

RSWM/SECTT/2021  
November 9, 2021

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 30<sup>th</sup> September, 2021.**

Dear Sir,

Please find enclosed a copy of Investors Presentation on the Unaudited Financial Results of the Company for the quarter ended 30<sup>th</sup> September, 2021 for your information and record.

Thanking you,

Yours faithfully,  
For **RSWM LIMITED**



**SURENDER GUPTA**  
**AVP – LEGAL & COMPANY SECRETARY**  
**FCS – 2615**

[rswm.investor@lnjbhilwara.com](mailto:rswm.investor@lnjbhilwara.com)

Encl.: As above

(Formerly Rajasthan Spinning & Weaving Mills Limited)

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GSTIN: 08AAACR9700M1Z3

**Corporate Identification Number: L17115RJ1960PLC008216**

The background of the slide is a close-up, top-down view of numerous spools of thread. The spools are arranged in a dense, overlapping pattern. Each spool is a different color, including shades of green, orange, yellow, pink, and red. The threads are tightly wound around a central white plastic core, creating a circular pattern of thread. The lighting is bright, highlighting the texture of the threads and the smooth surface of the cores.

# **RSWM LIMITED**

Investor Presentation:  
**September 2021**

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# Message from MD's desk

*Commenting on the results, Mr. Riju Jhunhunwala, Chairman & Managing Director of RSWM Ltd. said, “FY21 was full of learnings and challenges both in terms of business and battling the pandemic which catalyst for change. RSWM stood among the companies that envisioned the change and showcased agility to prepare to continue delivering better financial numbers in a highly unpredictable ecosystem. Also, FY21 was a very satisfying year for us because we made structural changes that we believe were critical for a sharper focus of business growth. As we step into a new period of growth with a sharper focus on business growth, our consolidation efforts, new investment allocation and focus on core business capabilities building remains critical for sustainable business growth. With stronger business performance in H1 FY22, we are confident that the company would continue to build on the momentum while executing our blueprint with disciplined determination.”*



# Message from JMD's desk

***Commenting on the results, Mr. B. M. Sharma, Joint Managing Director of RSWM Ltd. said, “Company has given sustainable performance started from Q3 21 evident from Annual Report of FY21 and Results of FY22. Steps were taken to monetize non-core assets of the Company. Funds so generated are being deployed to expand existing businesses production capacity and venture into a new business line i.e. Knits Business. Efforts are being made to put company on growth trajectory by implementing a well thought of Capex plan, which may require re-assignment of resources, including human resources. This will generate new growth opportunities for employees and which we have also rolled out a plan for development of future leaders. Investment in this HRD initiative is going to benefit all stake holders of company as well as its employees.”***





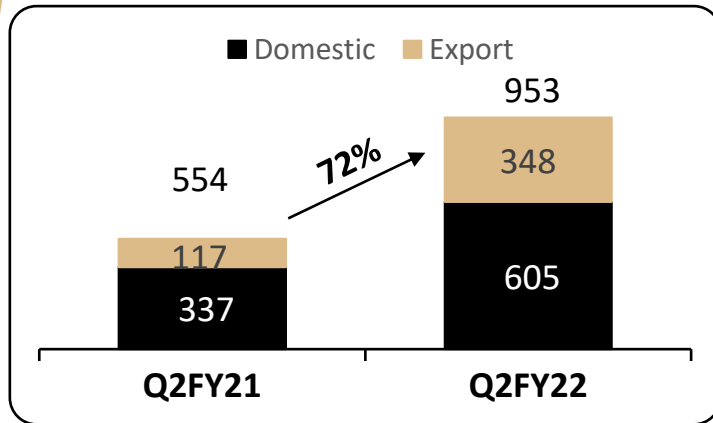
**RSWM Limited**  
an LNJ Bhilwara Group Company

## **Q2 & H1FY22 HIGHLIGHTS**

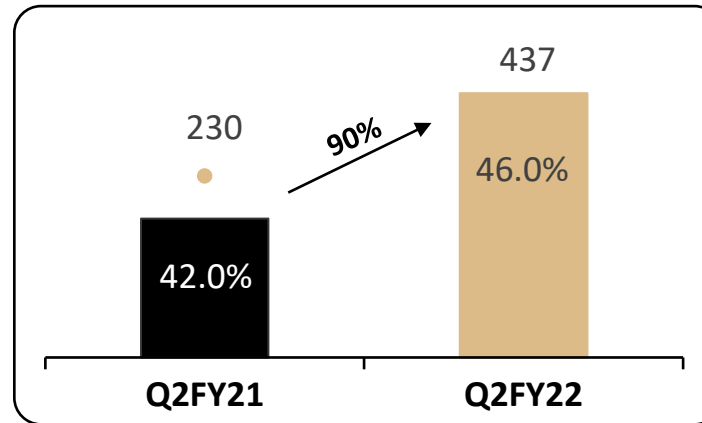
# Financial Performance Highlights : Q2FY22

