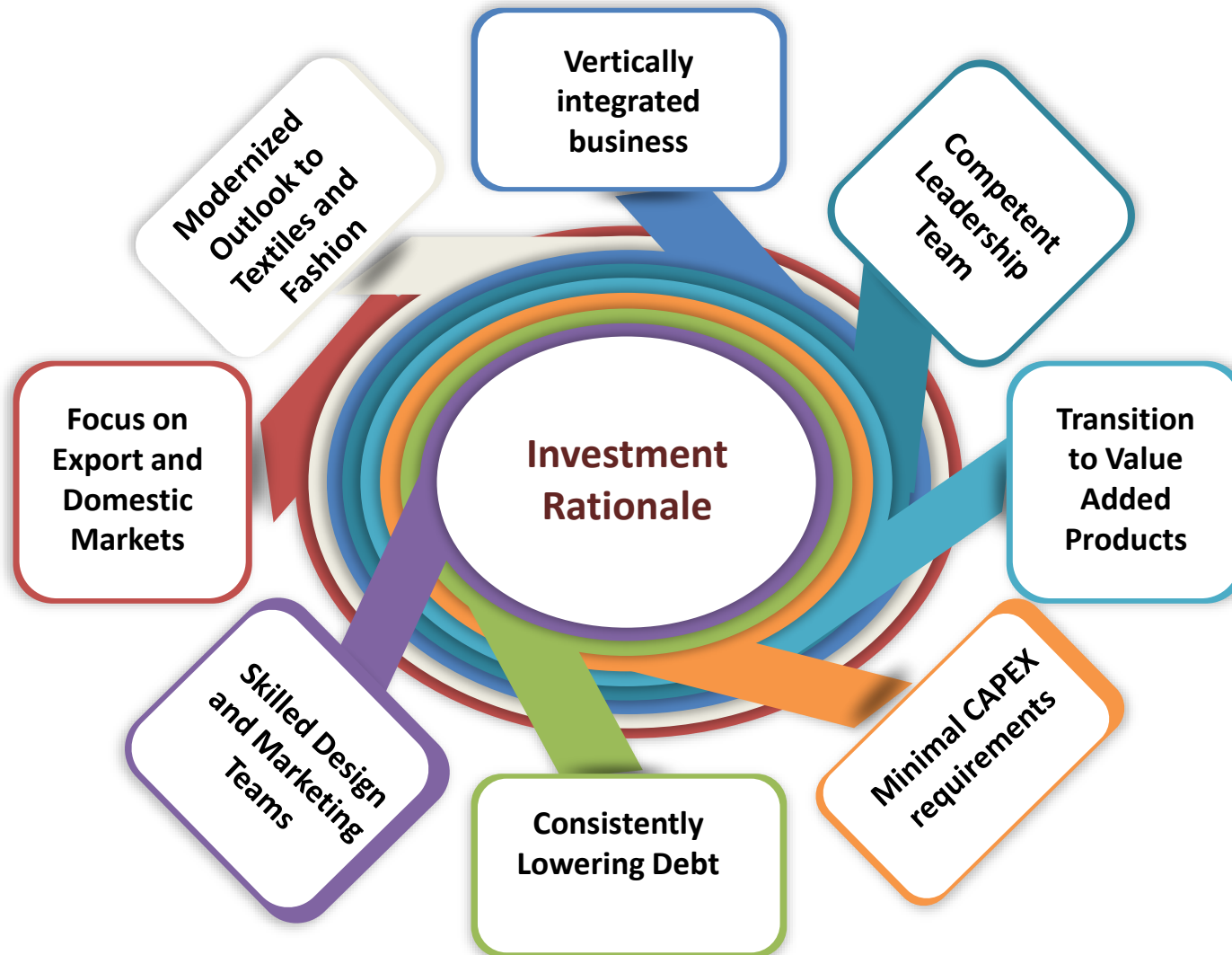
TESCO



*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
- 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
- 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

