



**Banswara Syntex Limited**

**Investor Presentation  
November 2023**

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## Q2 & H1 FY24 Highlights



***Commenting on the Results, Mr. Ravindra Kumar Toshniwal, Managing Director said***

*“The first half of the fiscal year was challenging for the overall industry on the back of subdued demand in both domestic and global markets. Our topline witnessed a 18.6% de-growth in H1FY24 on a YoY basis. The decline is attributed towards inflationary pressure, geopolitical issues that has led to the overall slowdown. We expect H2FY24 to remain on a flattish note However, we do foresee the demand to improve from hereon in the domestic as well as export markets. The demand in the international markets will come back due to de-stocking being almost completed which will lead to new order inflow. Also, the pricing pressure will ease out as the demand scenario improves.*

*Going forward, our focus is to explore opportunities in the newer products such as core spun and knit based yarn. We also plan to invest in capex in all our business verticals especially in worsted spinning which will enable in improving the quality of yarn. On the industry front, the China + 1 opportunity is playing out and we can witness that with the replacement of Chinese products in worsted fabrics has begun. Also, the proposed FTA’s will provide a boost to the overall performance of the company and industry at large.”*

**Total Income\***  
**Rs. 618.6 cr**

**EBITDA\***  
**Rs. 60.3 cr**

**PBDT**  
**Rs. 45.9 cr**

**PAT**  
**Rs. 18.4 cr**

\*includes other income

## Key Highlights

### Yarn

- For H1FY24, yarn sales declined by 13% YoY to Rs 264 cr owing to a lower demand coupled with pricing pressure in spinning mills
- Despite the lower demand and pricing pressure, the company witnessed a rise of 6% in sales volume on a YoY basis
- The company is exploring opportunities in terms of new product development and marking its presence in the Southern India and Europe

### Fabric

- For H1FY24, fabric sales declined by 21% YoY to Rs 209 cr
- Demand for fabrics in the domestic market and the Middle-East remained steady while demand in Far-East remained average.
- US and UK markets witnessed sluggish sales and are expected to see improved demand in H2FY24 as retailers are expected to continue to de-stock their inventories

### Garment

- For H1FY24, garment sales declined by 24% YoY to Rs 139 cr on account of subdued demand from domestic and global retailers.
- The demand for trousers is predicted to improve in H2FY24 on the back of higher sales in casual clothing across the industry
- The company has received positive indicators indicating a boost in export demand starting from Q3FY24 onwards

### Other Highlights

- Export sales contribution to the overall sales has come down from 47% to 40% in H1FY24 on a YoY basis.
- The decline is mainly due to slowdown in Europe, Turkey, US and UK markets
- The overall industry is going through headwinds and previous year had pent up demand

# Standalone Profit and Loss Statement



| Rs. in Crs.                    | Q2FY24       | Q2FY23       | Y-o-Y         | Q1FY24       | Q-o-Q        | H1FY24       | H1FY23       | Y-o-Y         | FY23          |
|--------------------------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|---------------|---------------|
| <b>Revenue from Operations</b> | <b>315.9</b> | <b>406.5</b> |               | <b>302.7</b> |              | <b>618.6</b> | <b>762.0</b> |               | <b>1498.8</b> |
| Other Income                   | 2.2          | 1.5          |               | 3.4          |              | 5.6          | 4.5          |               | 14.6          |
| <b>Total Income</b>            | <b>318.1</b> | <b>408.0</b> | <b>-22.0%</b> | <b>306.1</b> | <b>3.9%</b>  | <b>624.2</b> | <b>766.5</b> | <b>-18.6%</b> | <b>1513.4</b> |
| Total Expenditure              |              |              |               |              |              |              |              |               |               |
| Raw materials Cost             | 136.7        | 175.3        |               | 122.2        |              | 258.9        | 321.7        |               | 628.8         |
| Employee Expense               | 71.0         | 74.6         |               | 67.6         |              | 138.6        | 139.7        |               | 286.3         |
| Power & Fuel                   | 38.5         | 54.2         |               | 42.3         |              | 80.8         | 106.2        |               | 192.2         |
| Other Expenses                 | 41.9         | 52.4         |               | 43.8         |              | 85.7         | 100.5        |               | 193.4         |
| <b>EBIDTA</b>                  | <b>30.0</b>  | <b>51.4</b>  | <b>-41.6%</b> | <b>30.2</b>  | <b>-0.6%</b> | <b>60.3</b>  | <b>98.3</b>  | <b>-38.7%</b> | <b>212.7</b>  |
| Margin %                       | 9.4%         | 12.6%        |               | 9.9%         |              | 9.7%         | 12.8%        |               | 14.1%         |
| Depreciation                   | 10.7         | 10.5         |               | 10.5         |              | 21.2         | 20.3         |               | 40.8          |
| Finance Cost                   | 7.6          | 7.8          |               | 6.7          |              | 14.3         | 15.4         |               | 31.7          |
| Exceptional Item (Gain) / Loss | 0.0          | 0.0          |               | 0.0          |              | 0.0          | 0.0          |               | 0.0           |
| <b>PBT</b>                     | <b>11.7</b>  | <b>33.2</b>  | <b>-64.7%</b> | <b>12.9</b>  | <b>-9.4%</b> | <b>24.7</b>  | <b>62.6</b>  | <b>-60.6%</b> | <b>140.2</b>  |
| Tax                            | 3.0          | -1.9         |               | 3.3          |              | 6.3          | 8.4          |               | 28.8          |
| <b>PAT</b>                     | <b>8.8</b>   | <b>35.1</b>  | <b>-75.1%</b> | <b>9.620</b> | <b>-9.0%</b> | <b>18.4</b>  | <b>54.2</b>  | <b>-66.1%</b> | <b>111.4</b>  |
| PAT Margin %                   | 2.8%         | 8.6%         |               | 3.1%         |              | 2.9%         | 7.1%         |               | 7.4%          |
| <b>EPS (Rs)</b>                | <b>2.6</b>   | <b>10.3</b>  | <b>-75.0%</b> | <b>2.8</b>   | <b>-8.9%</b> | <b>5.4</b>   | <b>15.8</b>  | <b>-66.1%</b> | <b>32.6</b>   |
| <b>Production Value</b>        | <b>308.6</b> | <b>419.3</b> |               | <b>310.9</b> |              | <b>619.5</b> | <b>799.9</b> |               | <b>1537.8</b> |

## Raw Material Consumption:

- The raw material consumption is at similar levels on a Q-O-Q basis
- The consumption is lower on a YoY basis due to higher prices of raw material and product mix

## Employee Cost:

- The cost has increased on a QoQ basis on the back of rise in production of garment during Q2 by ~12%
- Lower production base value and product mix has impact on increase in % to production value over previous year

## Power Cost:

- Coal Prices in Q2 has softened and the company started to consume High GCV coal
- Special fuel charges were levied by the AVVNL at Rs 73 Lacs in Q2FY24 against Rs 1.63 Crores in Q1FY24.

## Finance Cost:

- The increase in interest cost is due to rise in working capital facilities by 7.67 crore during the quarter.
- In Q2FY24, an additional term loan of Rs. 16.18 crores disbursed
- The interest cost is lower on a YoY basis due to optimum utilization of working capital facilities

## Other Expenditure:

- Other expenses are in line with the operations on a QoQ basis

# Standalone Balance Sheet



| Asset (Rs. in Crs)                  | Sep-23         | Mar-23         |
|-------------------------------------|----------------|----------------|
| <b>Non-current assets</b>           | <b>473.3</b>   | <b>444.4</b>   |
| Property, Plant & Equipment         | 376.4          | 362.8          |
| Right of use assets                 | 4.9            | 5.3            |
| Capital Work in progress            | 41.9           | 21.8           |
| Intangible assets                   | 1.3            | 1.5            |
| Intangible Assets under development | 0.1            | 0.1            |
| <b>Financial Assets</b>             |                |                |
| Investments                         | 7.8            | 5.8            |
| Others                              | 8.0            | 7.7            |
| Income Tax Asset (Net)              | 17.6           | 17.5           |
| Other non-current assets            | 15.4           | 21.9           |
| <b>Current assets</b>               | <b>564.2</b>   | <b>624.1</b>   |
| Inventories                         | 311.8          | 313.9          |
| <b>Financial Assets</b>             |                |                |
| Investments                         | 0.1            | 0.1            |
| Trade receivables                   | 184.2          | 212.1          |
| Cash & cash Equivalent              | 7.5            | 14.6           |
| Other bank balance                  | 6.0            | 22.6           |
| Loans                               | 2.0            | 2.4            |
| Others                              | 6.5            | 9.8            |
| Other current assets                | 46.1           | 48.6           |
| <b>Total Assets</b>                 | <b>1,037.5</b> | <b>1,068.5</b> |