INR in Cr

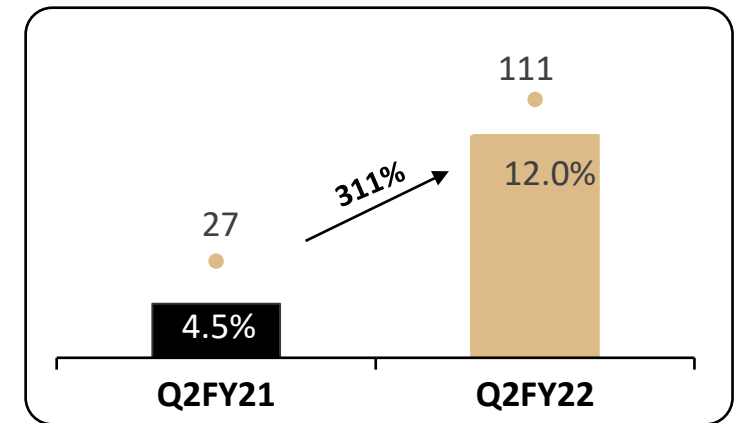
## Revenue



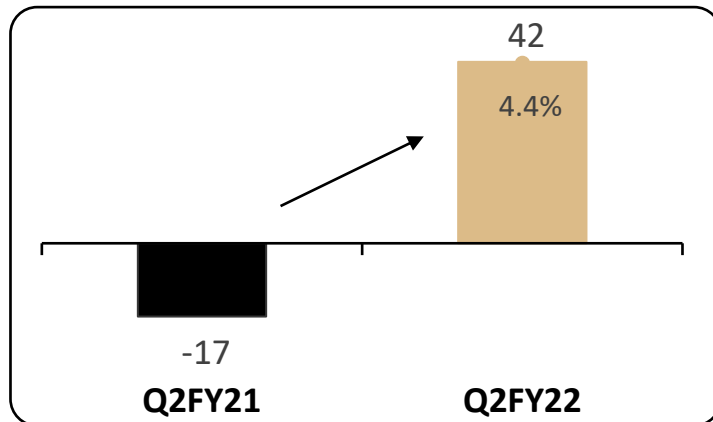
## Gross Profit & GP Margin %



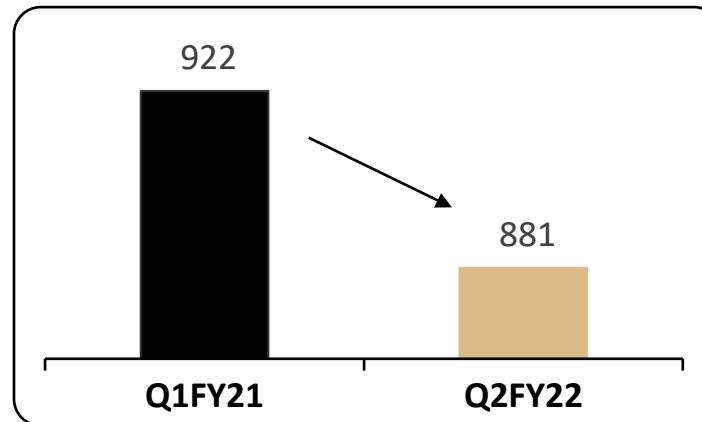
## EBITDA & EBITDA Margin %



## PAT & PAT Margin %



## Net Debt



## Highlights

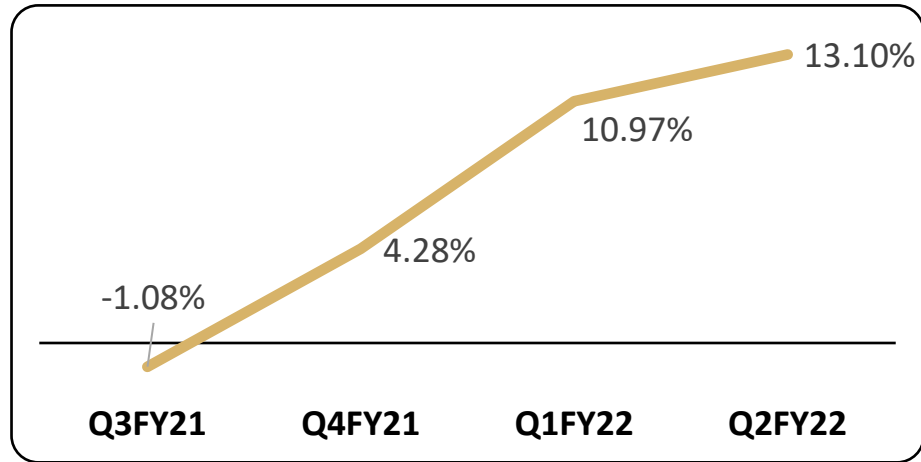
- During the quarter revenue from operation grew 72% to INR 953 Cr
- Domestic turnover has increased of 61% as compared to Q2FY21
- Export turnover has increased of 96% as compared to Q2FY21.
- EBITDA up 3x to INR 111 Cr. EBITDA Margin stood at 11.64%
- Net profit stood at INR 43 crores as against loss of INR 17 Cr <sup>7</sup>



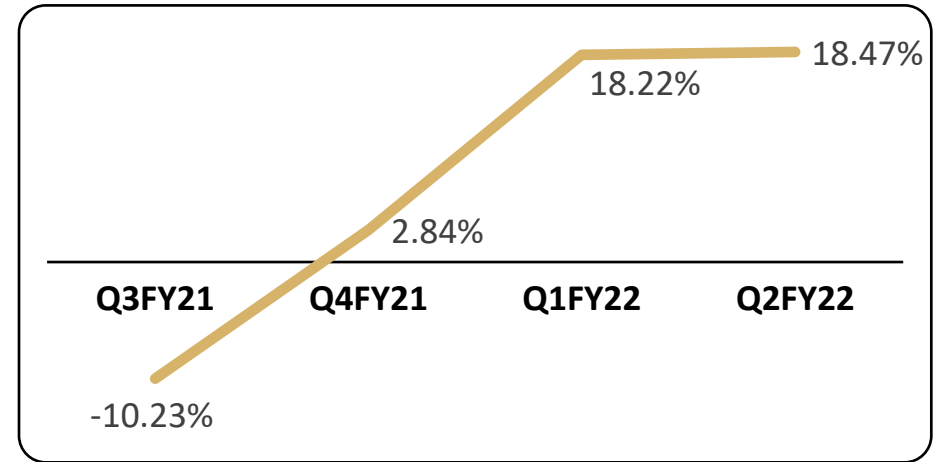
# Key Financial Ratio

INR in Cr

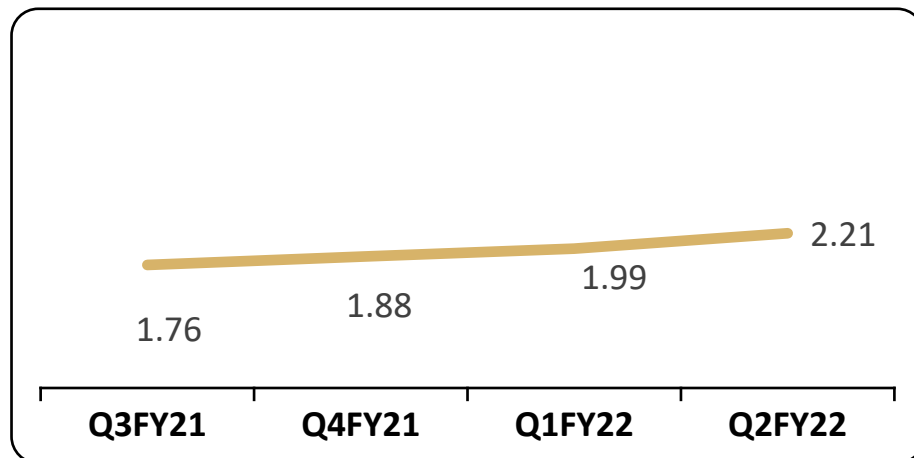
### ROCE



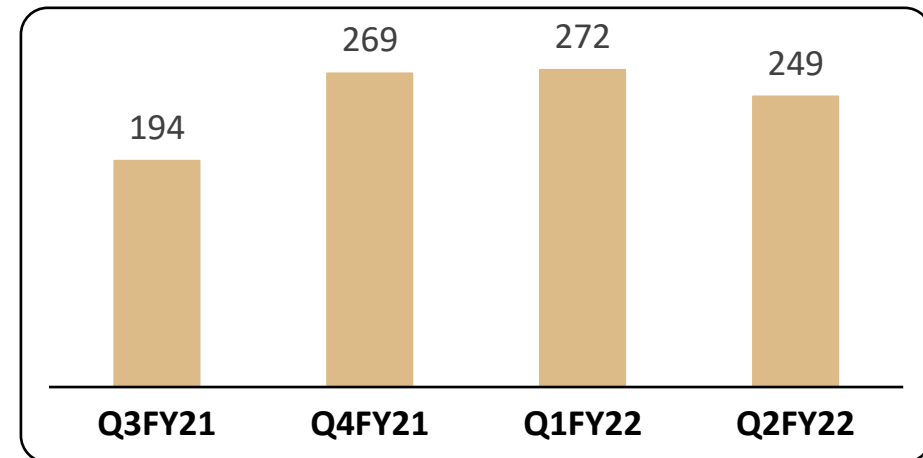
### ROE



### Fixed Asset Turnover



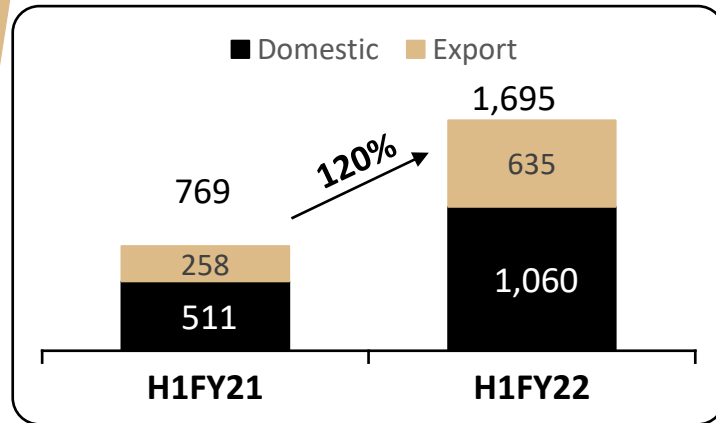
### Net Working Capital



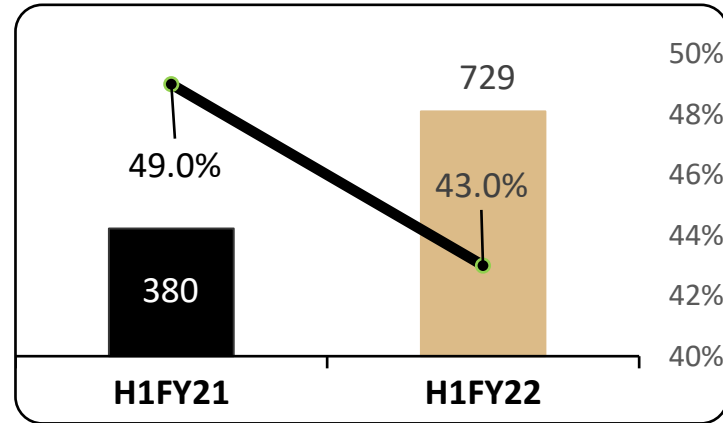
# Financial Performance Highlights : H1FY22