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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. J. M. Mehta**  
*Independent Director*

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

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**Mr. Kamal Kishore Kacholia**  
*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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**Dr. Vaijayanti Pandit**  
*Independent Director*

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

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# Profit and Loss Highlights

Rs. in Crs.	Q1FY18	Q1FY17	Q4FY17
	As per IND AS		As per Indian GAAP
<b>Total Operating Income</b>	<b>305.75</b>	<b>297.31</b>	<b>318.36</b>
Raw materials	140.21	137.53	154.40
Employee Exp	55.68	50.64	54.55
Manufacturing Expenses	30.24	27.19	} 82.34
Power & Fuel	30.94	22.49	
Other Expenses	23.28	20.77	
<b>EBIDTA</b>	<b>25.41</b>	<b>38.69</b>	<b>27.08</b>
<b>Margin %</b>	<b>8.3%</b>	<b>13.0%</b>	<b>8.5%</b>
Other Income	4.83	1.84	4.82
Depreciation	13.66	13.68	14.65
Finance Cost	15.29	15.54	15.56
<b>PBT</b>	<b>1.30</b>	<b>11.32</b>	<b>1.70</b>
Tax	0.43	3.32	-0.19
<b>PAT</b>	<b>0.87</b>	<b>8.00</b>	<b>1.89</b>
<b>PAT Margin</b>	<b>0.3%</b>	<b>2.7%</b>	<b>0.6%</b>
Other Comprehensive Income	0.02	0.02	-
<b>Total Comprehensive Income</b>	<b>0.89</b>	<b>8.01</b>	<b>-</b>
<b>TCI Margin</b>	<b>0.3%</b>	<b>2.7%</b>	<b>-</b>

## Increase in Expenses:

- There was continued labour absenteeism due to which employee Costs have increased by 10% from the corresponding quarter last year on account of due to an increase in index based wages this year and higher payments including overtime payments to existing labour
- Fuel cost has increased by 38% from the corresponding quarter last year; primarily due to the increase in the prices of petcock and imported coal
- There was an increase in the prices of polyester, viscose and wool by 2%, 10% and 25% respectively
- There was a build up of garment inventories since customers refrained from taking deliveries in anticipation of GST

**We were unable to pass on this increase in cost to our customers**

# Balance Sheet\*

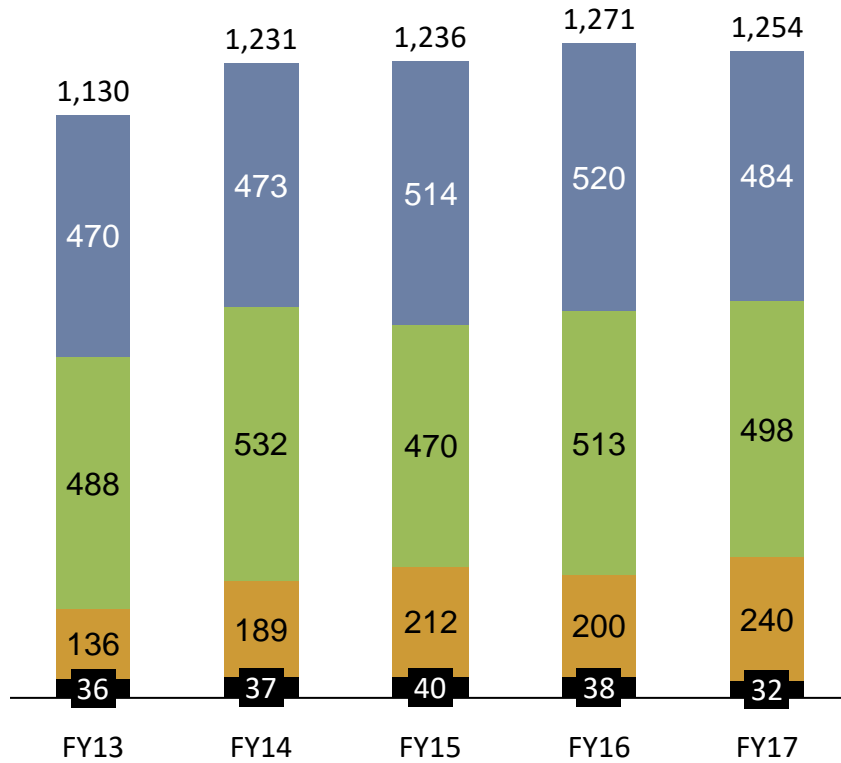
EQUITY AND LIABILITIES (Rs. In Crs)	Mar-17	Mar-16
<b>Shareholders Funds</b>	<b>268.2</b>	<b>249.2</b>
Share Capital	17.1	16.9
Reserve & Surplus	251.1	232.2
Money received against share warrants		0.0
<b>Total Non-current Liabilities</b>	<b>253.0</b>	<b>272.6</b>
Long-term borrowings	198.8	216.6
Deferred tax liabilities	44.7	46.7
Long Term Provisions	9.5	9.3
<b>Total Current Liabilities</b>	<b>537.8</b>	<b>518.9</b>
Short Term Borrowings	276.2	280.5
Trade Payables	161.1	127.3
Other Current Liabilities	94.2	85.5
Short Term Provisions	6.3	25.6
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1059.1</b>	<b>1040.7</b>