| Equity & Liabilities (Rs. in Crs) | Sep-23        | Mar-23         |
|-----------------------------------|---------------|----------------|
| <b>Equity</b>                     | <b>518.1</b>  | <b>509.1</b>   |
| Equity share capital              | 17.1          | 17.1           |
| other equity                      | 501.0         | 492.0          |
| <b>Non-current liabilities</b>    | <b>155.1</b>  | <b>152.4</b>   |
| <b>Financial Liabilities</b>      |               |                |
| Borrowings                        | 127.4         | 123.6          |
| Lease Liabilities                 | 1.2           | 1.6            |
| Provisions                        | 4.8           | 4.1            |
| Deferred tax Liabilities (tax)    | 17.6          | 18.7           |
| Government Grant                  | 4.1           | 4.5            |
| <b>Current liabilities</b>        | <b>364.4</b>  | <b>407.0</b>   |
| <b>Financial liabilities</b>      |               |                |
| Borrowing                         | 194.1         | 247.6          |
| Trade payable                     | 89.0          | 88.4           |
| Other Financial liabilities       | 51.2          | 49.3           |
| Lease liabilities                 | 0.6           | 0.7            |
| Other current Liabilities         | 24.8          | 16.7           |
| Government Grant                  | 0.8           | 0.8            |
| provisions                        | 2.1           | 2.1            |
| Current tax Liabilities (Net)     | 1.6           | 1.4            |
| <b>Total Liabilities</b>          | <b>1037.5</b> | <b>1,068.5</b> |

# Standalone Cash Flow



| (Rs. in Crores)   | Sep-23       | Sep-22       |
|---|--------------|--------------|
| Operating profit before working capital changes             | 59.7         | 99.8         |
| Changes in working capital                                  | 65.9         | -173.2       |
| Cash generated from operations                              | 125.6        | -73.4        |
| Income Tax Refund/(Direct Taxes Paid)                       | 7.7          | 20.3         |
| <b>Net Cash from Operating Activities (A)</b>               | <b>117.9</b> | <b>-93.7</b> |
| <b>Net Cash from Investing Activities (B)</b>               | <b>-50.5</b> | <b>-36.6</b> |
| <b>Net Cash from Financing Activities (C)</b>               | <b>-74.6</b> | <b>120.3</b> |
| <b>Net Change in cash and cash equivalents</b>              | <b>-7.1</b>  | <b>-9.9</b>  |
| Cash & Cash Equivalents at the Beginning of the Period      | 14.6         | 18.7         |
| <b>Cash &amp; Cash Equivalents at the End of the Period</b> | <b>7.5</b>   | <b>8.8</b>   |





**About Us**

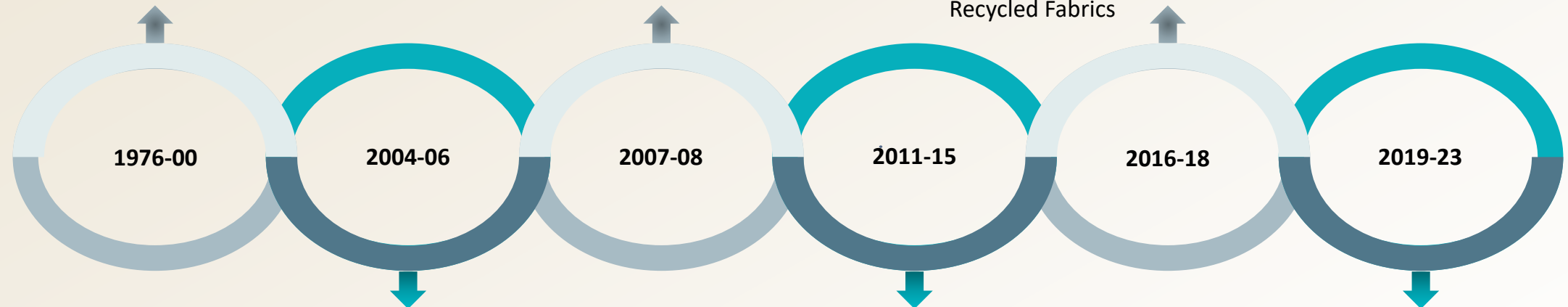
**Our Specialty is  
Value Added  
Textiles**

# Our Journey

- Commenced Operations and started Yarn production with 12,500 spindles
- Started Fabric Weaving under the Brand name 'Bantex'

- Started first unit of 18 MW captive thermal power plant
- Started production of Made-up's and Worsted Spinning

- Started production of Super-stretch women Fabrics
- Addition of additional processes to Vertical Integration
- Shift towards Sustainable production through Recycled Fabrics



1976-00

2004-06

2007-08

2011-15

2016-18

2019-23

- Started production of Readymade Garments
- Banswara Textile Mills Ltd. (BTM), an associate firm engaged in fabric finishing activity, amalgamated with the company
- The Company entered Joint Venture with French Company 'Carreman'

- Started production of wool & wool mixed fabrics in the brand name of 'SaintX' for domestic supply.
- Started second unit of 15 MW captive thermal power plant.
- Entered Joint Venture with French Company TESCA (Treves SA) for Automotive Textiles
- Bought the complete stake in Carreman JV after increasing its stake to 80% in 2012.

- Venturing into Long term relationships with Global brands like Peerless Clothing, Next UK and Uniqlo Japan

# 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

### Manufacturing Capacity

3,060 Tonnes / month

Capex Done:  
H1FY24

Rs. 28 Crs.



## FABRICS

Weaving- 3.2Mn Meters/ month  
Processing- 4.5Mn Meters/ month

Rs. 18 Crs.



## GARMENTS

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

Rs. 5 Crs.



## POWER GENERATION

33 MW / Year (18 MW + 15 MW)

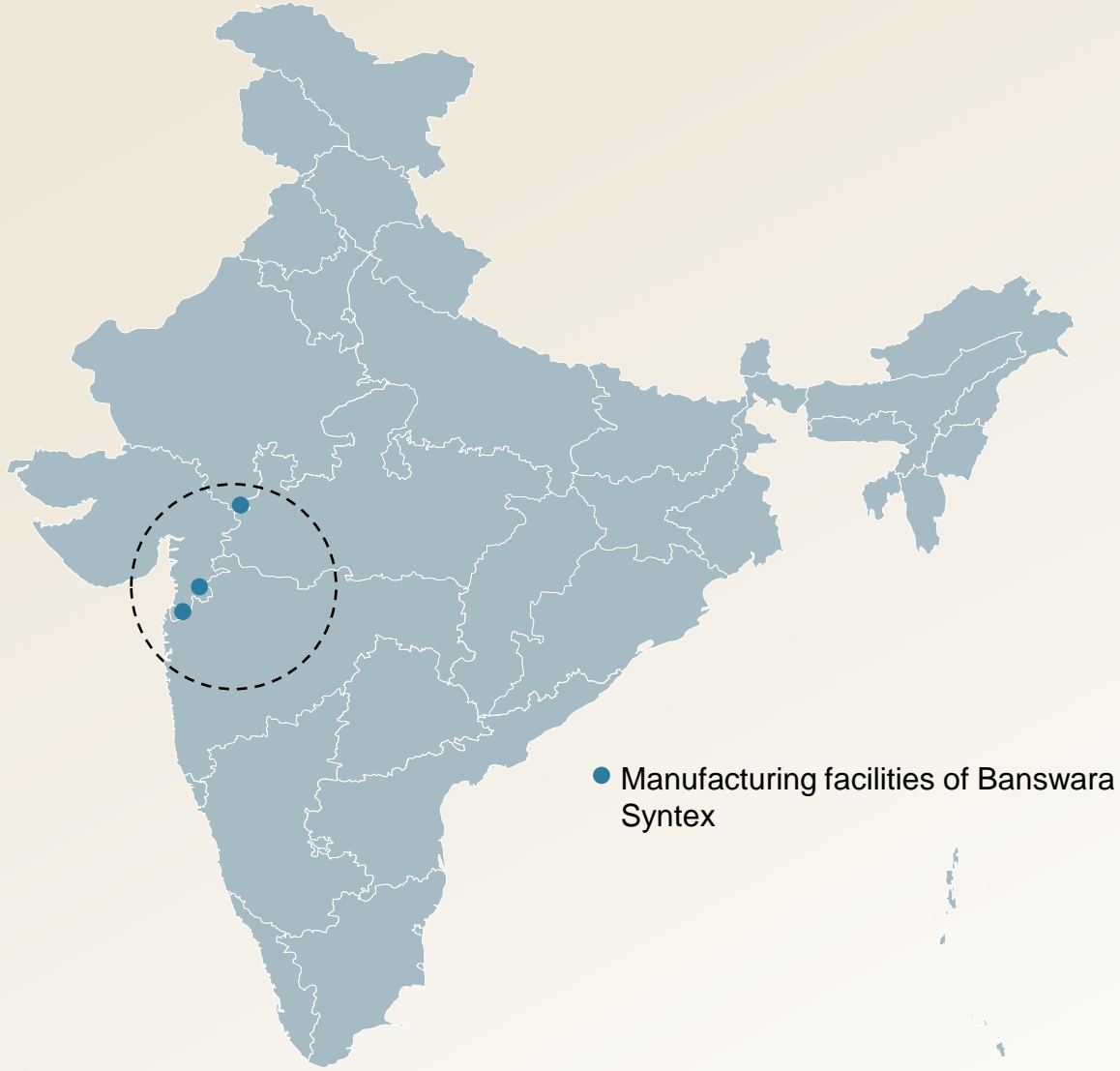
Rs. 0.8 Crs.