INR in Cr

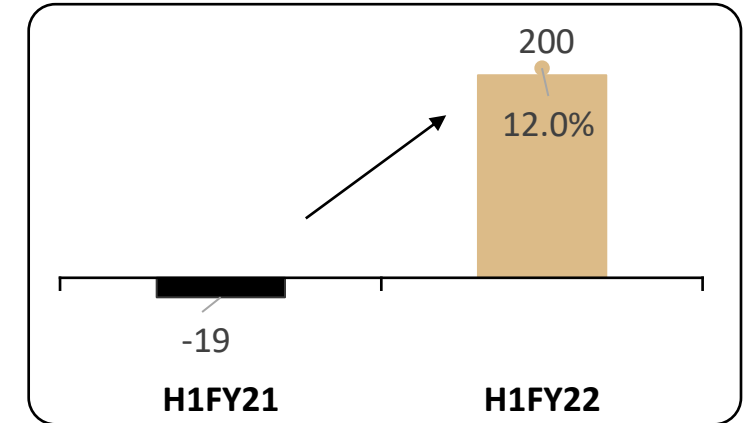
## Revenue



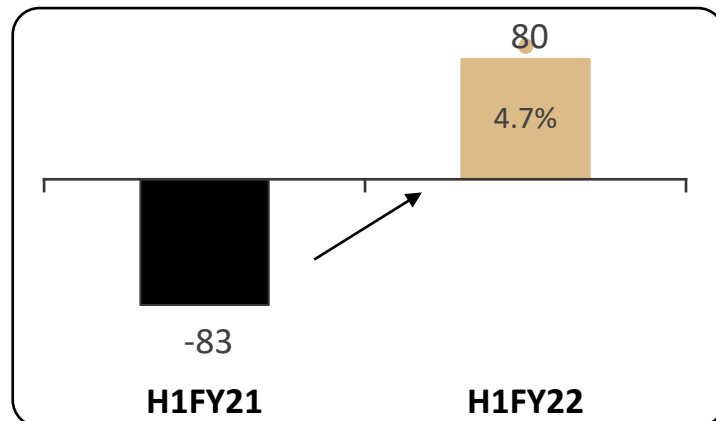
## Gross Profit & GP Margin %



## EBITDA & EBITDA Margin %



## PAT & PAT Margin %

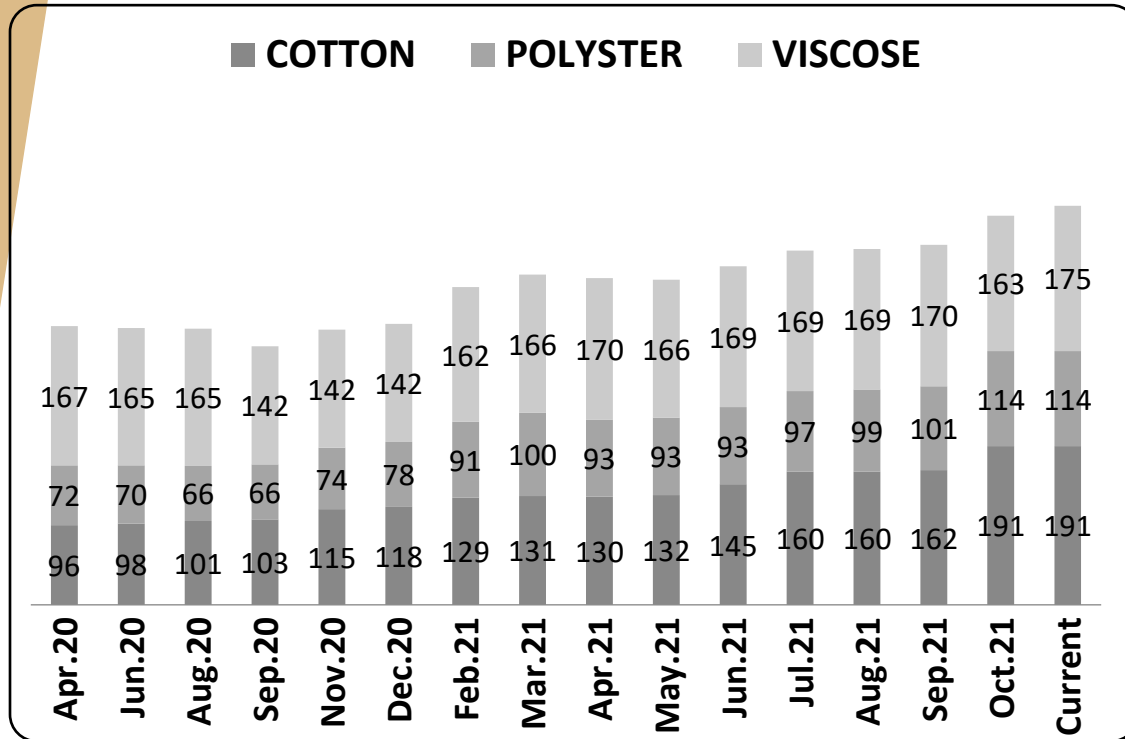


## Highlights

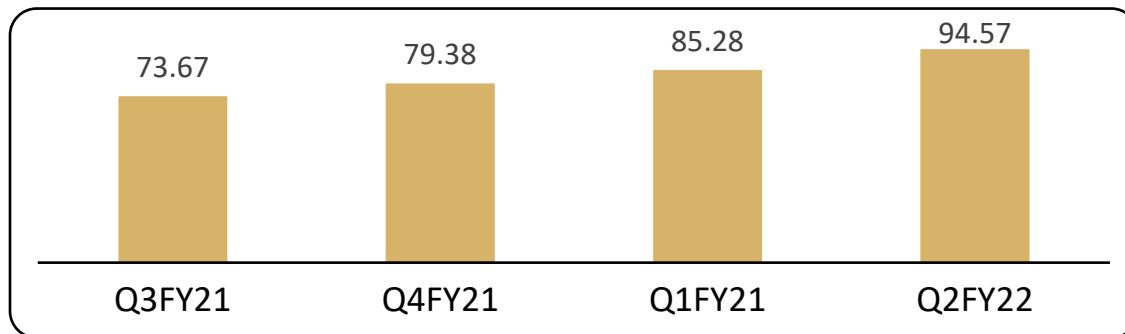
- Impact in Gross profit margin is mainly on an account of higher RM. In absolute terms RM cost increased from INR 389 Cr in H1FY21 to INR 966 Cr in H1FY22
- Overall profitability in H1FY22 is impacted mainly on account of Higher Raw material cost, Power and fuel cost due to surge in coal prices and increase in freight cost. (Refer Slide 10 for detail analysis)