ASSETS (Rs. In Crs)	Mar-17	Mar-16
<b>Non-Current Assets</b>	<b>502.9</b>	<b>514.9</b>
Fixed Assets	492.3	481.2
Non current investment	3.7	18.6
Long term loans & Advances	6.5	6.4
Other non Current Assets	0.4	8.8
<b>Current Assets</b>	<b>556.1</b>	<b>525.7</b>
Inventories	329.2	290.2
Trade Receivables	157.3	161.8
Cash & Cash Equivalent	19.8	20.8
Short Term Loans & Advances	30.7	24.8
Other Current Assets	19.2	28.1
<b>TOTAL ASSETS</b>	<b>1059.1</b>	<b>1040.7</b>

# Revenue Performance\*

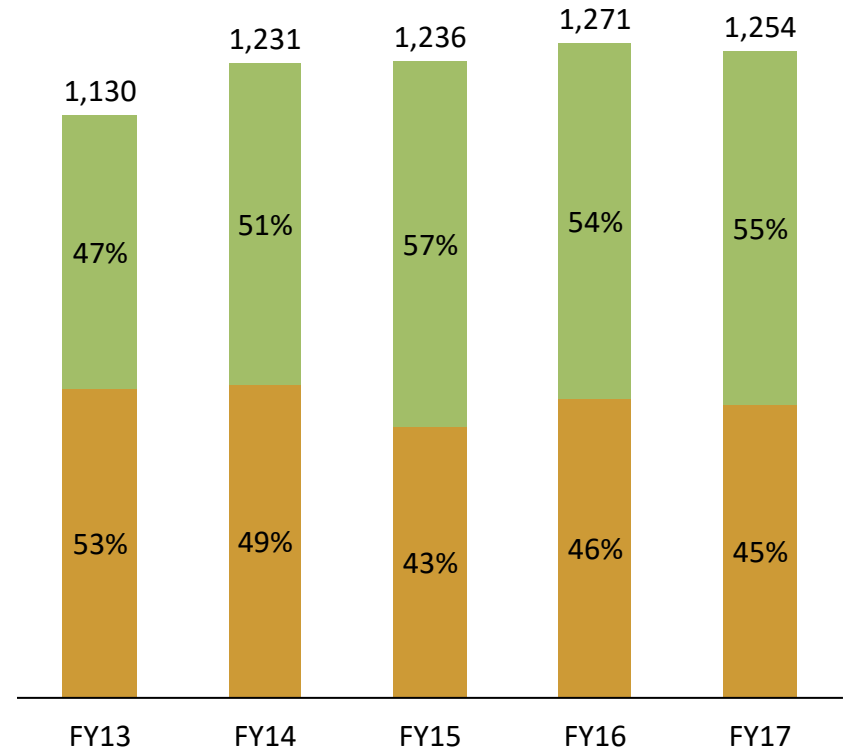