The Company owns

- ~1,51,000 Spindles
- 464 Looms

Over Rs. 704 crores towards expansion and modernization between FY 2010 – March 2023

# Strategically Located Facilities



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



**Easy Availability** of skilled and Unskilled labour



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



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

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 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.



## Mr. Kamal Kishor Kacholia

Independent Director

Renowned industrialist. He holds a degree in Chemical Engineering and Masters in Business Administration from Western Reserve University, OHIO, USA. Presently, he is the Chairman and MD of NTB Group

## Mr. Parduman Kumar

Independent Director

A Chartered Accountant, M.A. and LLB, he is on the Board of the company for the last 22 years. He is a senior banking professional and retired as Chief General Manager of IDBI.

## Dr. Vijay Mehta

Independent Director

Renowned stockbroker and financial consultant. He is the Chairman and CEO of Mefcom Capital Markets. Mr. Mehta was a director of Jaipur Stock Exchange Association Limited.

## Mr. Vijay Kumar Agarwal

Independent Director

An industrialist, he is on the Board of the Company for the last 18 years. He is the Founder, Promoter & Chairman of the Creative group.

## Mr. D. P. Garg

Independent Director

An industrialist, he is a graduate in Mech. Engineering from University of Delhi and has done Master in Industrial Engineering from Illinois Institute of Technology, Chicago. He is on the Board of the Company for the last 19 years. He has vast experience in Projects execution, implementation, monitoring and Import & Export trade.

## Mr. S. B. Agarwal

Independent Director

A consultant, he is an M.COM, LLB, M.A. (Eco) and FCA. A pioneer in the textile industry, as the Group Executive President (Textile) of Grasim Industries Ltd. and Advisor to Indian Rayon Ltd., he was also responsible for the various textile units in India and South-East Asia.

## Dr. Vaijayanti Pandit

Independent Director

She is Ph.D. in Entrepreneurship Management from Jamnalal Bajaj Institute of Management Studies, (JBIMS). She was the Sr. Vice President of Jaro Education and headed FICCI West as Sr. Director from 2006-12 prior to which, she was a Secretary Indian Merchants' Chamber Mumbai.

## Mr. Jagdeesh Mal Mehta

Independent Director

A B.A. and LLB, he has a career spanning for over 48 years. He has an excellent track record in managing various types of companies like, Oil & Gas (Refinery), Textiles, Chemicals, Power, News Paper etc.

## Mr. David Vlerick

Independent Director

He holds a degree in Master of Arts, Chartered Accountant & LLB. He has worked in Finance throughout his career, both in M & A as well as in Private Equity. He joined the Vlerick Group in 2015 where he acts as the Investment Officer.

# Strong Professional Management Team



**Mr. Vireshwar R. Joshi**  
Head – Yarn Division

- Over 30 years of experience in the textile industry across various companies in India, Nigeria and Uganda
- Demonstrated ability to manage large scale manufacturing operations with a focus on improving efficiency and productivity
- Responsible for all technical and commercial aspects of the Yarn division



**Mr. Shailendra Pandey**  
Head – Fabric Division

- MSc – Textile Chemistry and MBA in Productions and Operations
- Over 27 years of experience in the textile manufacturing industry including P/V Suiting, automotive textiles, worsted fabric and home furnishing
- Responsible for strategy and operations of the entire fabric division



**Mr. Rahul Bhaduriya**  
Head – Garment Division

- Graduate from NIFT with over 24 years of experience in the Garment industry
- Previously held positions in Arvind Ltd, Welspun India, Creative Garments and Must Garments, he is involved in Product Development, Manufacturing Operations and Quality Process



**Ms. Kavita Gandhi**  
CFO

- Chartered Accountant from ICAI
- Over 30 years of experience in the field of Accounts, Taxation, and Finance
- Her last role was as Deputy CFO with Eureka Forbes Limited



**Mr. Devendra Misra**  
CTO

- Msc (Math), MCA, LLB
- Over 29 years of experience in the field of IT with specialization in SAP, ISO/QMS, EMS, TQM and 5S



**Mr. Swapnil Shrivastava**  
DGM – Corporate HR

- Over 15 years of experience across all domains of HR such as recruitments, HR/IR systems and audit, HRIS implementations, HR strategy and Policy designing





## **Business Segments**

# Yarn Business – The Building Block

## 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

## 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.

**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 **Steady state growth in revenues** during **FY24**

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



Mr. Vireshwar Joshi  
**Head – Yarn Division**

*Commenting on the yarn segment, Mr. Vireshwar Joshi, Head of Yarn Division, said, “Pricing pressure in spinning mills combined with a subdued demand led to a soft performance for the first half of the year FY23-24. We are constantly in the attempt to venture into new products, change the product mix and focus more on the domestic and exports market. Our endeavor is to set our footprint in markets where we have very little to no presence like Europe and southern part of India. We are constantly looking for more opportunities in core spun/value added or knit based yarn in these unexplored markets”*

### Yarn Business Outlook

- Expect company to clock stable topline for H2FY24
- Rs. 28 crores invested in modernization and capacity increase in H1FY24, with an expected Rs. 71 crores capex for FY24 to boost production and efficiency
- Exploring newer markets in Europe and Southern India
- Targeting the opportunity in core spun, value added and knit based yarn in Southern India as a new domestic market opportunity

| Rs. In Crs                     | Q2FY24 | Q2FY23 | YoY  | Q1FY24 | QoQ | H1FY24 | H1FY23 | YoY  |
|--------------------------------|--------|--------|------|--------|-----|--------|--------|------|
| Revenue                        | 130    | 156    | -17% | 134    | -3% | 264    | 303    | -13% |
| <i>Sales Volume (Lakh KGs)</i> | 56     | 56     | 0%   | 59     | -5% | 115    | 109    | 6%   |
| Capacity Utilization (%)       | 82%    | 91%    |      | 84%    |     | 83%    | 90%    |      |

# Fabric Business – The Growth Engine



## Current Presence

- **Worsted**
- **Wool Specialties**
- **Viscose**
- **PV**
- **PV Lycra**
- **Cotton Suiting**
- **Shirting**
- **Automotive Textiles**



## Expansion in Value Added Fabrics

- **Stretch Fabrics** for suiting and pants
- Fabrics for Jackets and Blazers for **formal and semi formal wear**
- Fancy jacquard fabrics
- **Technical textiles**
- **Automotive textiles**
- **Bi-stretch fabrics** for casual wear