# Key Challenges in Q2 & H1FY22

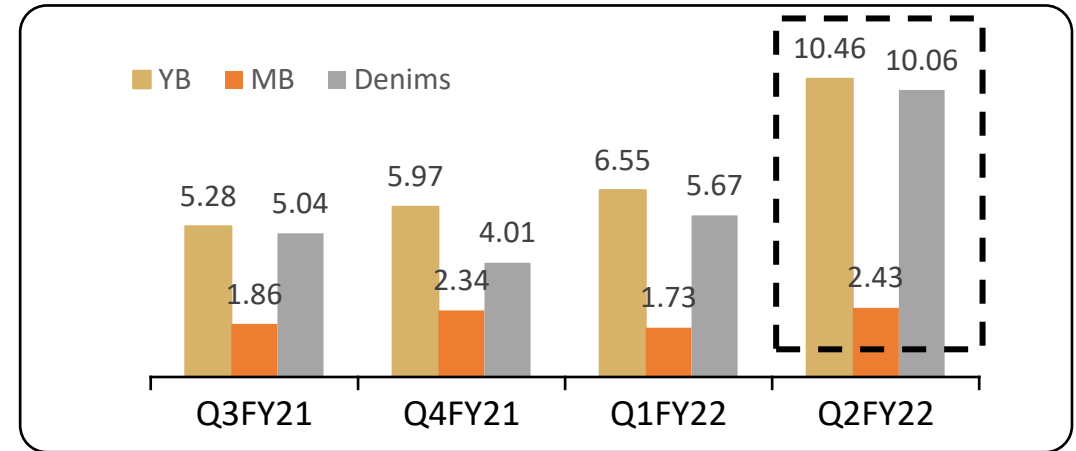
### Raw Material Prices



### Power & Fuel cost



### Ocean Freight As % Of Sales



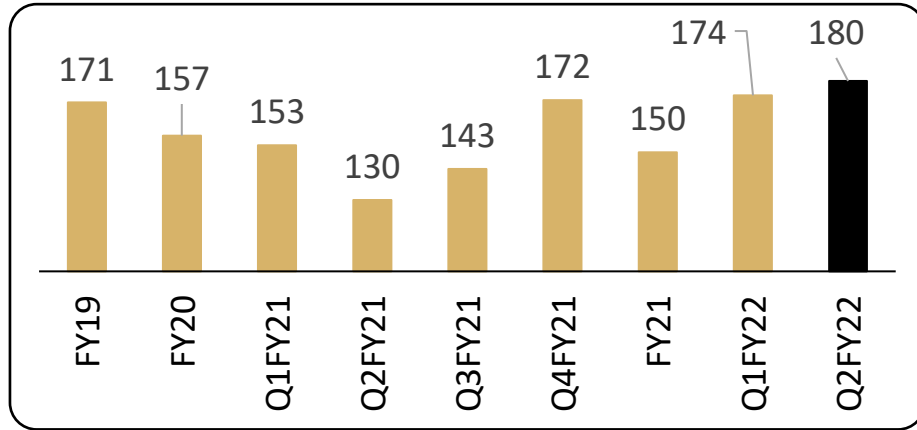
## Challenges

- Shortage of coal has multi fold price increase
- RM cost escalations led to panic buying. Price increase by us by Rs 15-30/meter in domestic trade as well as domestic brands
- Sharp increase in ocean freight in October
- All the above factor impacted our profitability in H1FY22

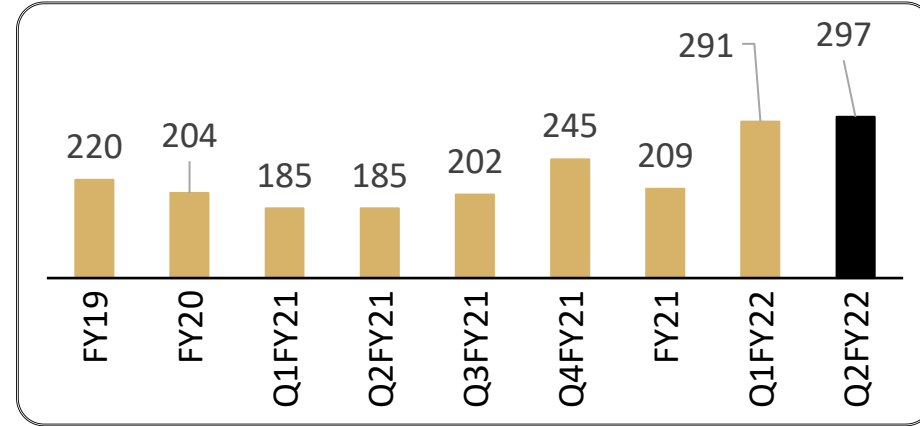
# Average Sales Realisation

Yarn per Kg  
Denim per meter

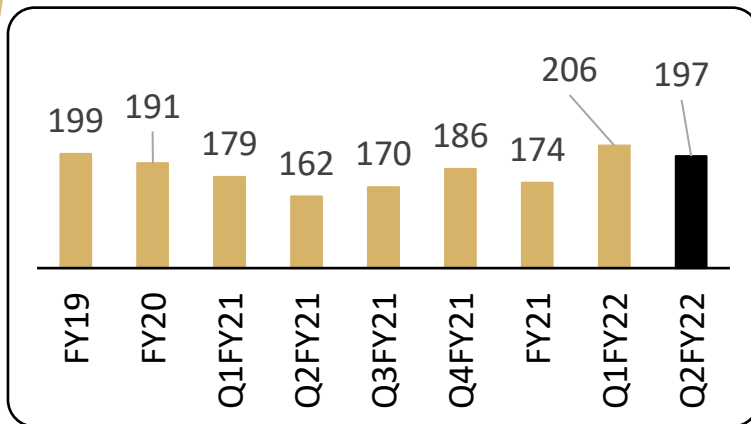
### PV Grey Yarn



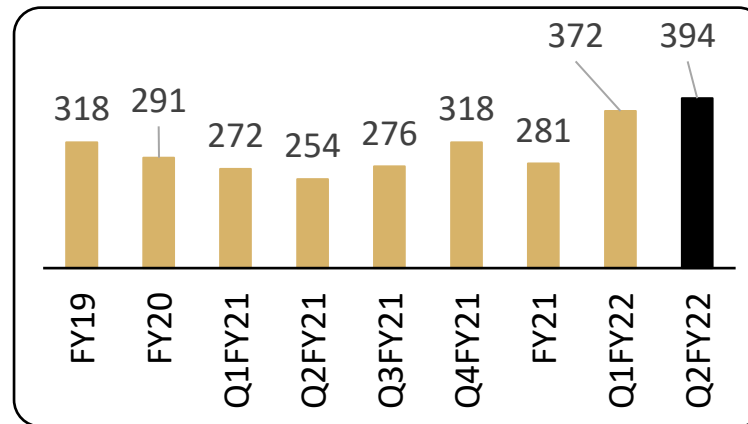
### Cotton Grey Yarn



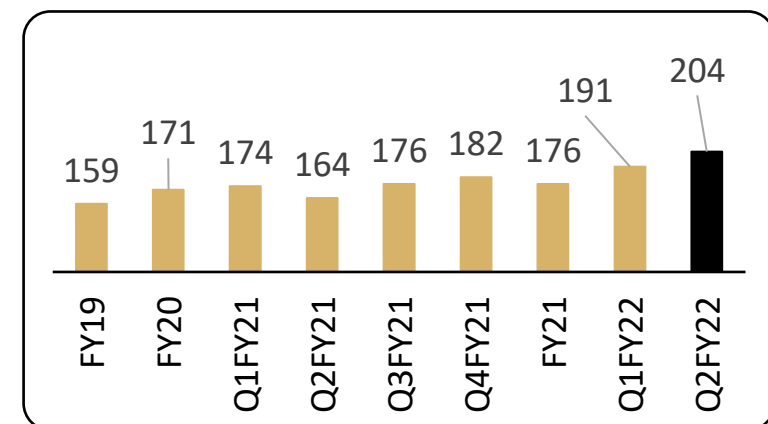
### PV Dyed Yarn



### Melange Yarn



### Denim





# LEVER OF GROWTH

# Lever of Growth

- Our team is working on programs like “Kifayat” and “Kaizen” for cost optimization, quality improvement and productivity enhancement.
- Our ability to reprocess the waste materials and minimize waste adds to savings of raw material
- Adequate use of captive solar power in plant and regular energy audit helps in reduction of Power cost

## Optimization

- Focus on monetizing non core assets
- Company is also exploring the long term growth opportunities by strategizing to enhance value-added products proportion in our sales mix
- Pre-payment of long term loans which is helping us in reduction of finance cost
- Minimizing current assets
- Better realization of government assets

## Realization

- Closely tracking Govt Policies RoDTEP Scheme (Remission of duties and Taxes on Export Products). which will enhance Indian exports competitiveness across the globe. It is likely to change entire value chain for exporters.
- Capitalize on growth opportunities arising from New textile policy like PLI, Mega investment Textile Parks (MITRA) and Free trade agreement

## Govt. Initiatives

- Company is investing around INR.330 Cr. in expansion of Denim, Cotton Melange Yarn, Knits Business and Modernisation & Balancing equipment's across all units
- Capex will be fully operational by FY23
- Investment in Denim, Cotton Yarns and Knit expected to increase our top line by around INR 575 Cr.

