

RSWM/SECTT/2022
August 9, 2022

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 June, 2022.

Dear Sir,

Please find enclosed a copy of Investors Presentation on the Unaudited Financial Results of the Company for the quarter ended 30th June, 2022 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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Tel: +91-120-4390300 (EPABX)
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GSTIN: 09AAACR9700M1Z1

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Fax: +91-1483-223361, 223479
Website: www.lnjbhilwara.com
GSTIN: 08AAACR9700M1Z3

Corporate Identification Number: L17115RJ1960PLC008216



RSWM Limited

an LNJ Bhilwara Group Company

YARNS || DENIM || KNITTED FABRIC

Q1FY23 June 2022 Earning Presentation

NSE: **RSWM** BSE: 500350

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Message from CMD's desk

Commenting on the results, Mr. Riju Jhunjhunwala: Chairman, Managing Director and CEO of RSWM Ltd. said,

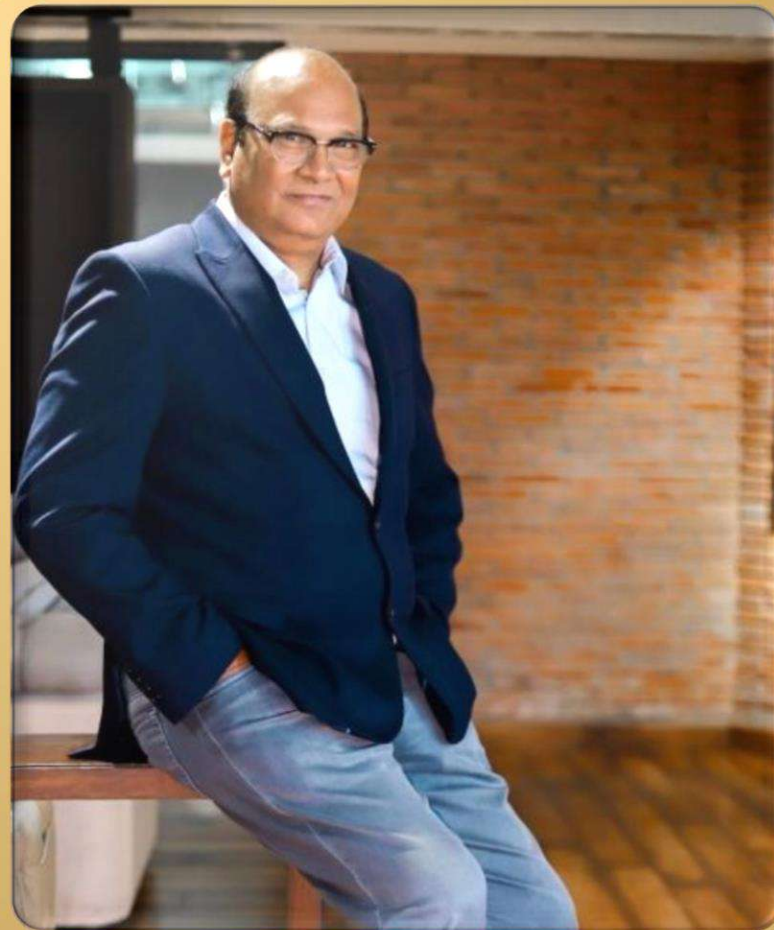
“For Q1FY23 our focus on execution and cost controls have helped us achieve a strong Q1 performance, where we have increased revenues and improved margins YoY. We have commenced our knitting unit and other expanding capacities in Gulabpura and Banswara, this will put us in a strong position for the coming quarters. While commodity prices still continues to remain our concern, cost reduction program and strong positioning is helping us in maintaining profit margin. We remain committed to future growth plans with focus on enhancing our product portfolio, geographical reach and improving efficiencies of higher return on investments. We now look into the future with excitement and confident in our ability to drive continuing value for our stakeholders by delivering the strategic business plan.”



Message from JMD's desk

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

"It gives me great pleasure while sharing our financial results for the very first quarter of FY23 with good operational figures YoY and a fair profit margin. As our vision is long-term and sustainable growth, we are constantly expanding our production capacity backed with accelerated demand not only in the domestic market but globally too. Although Q1 is considered a lean quarter, RSWM managed to maintain and achieve the targets. From 1st July 2022, additional units at Gulabpura and Banswara are already operational and we are optimistic about future growth and better quarters as initial days of the newly commenced business are showing good traction. Lastly, we seek continued patronage of our valued customers, the cooperation of our employees and thank our investors who have contributed to the growth of our organization."