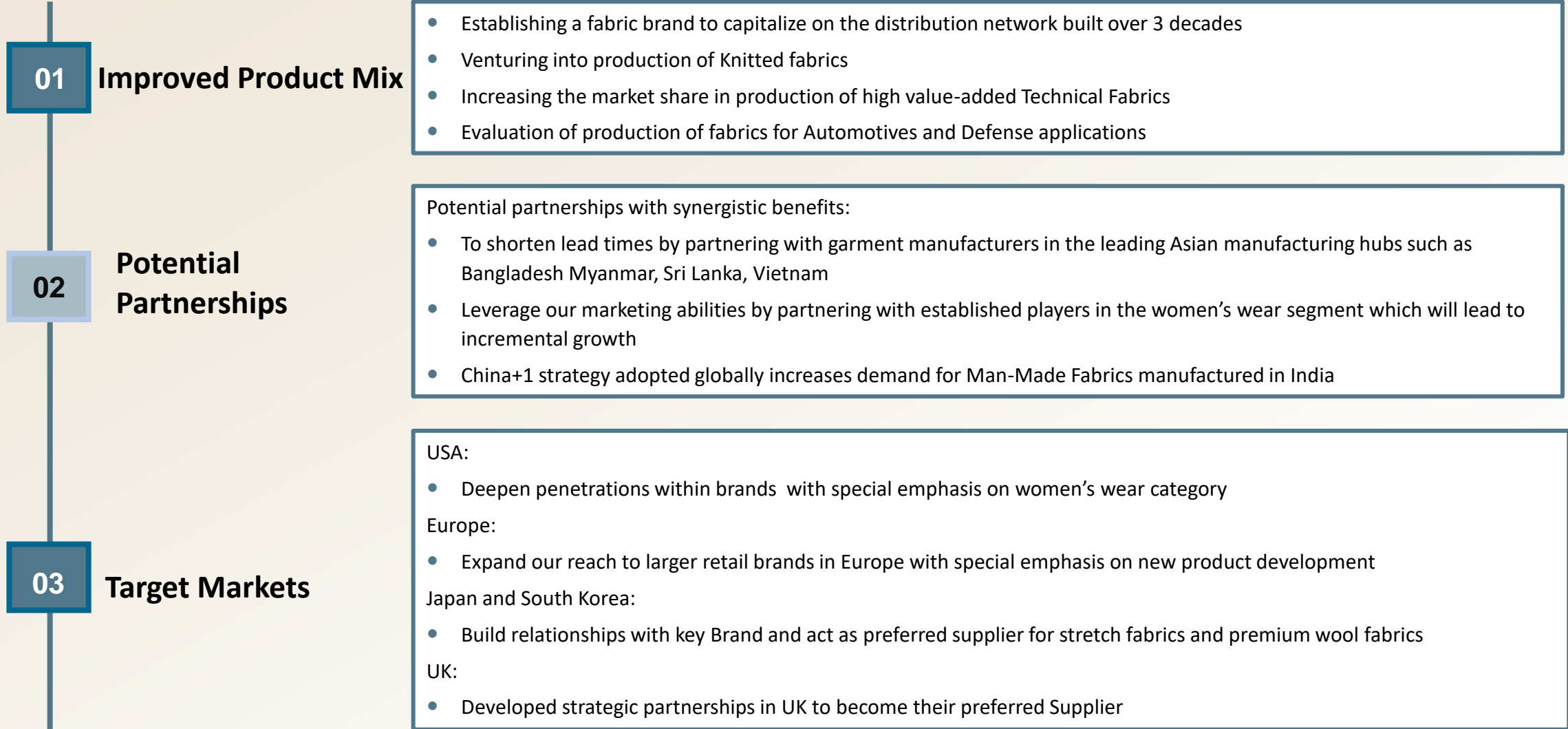
## Leveraging our Advantages

- **Renowned player** with strong focus on bed linen
- Established business with **global prestigious clients**
- Strong **product positioning**
- Continuous product development through **innovation and R&D**



## Company sees favourable 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
- **Focus on production of piece dyed fabric** which reduces lead times and improves our margin profile





Mr. Shailendra Pandey  
Head – Fabric Division

*Commenting on the fabric segment, Mr. Shailendra Pandey, Head of Fabric Division, said, “The sluggish performance for H1FY24 was owing to the underperformance from the US and UK markets by more than 50%. Although the European, Middle East and domestic market performed as expected. Having said this, H2 looks better on account of US and UK markets reviving and a stronger support from the domestic markets. An investment of approx Rs 50 crore has been finalized towards worsted spinning to improve the quality of yarn. Worsted fabric market continues to remain a focus area and we want to grow in this segment in both domestic and exports market.”*

### Fabric Business Outlook

- Targeting steady state revenue growth in FY24
- Rs. 18 crores invested in modernization and capacity increase for H1FY24, with an expected Rs. 24 crores capex for FY24 to boost production and efficiency
- Expect second half of the fiscal to perform better as compared to H1FY24
- Banswara will set its foothold in the worsted fabric market and will cater to domestic and export regions

| Rs. In Crs               | Q2FY24 | Q2FY23 | YoY  | Q1FY24 | QoQ | H1FY24 | H1FY23 | YoY  |
|--------------------------|--------|--------|------|--------|-----|--------|--------|------|
| Revenue                  | 106    | 141    | -25% | 103    | 3%  | 209    | 267    | -21% |
| Sales Volume (Lakh Mtrs) | 45     | 58     | -22% | 44     | 2%  | 89     | 110    | -19% |
| Capacity Utilization (%) | 61%    | 82%    |      | 76%    |     | 69%    | 80%    |      |

# Garment Segment – Value Addition Division

## GROWTH DRIVERS



### COMFORT GARMENTS

Move towards manufacturing of Comfort garments made from Bi Stretch/ Knitted Fabrics



### LEVERAGE RELATIONS

Leverage the existing relationships with larger customers like Arrow, Van Heusen, Raymonds, Reliance and Arvind.



### TARGET EXPORT MARKETS

Acquisition of new customers in the export Markets. Also, benefit from FTA's and the emerging scenario due to China+ 1 strategy



### PRODUCT PARTNERSHIPS

Evaluate product partnerships with domestic as well as foreign Suppliers to move into manufacturing of Higher Margin products

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

**15+ years** Experience in **Garment** manufacturing

One of the **Largest** manufacturer of **specialized Formal Suits, Jackets and Trouser** in India with a 70% market share

**Strong international presence** with long term relationships with customers

**State of the art machinery** Specialized suit making equipment from Durkopp Adler, Germany and specialized trouser manufacturing equipment from Juki as well as Durkopp Adler, Germany

**Flexible manufacturing** for small runs and made to measure Garments

**Expertise** in manufacturing of stretch garments and Smart Casual clothing

**Establishing** a D2C brand – One Mile solely focusing on casual and comfort wear

**Innovation** being core identity of our fabrics division, we are up to date on the latest fashion trends via collaboration with our global design teams

**Efficient** operation running at optimum capacities employing ~4,500 people in Daman and Surat



Mr. Rahul Bhaduriya  
**Head – Garment Division**

*Commenting on the garment segment, Mr. Rahul Bhaduriya, Head of Garment Division, said, “Performance for H1 was impacted due to an overall slowdown in the market specially in the suits and blazers category. This trend continues for H2 as well where demand for blazers and suits continues to remain benign. However, domestic market has been good for the trouser category. Export market for formal trouser and suits continue to remain slow vs last year. The UK FTA poses a lucrative opportunity to grow our exports”*

### Garment Business Outlook

- Expect garment vertical to perform well H2FY24 as compared to H1FY24. The performance will be attributed towards de-stocking in western markets.
- The sales of the trouser as a product category will rise as the trend casual clothing has increased in the industry
- Rs. 5 crores invested in modernization for H1FY24
- Setting up a product development centre in Daman to collaborate with the marketing team and drive business growth from existing and potential customers

| Rs. In Crs                     | Q2FY24 | Q2FY23 | YoY  | Q1FY24 | QoQ | H1FY24 | H1FY23 | YoY  |
|--------------------------------|--------|--------|------|--------|-----|--------|--------|------|
| Revenue                        | 76     | 104    | -27% | 62     | 23% | 139    | 183    | -24% |
| <i>Sales Volume (Lakh Pcs)</i> | 10     | 14     | -29% | 8      | 25% | 18     | 25     | -28% |
| Capacity Utilization (%)       | 64%    | 80%    |      | 47%    |     | 56%    | 78%    |      |



# Domestic Clientele



## E-Commerce Clients



# International Clientele





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

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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