## Investment



# COMPANY OVERVIEW

# RSWM at a glance

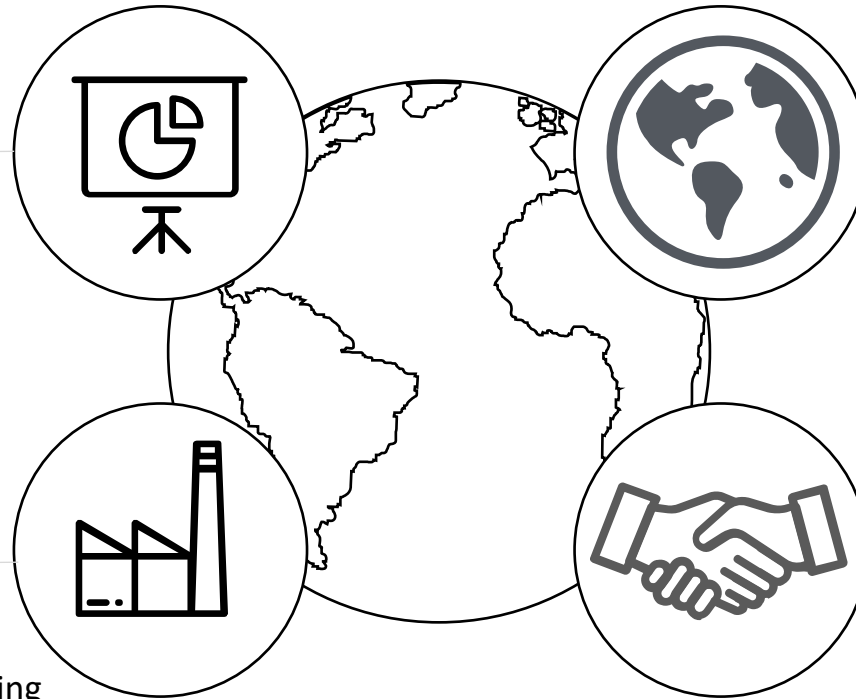
RSWM Ltd. is One of the largest textile manufacturers and Exporters of Synthetic, Blended, Mélange, Cotton, Specialty value added yarns and also manufacturing Fabrics, Denim and Green Polyester Fiber.

## Business Segments

- Yarns and Denim
- Total Capacity: Yarn:1,39,500 TPA  
Fabric: 275 Lakh Mts

## Installed Capacities

- 10 Manufacturing facilities
- 43,000 MTs p.a. Green Polyester Fiber manufacturing capacity
- 4,45,192 Spindles and 4,800 Rotors Spinning
- 10 million meter p.a. PV Fabrics
- 25 million mtrs p.a. Denim Fabric manufacturing capacity -Composite Facility (Spinning+Weaving+Processing+Dyeing).



## Global Presence

- Exports to more than 78+ nations globally like Africa, South East Asia, Europe, Middle East, USA
- Export contributes ~33% of Sales

## Strong Parentage

- RSWM is the Flagship company of LNJ Bhilwara Group
- RSWM enjoys the Golden Trading House status.



# Strong Parentage

**POWER CONSULTANCY**  
➤ INDO CANADIAN  
CONSULTANCY SERVICES LTD

**GRAPHITE ELECTRODES**  
➤ HEG LIMITED

**INFORMATION TECHNOLOGY**  
➤ BHILWARA INFOTECHNOLOGY  
LIMITED

**TEXTILES**

- RSWM LTD.
- MARAL OVERSEAS LTD.
- BSL LTD.
- BHILWARA TECHNICAL TEXTILES LTD.
- BMD PVT. LTD.



**POWER**

- BALEPHI JAL-VIDYUT CO. P. LTD.- NEPAL
- NJC HYDRO POWER LTD.
- AD HYDRO POWER LTD.
- MALANA POWER CO. LTD.
- BHILWARA ENERGY 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 stake holders in the Group.
- All key companies ISO certified
- Over 28,000 strong workforce.

# Our Evolution

First unit of  
RSWM

1961

Fabric processing &  
finishing unit was  
established at Kharigram,  
Gulabpura

1973

1989

Estd. Grey yarn  
spinning unit at  
Banswara

Estd. Melange Yarn  
manufacturing unit at  
Mandpam, Bhilwara

1994

Acquired Rishabhdev  
plant from HEG Ltd.

2003

Executed Automated Spinning  
plant. Expanded capacity at  
Kharigram (SJ-11), Banswara  
(Rotors), Denim (Spinning), Mordi  
(50 Looms).

2005

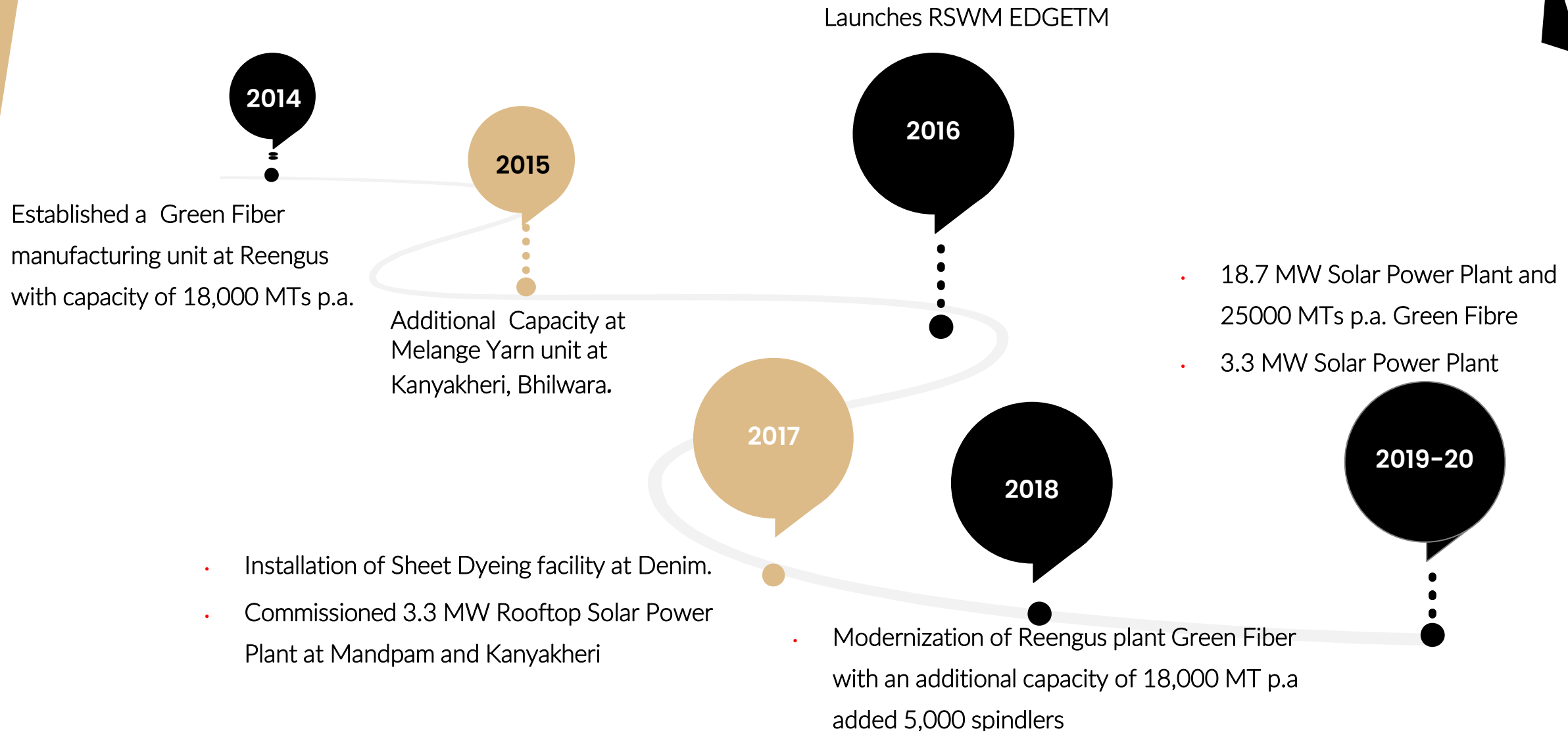
Acquired Jaipur Polyspin Ltd., Reengus and  
Mordi Textiles & Processors Ltd. Banswara