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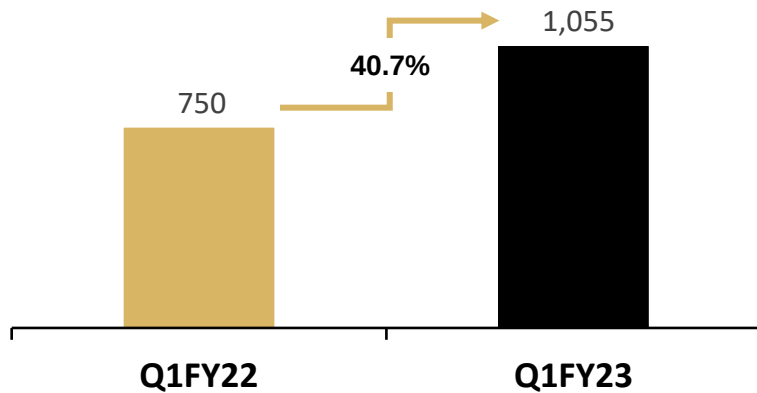
YARNS || DENIM || KNITTED FABRIC

Q1FY23 Financial Highlights

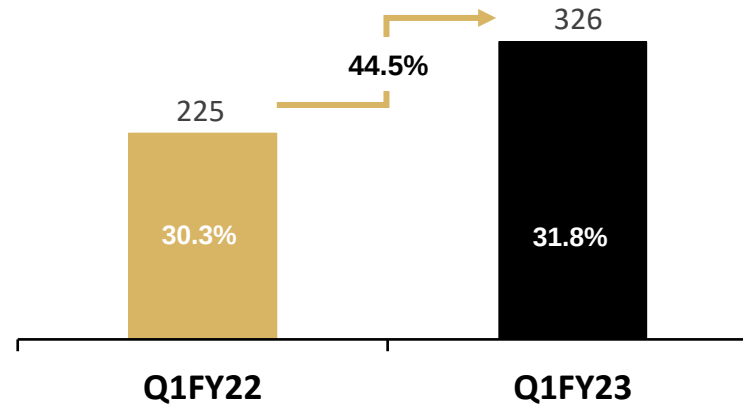
Q1FY23 Financial Performance

₹ in Cr

Revenue



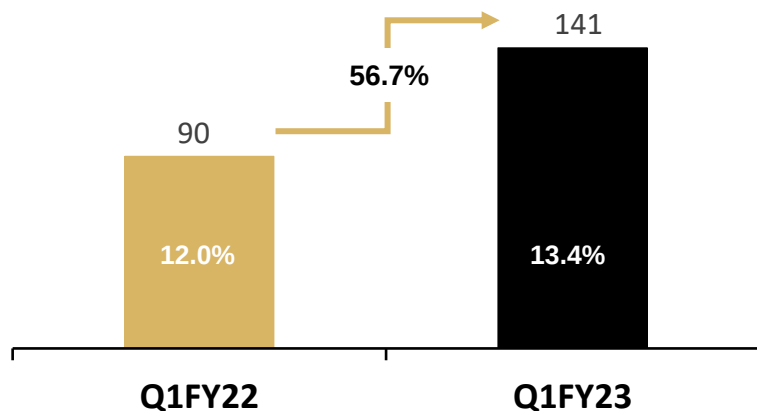
Gross Profit & Gross Profit Margin %



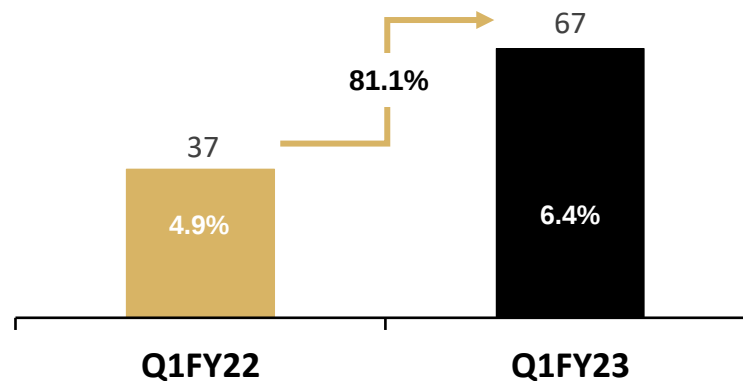
Highlights

- Sales reported for the quarter stands at ₹ 1,024 Cr, up by 38% YOY which is mainly contributed by higher Domestic sales.
- Other income for the quarter stands at ₹ 31.4 Cr.
- Gross Profit up by 44.5% YoY due to resource optimization.
- EBITDA (Excl. other income) stood at ₹109 Cr, up 32% EBITDA margin contracted 30 bps on account of higher input cost during the quarter.
- PAT increases to ₹67 Cr, up by 81.1% (YoY)
- Projects, 30k spindles yarn capacity at Gulabpura, Denim Fabric Capacity at Banswara and New knitting unit at Banswara undertaken during last year, have started commercial production w.e.f. 1st July 2022
- Knits order booking is also seeing good progress