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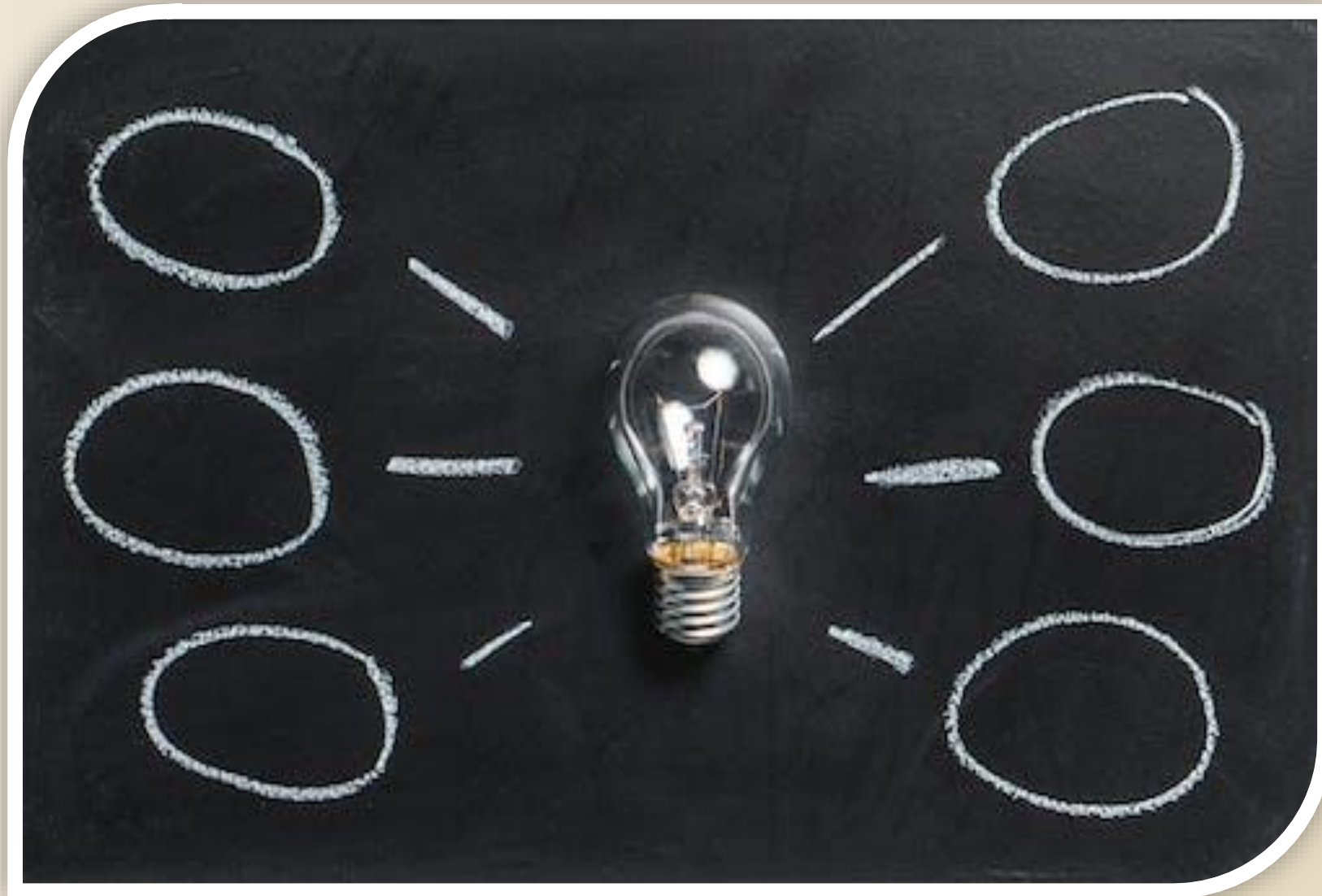
Creation of a walking path of 5 KM along the edge of the lake to promotes physical health and well-being of the people of Banswara

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

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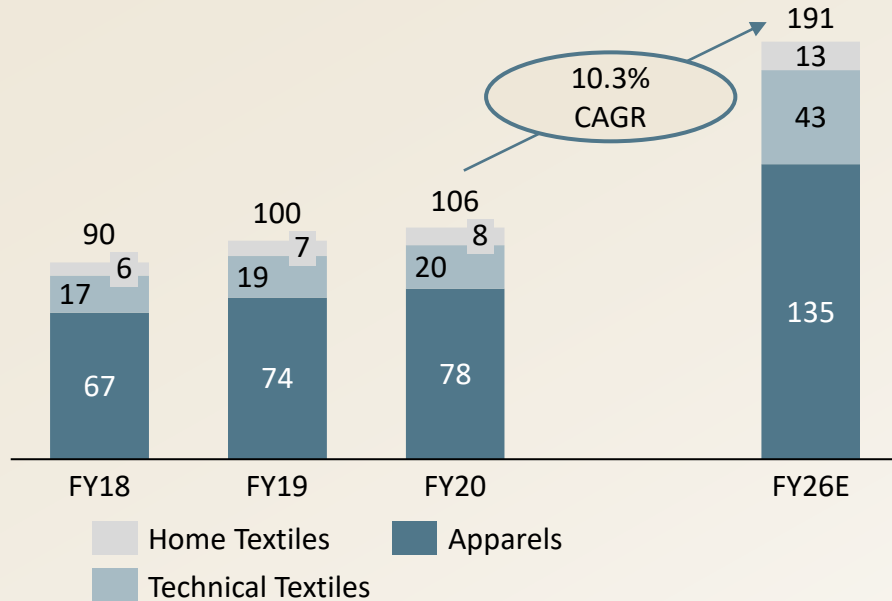




## **Strategic Focus and Outlook**

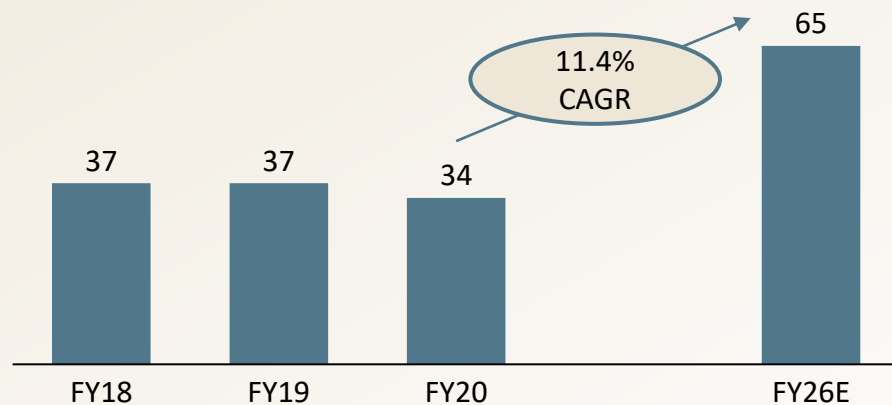
# Industry expected to grow at ~11% CAGR over the next 5 years

## 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

## Increasing exports

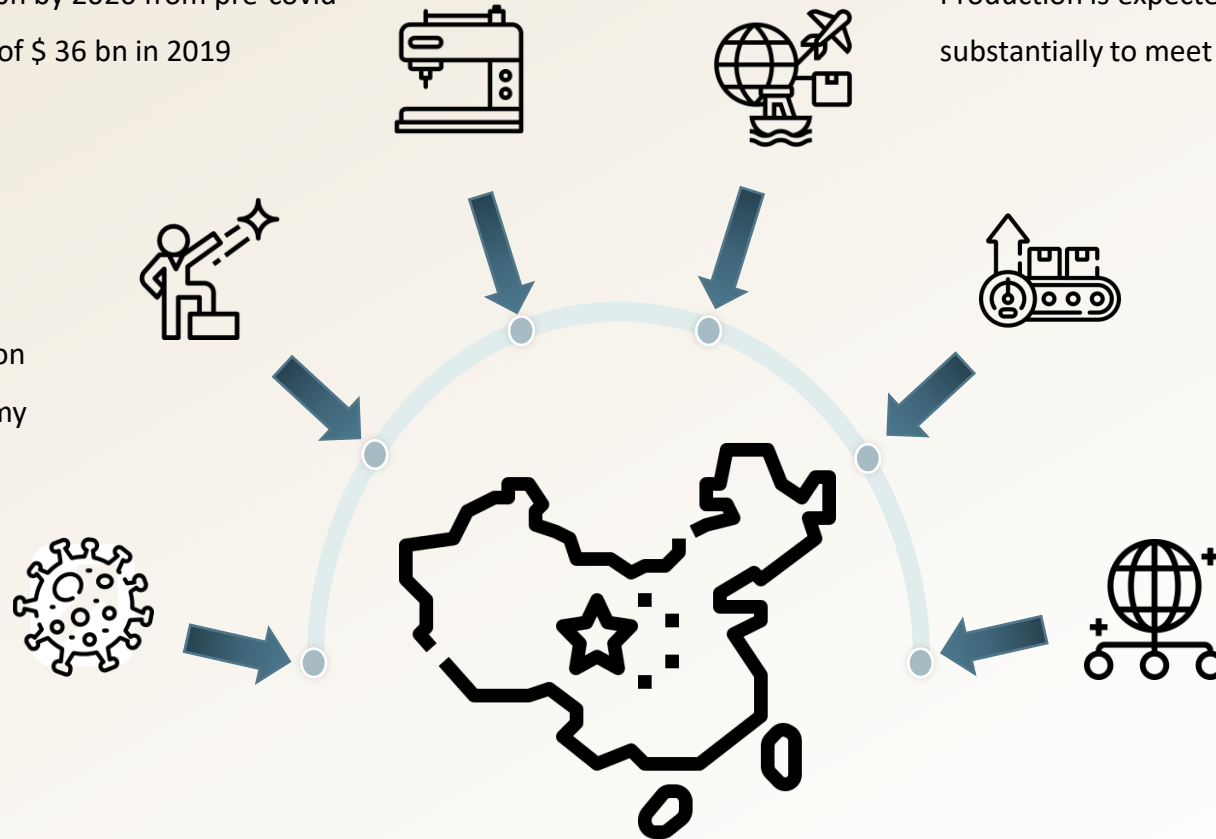
India Textiles exports expected to grow at ~11% CAGR to reach \$ 65 bn by 2026 from pre-covid level of \$ 36 bn in 2019