2006-07

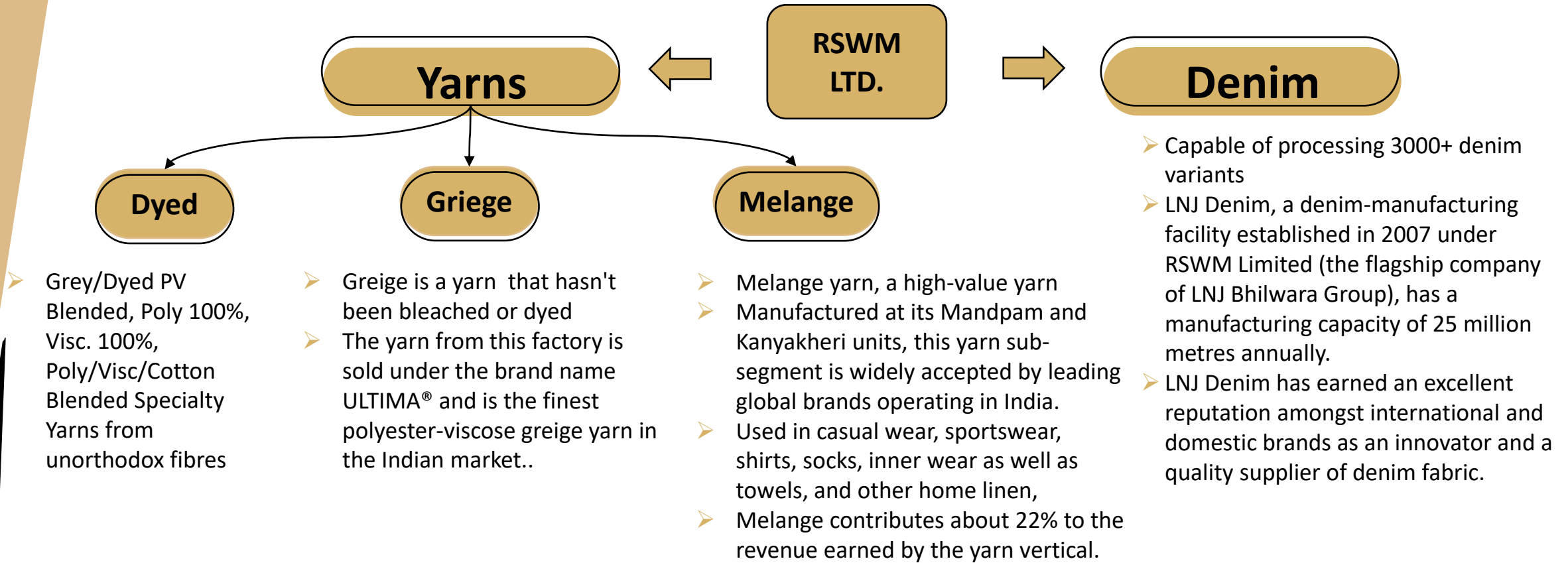
Completed an expansion plan with  
capital cost of Rs.700 Crore. Estd. LNJ

2011-12

# Our Evolution



# Business Verticals



# Credentials

- ✓ The company is certified by all quality certification as per International Standards
- ✓ The company has also been certified by ISO 9001 2015, Global Organic Textile Standard (GOTS), *Oeko-Tex-100* (certified by *Hohenstein*), *SA- 8000:2015* (certified by *BSI*), *ISO EnMS – 5001 : 2012*, *Organic Cotton Fair Trade Standards*

Location	Spindles	Rotors	Looms
Kharigram	1,67,792		
Banswara	95,376	3,120	
Rishabhdev	52,848		
Reengus	32,840		
Mordi	21,264	1,680	172
Mandpam	49,152		
Kanyakheri	25,920		
<b>Total</b>	<b>4,45,192</b>	<b>4,800</b>	<b>172</b>