## Segment Gross Revenue (Rs crs)



■ Yarn    ■ Garment  
■ Fabric    ■ Other

## Geographic Gross Revenue (Rs crs)



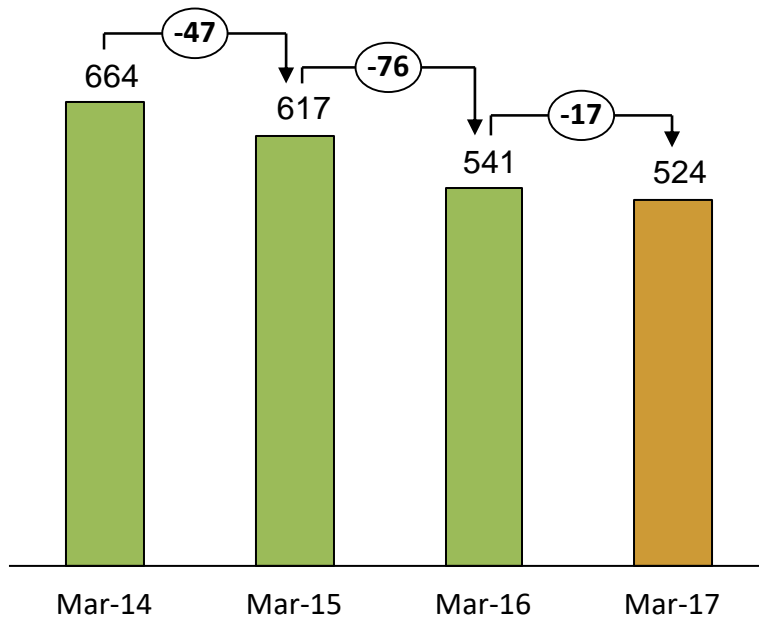
■ Domestic  
■ Exports

\* As per Indian GAAP

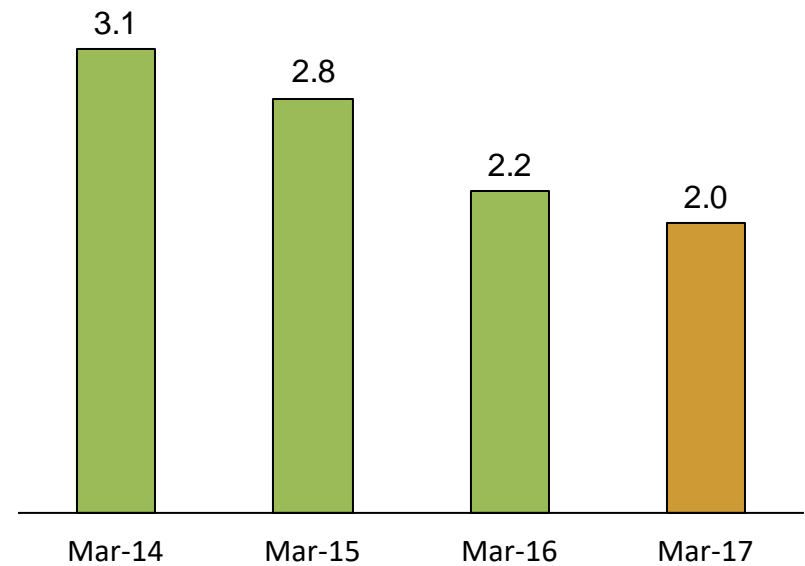
# Improving Balance Sheet



Net Debt \*(Rs. Crs)



Net Debt:Equity



\*Net Debt includes Current Maturity of Debt

\* As per Indian GAAP



## For further information, please contact:

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