## Growing opportunities

China +1 provides enormous opportunity to India Textiles Industry to regain a leadership position as a top exporting economy

## Redistribution of global trade

Covid-19 has led to redistribution of global trade shares and recalibration of sourcing Partners



## Increased Domestic Production

With the improvement in domestic economy and increase in exports, Domestic Production is expected to increase substantially to meet the demand

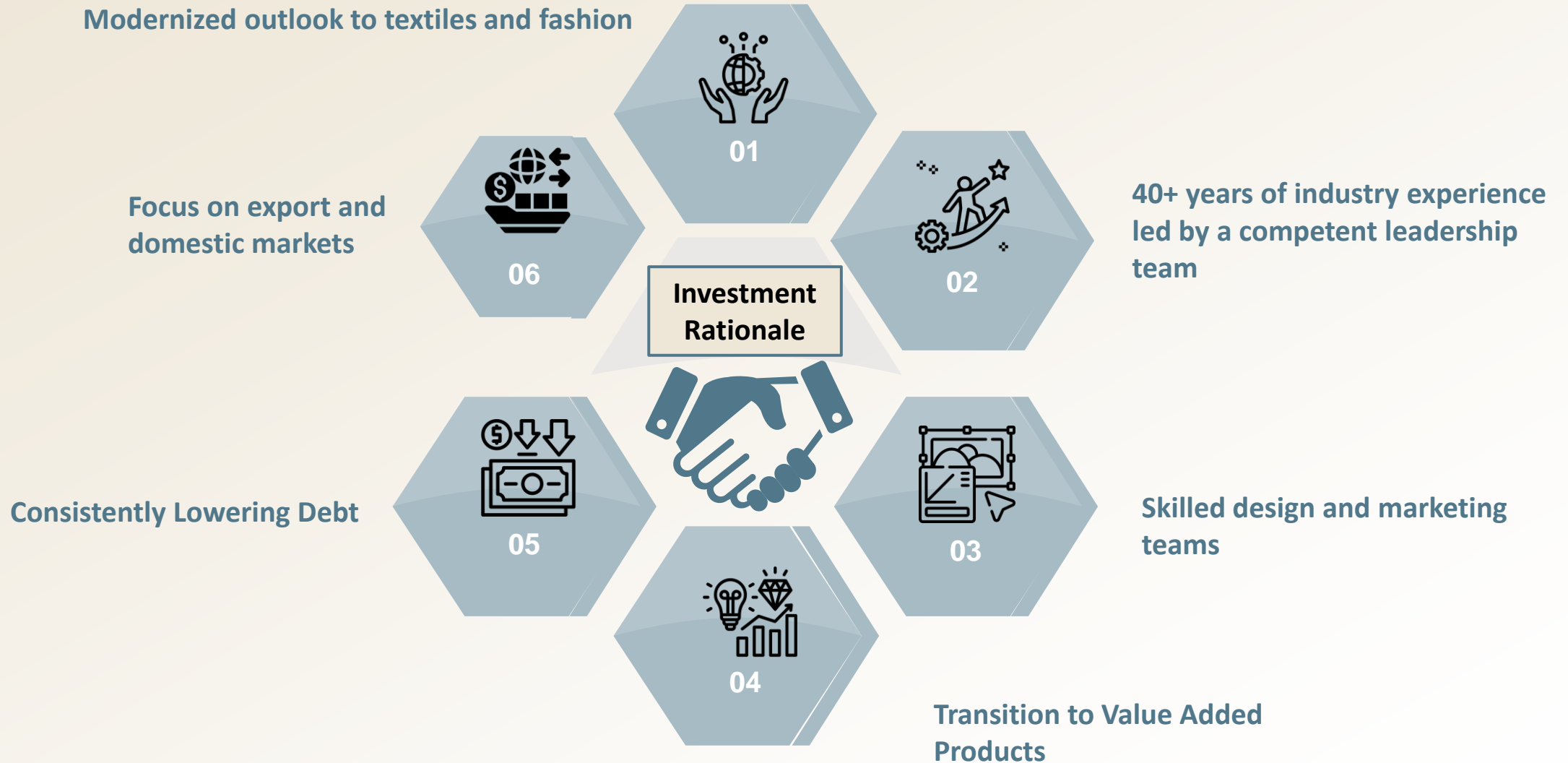
## Increasing Capex and Investments

Capex and Investments to pick-up in the sector; productivity and industry competitiveness to improve

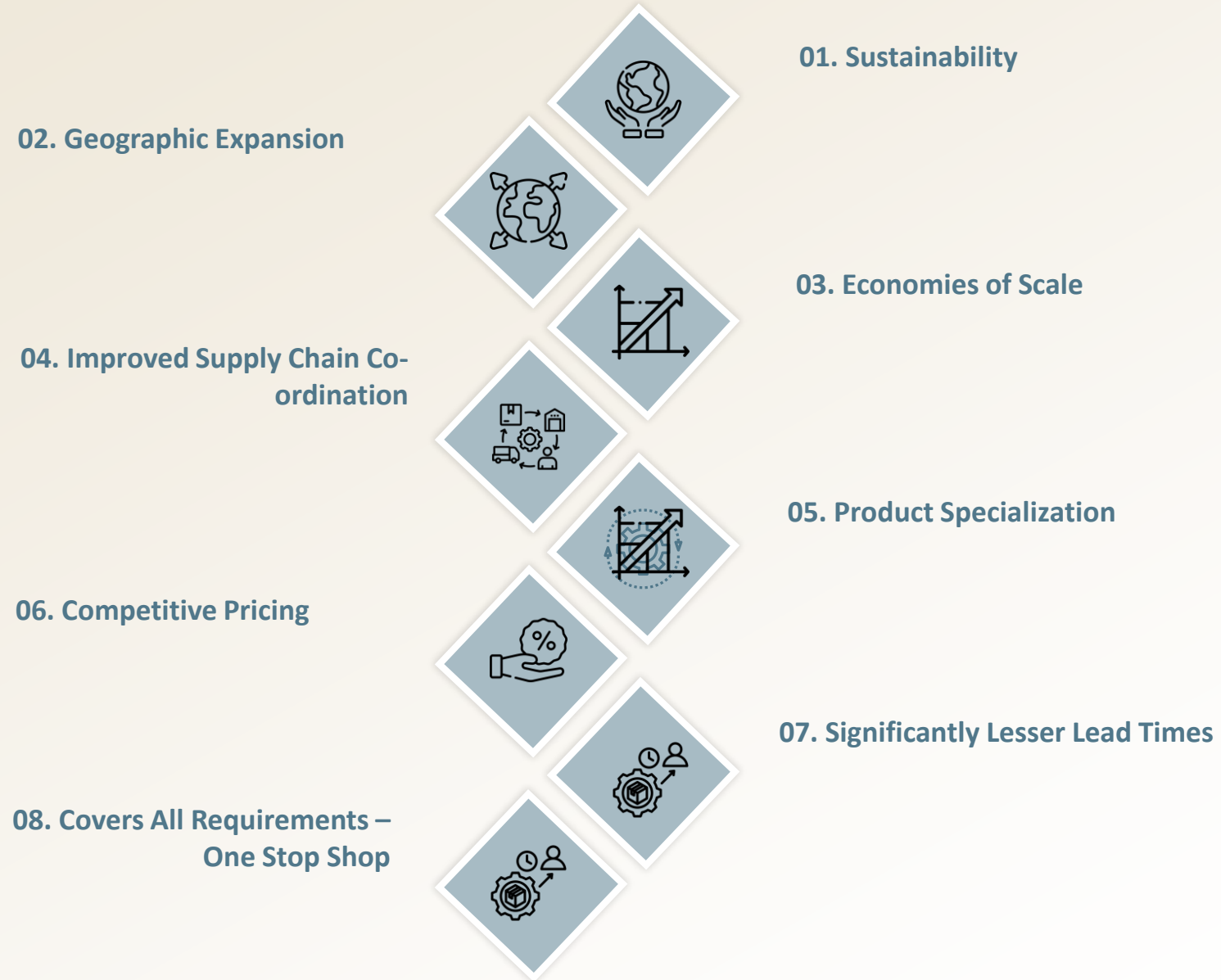
## Favourable Industry Dynamics

With favorable India Demographics and Industry Dynamics, India is capable to position itself as a Global Textiles hub