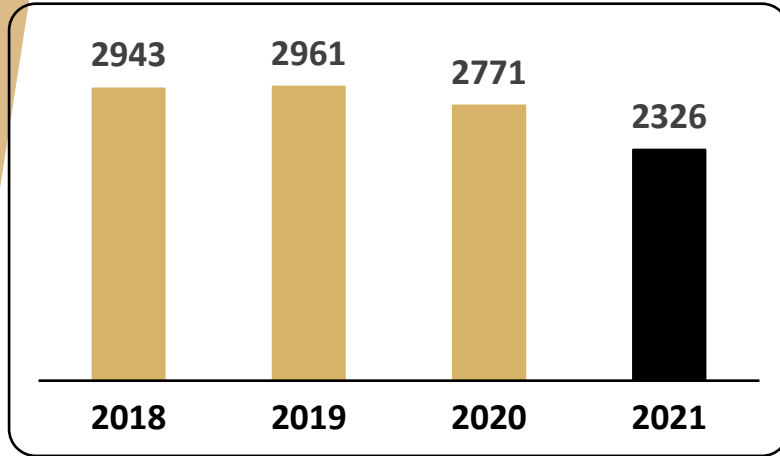


# **HISTORICAL FINANCIAL OVERVIEW**

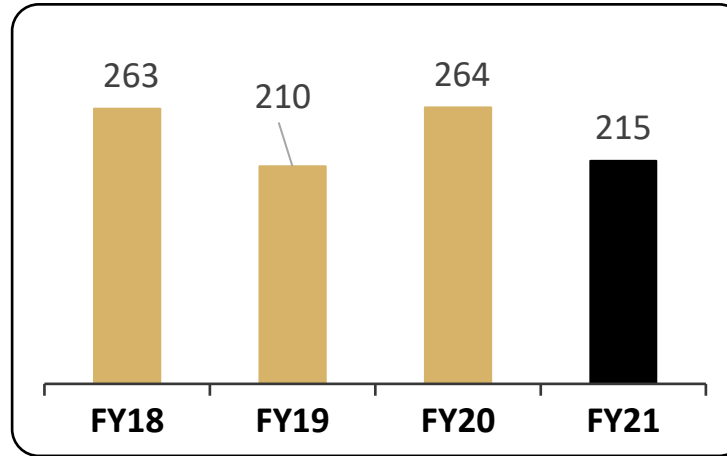
# Financial Overview

INR in Cr

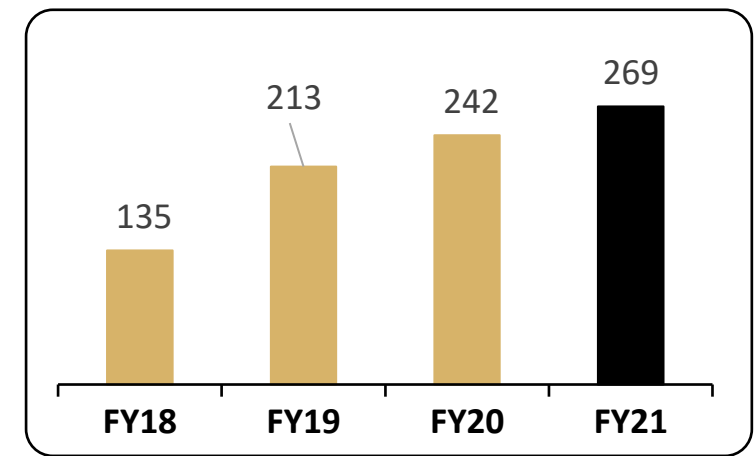
### Revenue



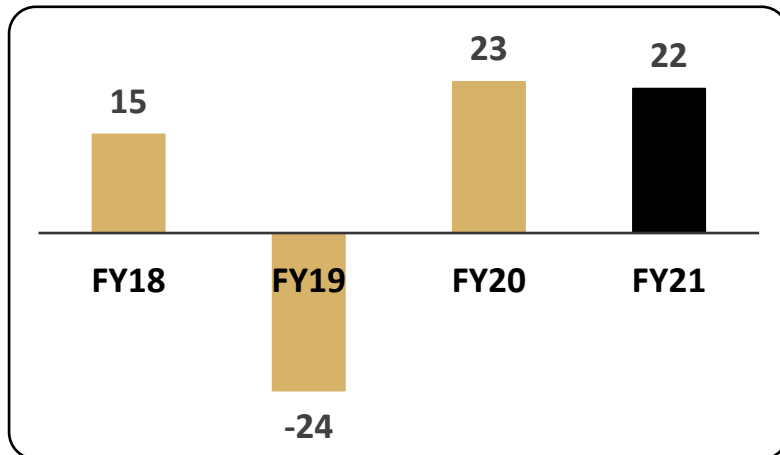
### EBITDA



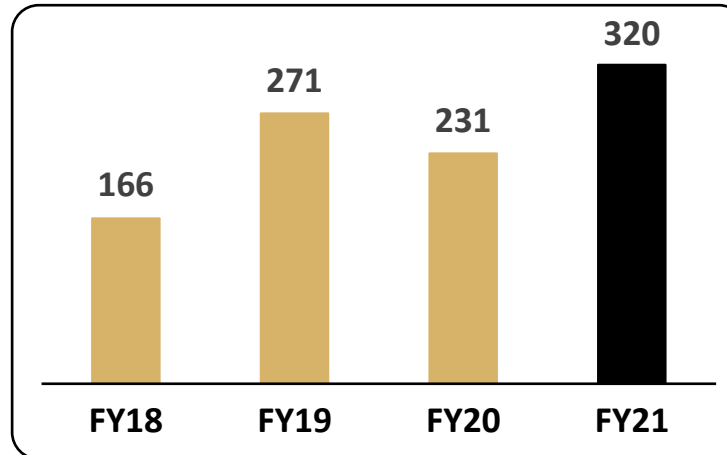
### Net Working Capital



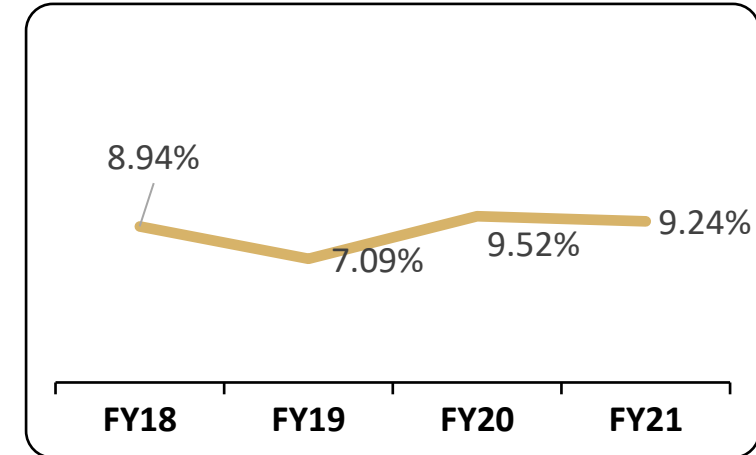
### PAT



### Net Cash Flow From Operation

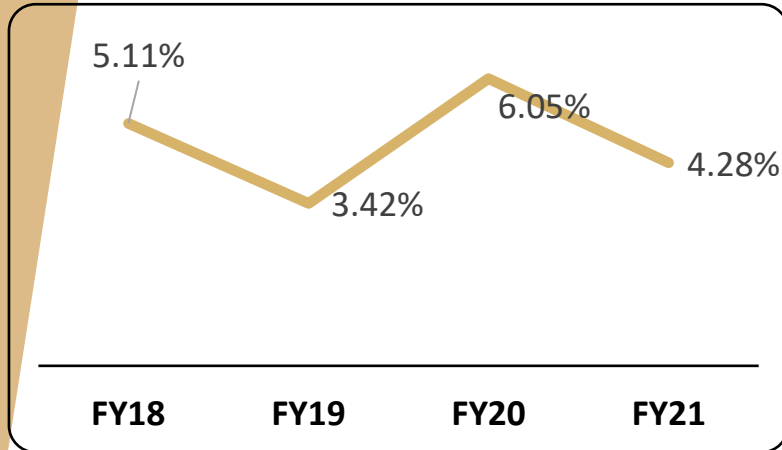


### EBITDA Margins

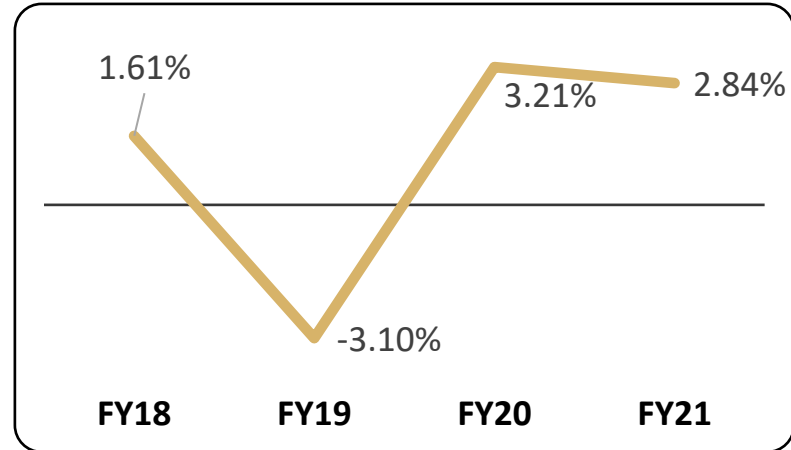


# Financial Overview

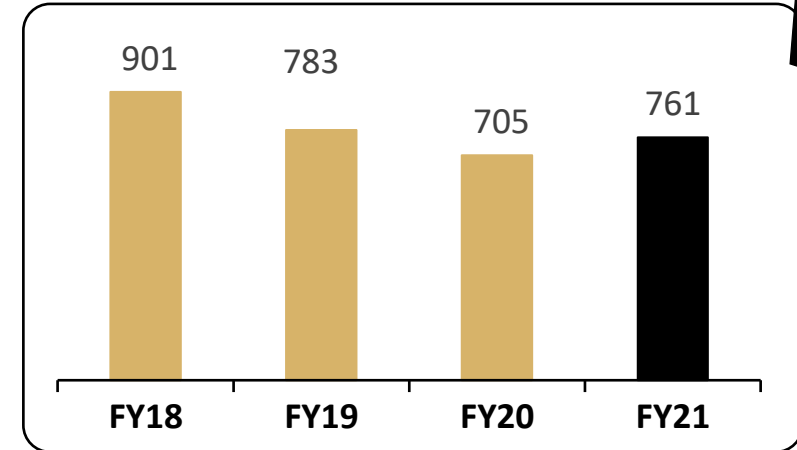
### Return on Capital Employed



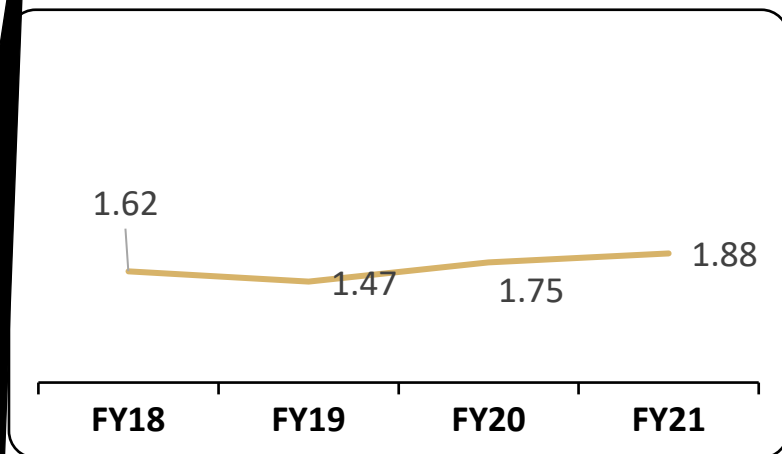
### Return on Net Worth



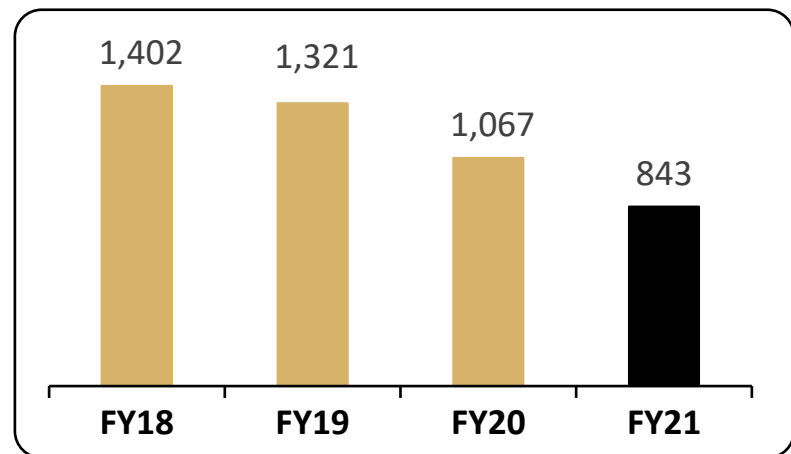
### Net Worth



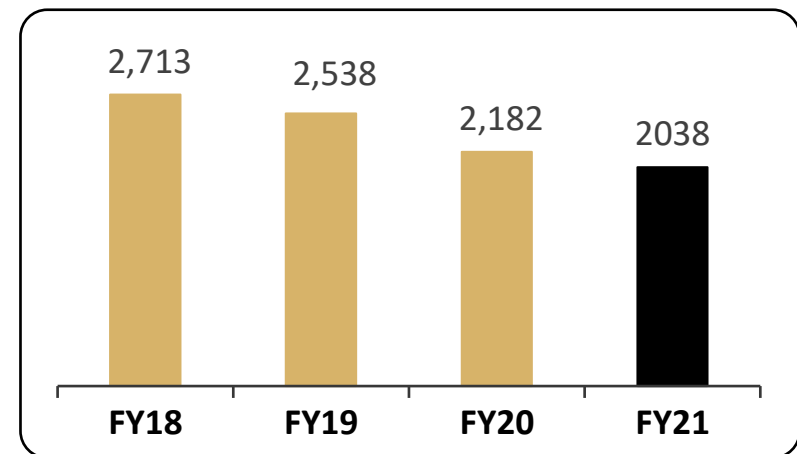
### Fixed Asset Turnover



### Net Debt



### Capital Employed







# ESG INITIATIVES



## Safeguarding Environment

### Water Management

- We offer fabrics dyed with advanced techniques that uses less water and chemicals.
- To round out our efforts, we treat all our post-process water in our own effluent treatment plant and further purify it via reverse osmosis before returning it to the environment cleaner than before