# Why Banswara Syntex Ltd?



# Vertical Integration - A Game Changer for Banswara





## 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

## 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 optimization
- Increase in capacity utilization to reduce overall fixed expenses (as % of sales)

## 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





## Financials

# Standalone Profit and Loss Statement



| Rs. in Crs                     | FY23           | FY22           | FY21         | FY20           |
|--------------------------------|----------------|----------------|--------------|----------------|
| <b>Revenue from Operations</b> | <b>1,498.8</b> | <b>1,189.8</b> | <b>786.6</b> | <b>1,289.5</b> |
| Other Income                   | 14.6           | 17.0           | 16.2         | 12.9           |
| <b>Total Income</b>            | <b>1,513.4</b> | <b>1,206.7</b> | <b>802.8</b> | <b>1,302.4</b> |
| Total Expenditure              |                |                |              |                |
| Raw materials                  | 628.8          | 526.9          | 375.1        | 601.3          |
| Employee Expense               | 286.3          | 220.9          | 153.1        | 241.7          |
| Power & Fuel                   | 192.2          | 159.6          | 73.7         | 119.4          |
| Other Expenses                 | 193.4          | 163.4          | 108.8        | 182.9          |
| <b>EBITDA</b>                  | <b>212.7</b>   | <b>136.0</b>   | <b>92.1</b>  | <b>157.1</b>   |
| <i>EBITDA Margin %</i>         | 14.1%          | 11.3%          | 11.5%        | 12.1%          |
| Depreciation                   | 40.8           | 41.9           | 46.5         | 51.2           |
| Finance Cost                   | 31.7           | 24.8           | 32.6         | 48.7           |
| Exceptional Item (Gain) / Loss | 0.0            | 2.7            | 3.3          | 0.4            |
| <b>PBT</b>                     | <b>140.2</b>   | <b>72.0</b>    | <b>16.3</b>  | <b>57.6</b>    |
| Tax                            | 28.8           | 25.3           | 2.4          | 4.2            |
| <b>PAT</b>                     | <b>111.4</b>   | <b>46.7</b>    | <b>13.9</b>  | <b>53.4</b>    |
| <i>PAT Margin %</i>            | 7.4%           | 3.9%           | 1.7%         | 4.1%           |
| <b>EPS (Rs)</b>                | <b>32.6</b>    | <b>27.3</b>    | <b>8.1</b>   | <b>31.2</b>    |

# Standalone Balance Sheet



| Asset (Rs. in Crs)                  | Mar-23         | Mar-22       | Mar-21       | Mar-20       |
|-------------------------------------|----------------|--------------|--------------|--------------|
| <b>Non-current assets</b>           | <b>444.4</b>   | <b>377.1</b> | <b>360.3</b> | <b>393.6</b> |
| Property, Plant & Equipment         | 362.8          | 306.4        | 330.8        | 370.7        |
| Right of use assets                 | 5.3            | 5.7          | 3.9          |              |
| Capital Work in progress            | 21.8           | 28.9         | 0.3          | 0.6          |
| Intangible assets                   | 1.5            | 2.3          | 2.9          | 3.3          |
| Intangible Assets under development | 0.1            | -            | 0.4          | -            |
| <b>Financial Assets</b>             |                |              |              |              |
| Investments                         | 5.8            | 4.7          | 2.9          | 3.6          |
| Loans                               | -              | -            | -            | 2.1          |
| Others                              | 7.7            | 6.7          | 6.2          | 3.8          |
| Other non current assets            | 21.9           | 22.5         | 12.8         | 9.5          |
| <b>Current assets</b>               | <b>624.1</b>   | <b>505.2</b> | <b>385.8</b> | <b>459.1</b> |
| Inventories                         | 313.9          | 278.9        | 196.4        | 237.5        |
| <b>Financial Assets</b>             |                |              |              |              |
| Investments                         | 0.1            | 0.0          | 0.0          | 0.1          |
| Trade receivables                   | 212.1          | 126.4        | 115.0        | 140.2        |
| Cash & cash Equivalent              | 14.6           | 18.7         | 7.7          | 3.6          |
| Other bank balance                  | 22.6           | 8.7          | 6.7          | 9.4          |
| Loans                               | 2.4            | 1.2          | 0.7          | 4.9          |
| Others                              | 9.8            | 17.5         | 14.7         | 14.9         |
| Other current assets                | 48.6           | 53.7         | 44.6         | 48.6         |
| <b>Total Assets</b>                 | <b>1,068.5</b> | <b>882.3</b> | <b>746.1</b> | <b>852.7</b> |

| Equity & Liabilities (Rs. in Crs) | Mar-23         | Mar-22       | Mar-21       | Mar-20       |
|-----------------------------------|----------------|--------------|--------------|--------------|
| <b>Equity</b>                     | <b>509.1</b>   | <b>400.1</b> | <b>357.4</b> | <b>341.9</b> |
| Equity share capital              | 17.1           | 17.1         | 17.1         | 17.1         |
| other equity                      | 492.0          | 383.0        | 340.3        | 324.8        |
| <b>Non-current liabilities</b>    | <b>152.4</b>   | <b>143.8</b> | <b>172.1</b> | <b>136.4</b> |
| <b>Financial Liabilities</b>      |                |              |              |              |
| Borrowings                        | 123.6          | 106.3        | 137.4        | 97.0         |
| Lease Liabilities                 | 1.6            | 2.0          | 0.2          | -            |
| Provisions                        | 4.1            | 4.0          | 1.7          | 5.2          |
| Deferred tax Liabilities (tax)    | 18.7           | 26.1         | 27.0         | 27.8         |
| Government Grant                  | 4.5            | 5.4          | 5.9          | 6.4          |
| <b>Current liabilities</b>        | <b>407.0</b>   | <b>338.4</b> | <b>216.6</b> | <b>374.4</b> |
| <b>Financial liabilities</b>      |                |              |              |              |
| Borrowing                         | 247.6          | 153.0        | 89.0         | 163.2        |
| Lease Liabilities                 | 88.4           | 0.6          | 0.5          | -            |
| Trade payable                     | 49.3           | 147.7        | 101.2        | 104.4        |
| Other Financial liabilities       | 0.7            | 5.1          | 7.6          | 69.3         |
| Other current Liabilities         | 16.7           | 25.0         | 15.1         | 34.3         |
| Government Grant                  | 0.8            | 0.8          | 0.8          | 0.8          |
| provisions                        | 2.1            | 1.8          | 0.8          | 2.6          |
| Current tax Liabilities (Net)     | 1.4            | 4.4          | 1.5          | -            |
| <b>Total Liabilities</b>          | <b>1,068.5</b> | <b>882.3</b> | <b>746.1</b> | <b>852.7</b> |