1350 Kilolitre water saved everyday

### Energy Conservation

- LNJ Bhilwara Group continues to invest in renewable energy sources, and have successfully commissioning two hydro- and wind- power projects along with a roof top solar power plant, aggregating a total of more than 300 MWs.

8,00,000 Tonnes of CO2 emissions reduced annually

### Recycle & Waste Management

- We proudly offer recycled yarns in our fabrics.
- Our state-of-the-art Garnett machine efficiently breaks down post-consumer waste fabrics and converts them into new usable fibres, we're weaving new fabric while eliminating excess waste from landfills.



30 Tonnes of fabric recycled per month

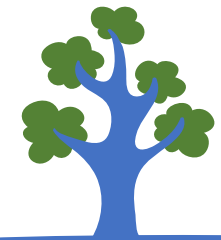
## Fibre Green

- Fibre green is a process of converting waste material into fiber.
- Disposed PET bottles are converted into flakes which are finally turned into fiber in different denier and cut for spinning into yarn.
- In terms of performance, these recycled 100% polyester fibres are just like virgin polyester fiber having a production capacity in excess of 3600 tonnes per month.

183 Cr PET bottles recycled annually

## Creating Value for Employees

- Hiring from diverse skill sets; Employee friendly policies
- Building an inclusive culture and an enabling environment to perform and grow
- Building capabilities in knowledge, skills and competencies through intense and customized training programs at defined stages of employee career
- Driving a performance culture through differentiation and linkage to rewards



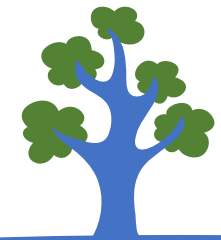
# ESG Initiatives

## Core Values

- Our sustainability initiatives are not guided by legal or regulatory requirement only but are rooted in the core values.
- Since our inception we are investing in preserving and improving the environment for 6 decades by various initiatives. For more details please
- visit: <https://www.rswm.in/sustainability/>

## Strong Governance

- Optimum mix of Executive/Nonexecutive Directors as per Policy on Board Diversity
- Performance evaluation of Board, Committees, Chairperson, Individual Directors
- CSR & Sustainability Board Committee oversight to drive ESG
- Policies like Prohibition of Insider Trading, Anti-Money Laundering
- Encouraging to report concerns through Whistle Blower Policy



# Leadership Team

## KEY MANAGERIAL PERSONS

**MR. RIJU JHUNJHUNWALA**  
Chairman & Managing Director

**MR. B. M. SHARMA**  
Joint Managing Director

**MR. AVINASH BHARGAVA**  
Chief Financial Officer

**MR. SURENDER GUPTA**  
Company Secretary

## BUSINESS HEADS

**MR. PRAKASH MAHESHWARI**  
Chief Executive  
(Corp. Affairs & TPP)

**MR. SUKETU SHAH**  
Chief Executive  
(Denim)

**MR. ARUN DUDEJA**  
Chief Executive  
(Knits)

**MR. SUKESH SHARMA**  
Dy. Chief Executive  
(Yarn)

**MR. ASHWANI MITTAL**  
Dy. Chief Executive  
(Melange Yarn)

**MR. MANOJ SHARMA**  
President and Chief Human  
Resource Officer

**MR. ARVIND GUPTA**  
President and Chief  
Marketing Officer

# Awards & Recognitions



**Holds the prestigious “Golden Trading House” status by Govt. of India**



**Winner of “The Rajasthan Energy Conservation Award” in the Textile Sector**



**TEXPROCIL Export Award- Gold Trophy for the export of Processed Yarn**



**Three time Winner of the Rajiv Gandhi National Quality Award**



**Highest Export Award from SRTEPC for Polyester/Viscose yarn export for over Two Decades**

# Thank You

## RSWM LIMITED

### Registered Office

Kharigram, P.O. Gulabpura – 311 021  
Dist. Bhilwara (Rajasthan)

### Corporate Office

Bhilwara Towers, A-12, Sector - 1  
Noida – 201 301 (U.P.)

CIN: L17115RJ1960PLC008216

<https://www.rswm.in>

## CONTACT US

### Shri Avinash Bhargava

Chief Financial Officer

Tel: 01483 222515

Email: [cfo.rswm@lnjbhilwara.com](mailto:cfo.rswm@lnjbhilwara.com)

### Shri Rakesh Jain

DGM – Corporate Finance

Tel: 01483 222118

## Profit & Loss Statement

	Q2 FY22	Q2 FY21	H1 FY22	H1 FY21	FY21	FY20
<b>Total Income (Incl. other income)</b>	<b>959.90</b>	<b>559.95</b>	<b>1709.67</b>	<b>779.79</b>	<b>2365.43</b>	<b>2850.36</b>
Raw Material Cost	515.87	271.02	965.88	388.73	1217.99	1566.82
Employee Cost	101.74	76.15	199.40	130.48	312.33	370.09
Power Cost	94.58	68.06	179.86	105.00	258.04	338.70
Other Expenses	121.80	65.90	215.59	105.97	279.85	331.65
Inc./Dec. in Inventory	15.01	52.23	(51.55)	69.00	82.25	(20.64)
<b>EBIDTA</b>	<b>110.90</b>	<b>26.59</b>	<b>200.49</b>	<b>(19.39)</b>	<b>214.97</b>	<b>263.74</b>
EBIDTA Margin (%)	11.64%	4.80%	11.83	(2.52%)	9.24%	9.51%
Depreciation	28.84	32.28	59.91	64.43	127.68	131.67
Finance Cost	16.85	21.87	35.24	45.47	83.03	108.51
<b>Profit Before Tax</b>	<b>65.21</b>	<b>(27.66)</b>	<b>105.34</b>	<b>(129.29)</b>	<b>4.26</b>	<b>23.56</b>
Tax	22.86	(10.31)	25.70	(46.19)	(17.35)	0.89
<b>Net Profit After Tax</b>	<b>42.35</b>	<b>(17.35)</b>	<b>79.64</b>	<b>(83.10)</b>	<b>21.61</b>	<b>22.67</b>
Net Profit Margin (%)	4.44%	(3.13%)	4.70%	(10.80%)	0.92%	0.82%



## Balance Sheet Highlight

INR in Cr.	30.09.21	31.03.21	INR in Cr.	30.09.21	31.03.21
<b>Assets</b>			<b>Liabilities</b>		
<b>Non-current Assets</b>	<b>1116</b>	<b>1052</b>	<b>Shareholders' Fund</b>	<b>862</b>	<b>761</b>
Fixed Assets	918	928	Share Capital	24	24
Investments	117	92	Reserve & Surplus	838	737
Other Non-current Assets	81	32	<b>Non-current Liabilities</b>	<b>363</b>	<b>401</b>
<b>Current Assets</b>	<b>1031</b>	<b>986</b>	Long Term Borrowing	276	334
Inventories	448	450	Other Non-current Liabilities	87	67
Trade Receivable	415	378	<b>Current Liabilities</b>	<b>922</b>	<b>876</b>
Other Current Assets	168	158	Short Term Borrowing	605	588
			Other Current Liabilities	317	288
<b>Total Assets</b>	<b>2147</b>	<b>2038</b>	<b>Total Liabilities</b>	<b>2147</b>	<b>2038</b>