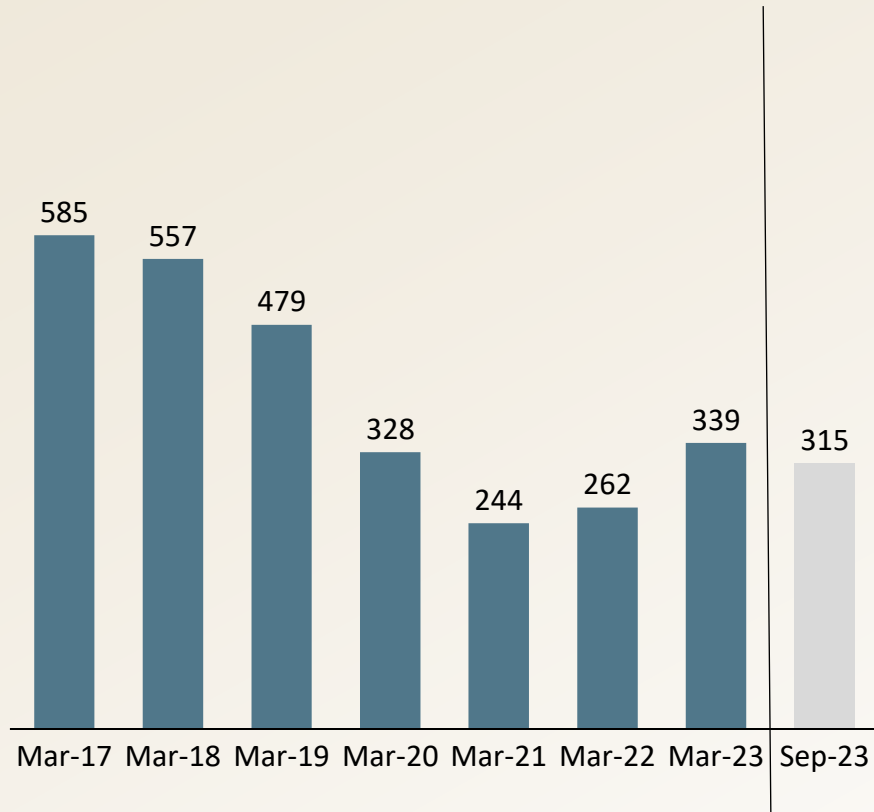
# Standalone Cash Flow



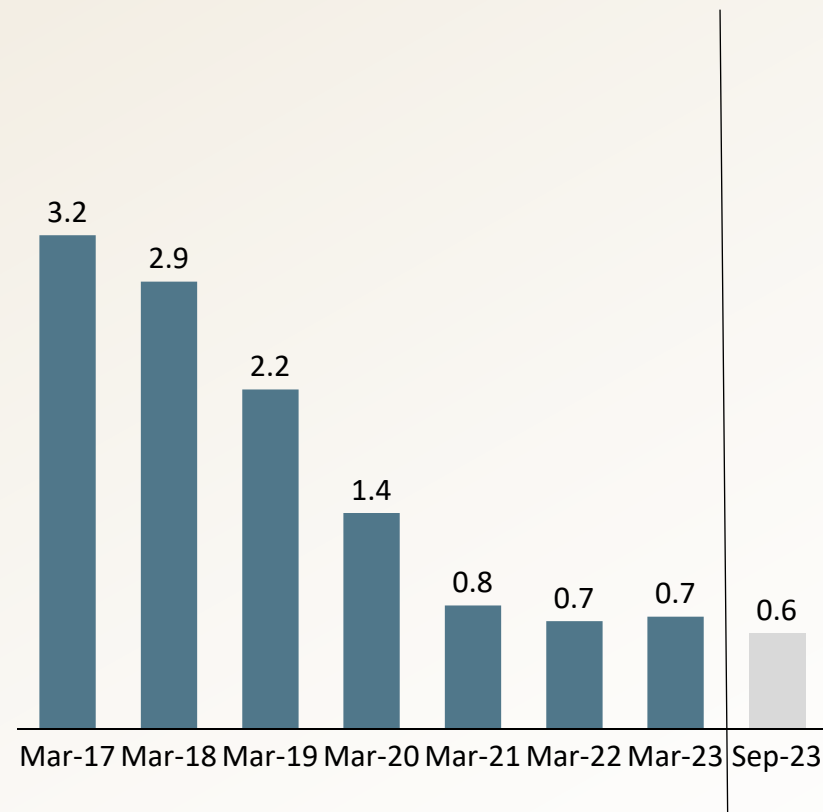
| (Rs. in Crores)   | Mar-23       | Mar-22       | Mar-21        | Mar-20        |
|---|--------------|--------------|---------------|---------------|
| Operating profit before working capital changes             | 208.8        | 133.9        | 89.8          | 150.7         |
| Changes in working capital                                  | -145.2       | -57.1        | 45.3          | 65.5          |
| Cash generated from operations                              | 63.6         | 76.8         | 135.1         | 216.1         |
| Income Tax Refund/(Direct Taxes Paid)                       | 43.4         | 22.6         | -2.7          | -10.8         |
| <b>Net Cash from Operating Activities (A)</b>               | <b>20.2</b>  | <b>54.2</b>  | <b>132.4</b>  | <b>205.4</b>  |
| <b>Net Cash from Investing Activities (B)</b>               | <b>-99.5</b> | <b>-48.0</b> | <b>-2.6</b>   | <b>-3.8</b>   |
| <b>Net Cash from Financing Activities (C)</b>               | <b>75.2</b>  | <b>4.9</b>   | <b>-125.7</b> | <b>-206.0</b> |
| <b>Net Change in cash and cash equivalents</b>              | <b>-4.1</b>  | <b>11.0</b>  | <b>4.2</b>    | <b>-4.5</b>   |
| Cash & Cash Equivalents at the Beginning of the Period      | 18.7         | 7.7          | 3.6           | 8.1           |
| <b>Cash &amp; Cash Equivalents at the End of the Period</b> | <b>14.6</b>  | <b>18.7</b>  | <b>7.7</b>    | <b>3.6</b>    |

# Key Balance Sheet Items

## Net Debt\* (Rs. Crores)



## Debt-Equity Ratio\*



- The net debt has reduced by Rs 24 crore to Rs 315 crore as on H1FY24
- Overall debt equity ratio has improved from 0.7x to 0.6x as on H1FY24

# Dividend Payout History



Dividend (%)\*

20%

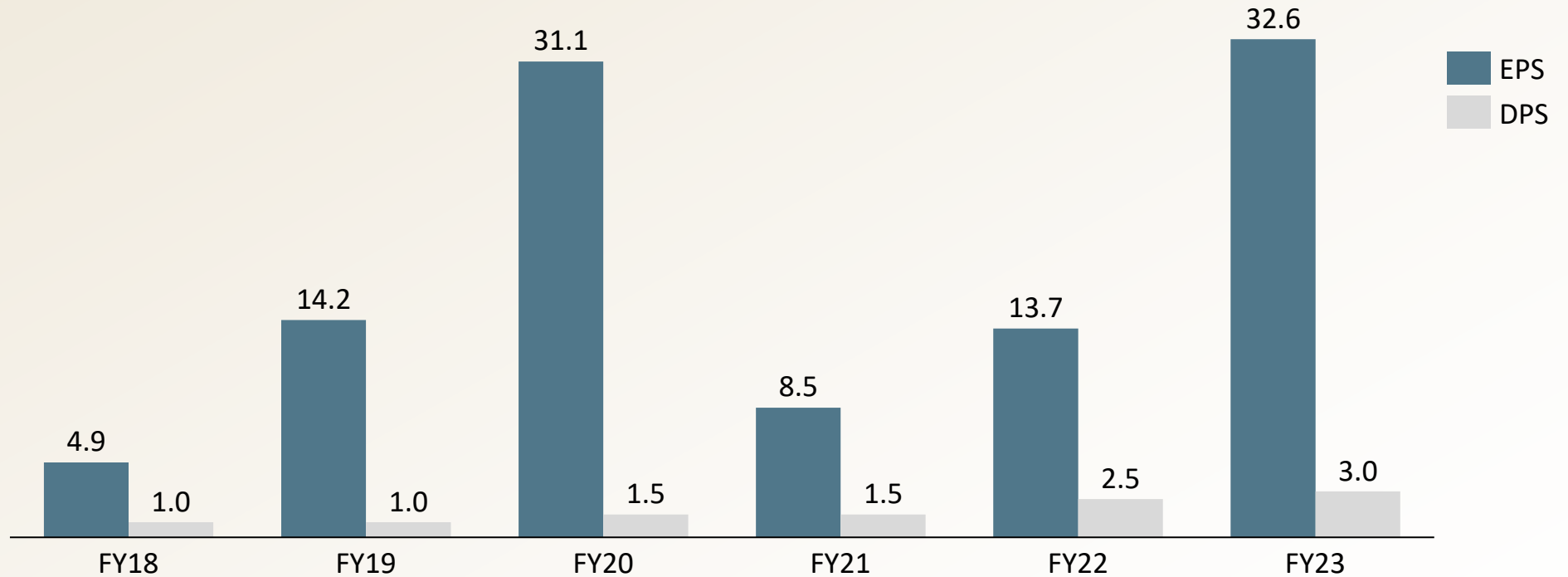
20%

30%

30%

50%

60%



The company has Consistently declared dividends Year-on-Year

\*Dividend % has been calculated using FV Rs. 5

| Company:   | Investor Relations Advisors:  |
|--|---|
|  |    |
| <b>Banswara Syntex Limited</b>   | <b>Strategic Growth Advisors Pvt. Ltd.</b>  |
| CIN: L24302RJ1976PLC001684   | CIN: U74140MH2010PTC204285  |
| Ms. Kavita Gandhi  | Ms. Aakash Mehta/Mr. Rahul Agarwal  |
| <a href="mailto:secretarial@banswarasyntex.com">secretarial@banswarasyntex.com</a> | <a href="mailto:aakash.s.m@sgapl.net">aakash.s.m@sgapl.net</a> / <a href="mailto:rahul.agarwal@sgapl.net">rahul.agarwal@sgapl.net</a> |
|  | +91 9870679263/+91 9619385544   |
| <a href="http://www.banswarasyntex.com">www.banswarasyntex.com</a>                 | <a href="http://www.sgapl.net">www.sgapl.net</a>  |