EBITDA & EBITDA Margin %

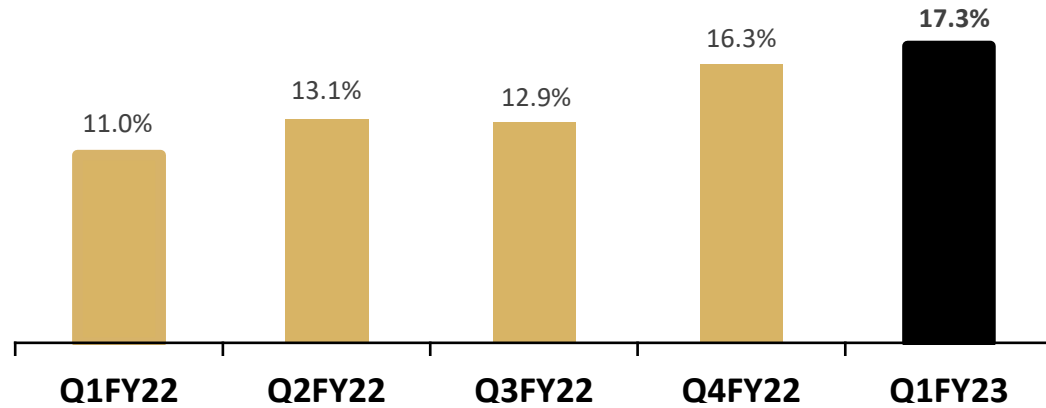


PAT & PAT Margin %

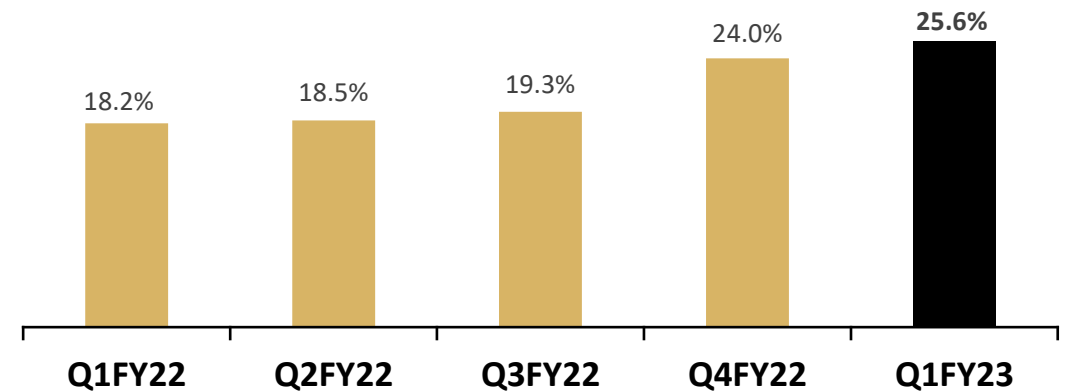


Key Financial Ratio

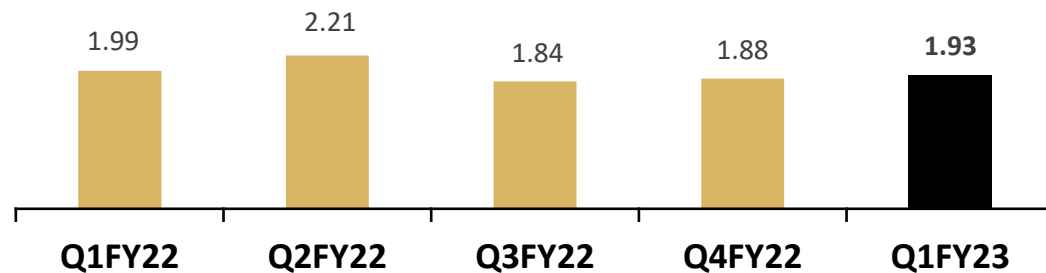
ROCE



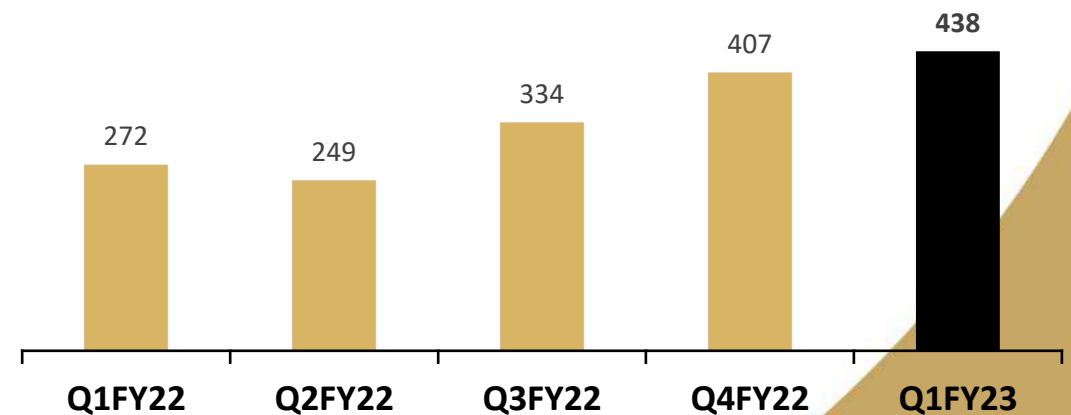
RONW



Fixed Asset Coverage Ratio in times



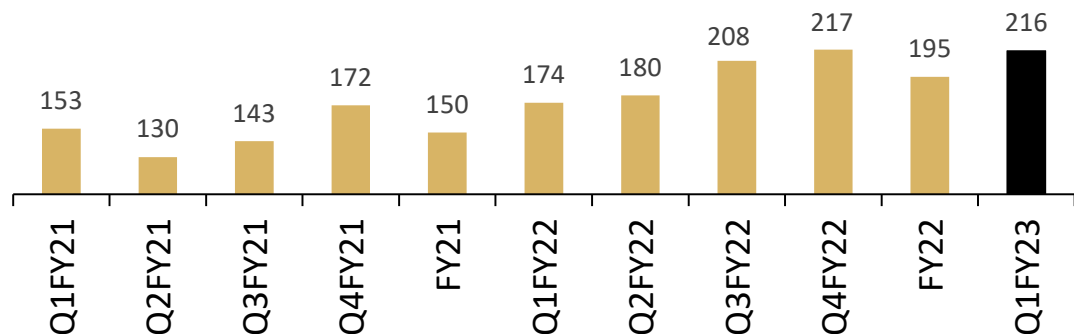
Net Working Capital ₹ in Cr



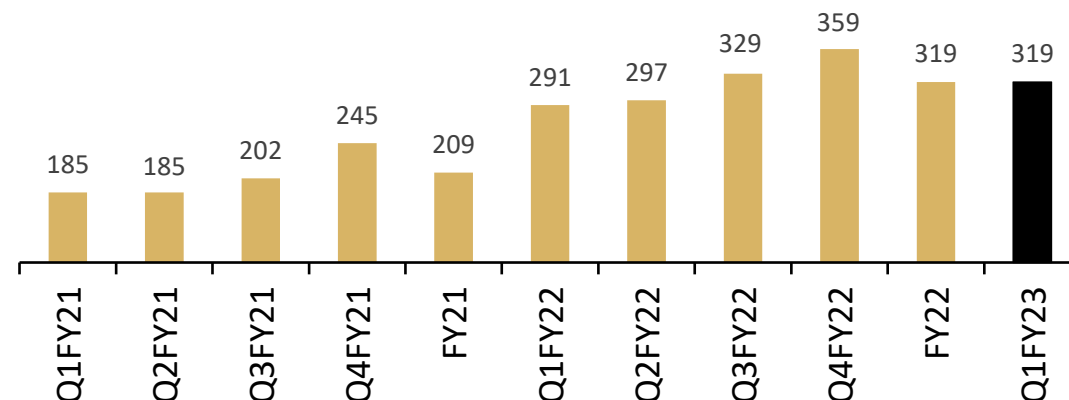
Average Sales Realisation

Yarn per Kg || Denim per meter

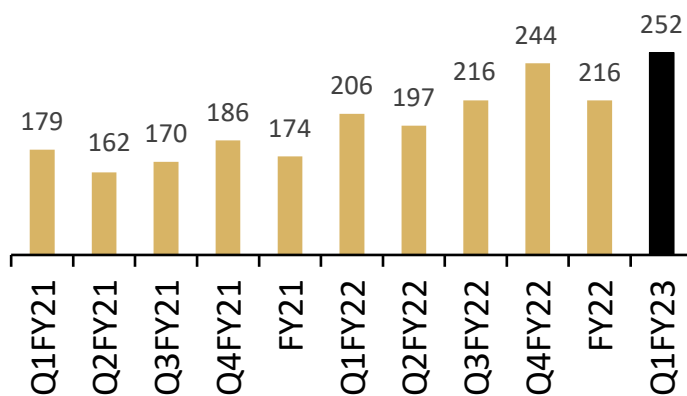
PV Grey Yarn



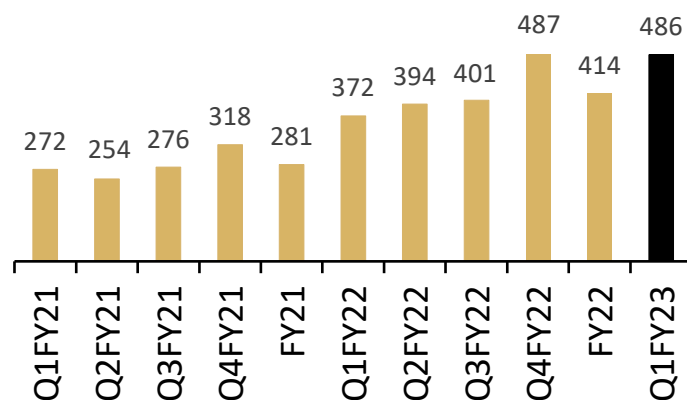
Cotton Grey Yarn



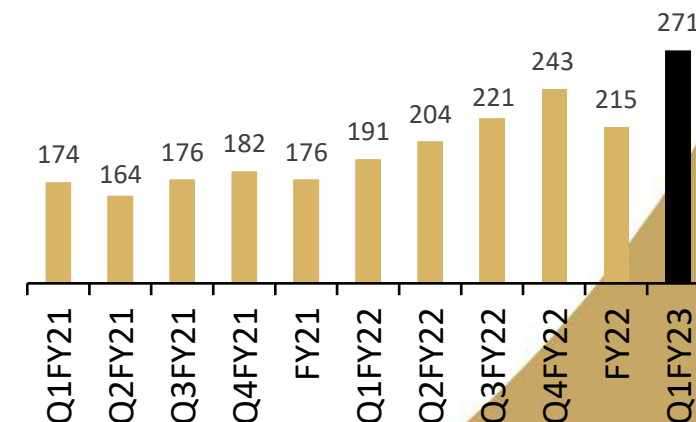
PV Dyed Yarn



Melange Yarn



Denim



Quarterly Key Highlights

- Upbeat sentiments in domestic markets drives consumer demand and market witnessed a buoyant demand.
- School uniform season increased demand for yarn, while wedding season increased footfalls on retail end.
- Domestic demand witnessed strong growth up 62% YoY
- Export sales in-line with Q1FY22 at ₹286 Cr, exports-maintained momentum YoY despite of recession concern
- Cost optimisation program helped in maintaining profit margin
- Higher raw material prices are getting absorbed by end users; but it still continues to remain a concern for the industry
- Expansion of 51k spindles at Banswara is progressing well
- Debt to equity stands at 0.89 as on 30th June, 2022



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Q1FY23 Lever Of Growth

Lever Of Growth

- 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 plant and regular energy audit helps in reduction of power cost

Value Adding in Yarn

- 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 in Textile parks (MITRA) and Free Trade Agreement

Government Initiatives

- Incentives Under Rajasthan Investment Promotion Scheme 2019

- Good demand for LNJ denims is seen in FY23
- We are ranked in Top 10 suppliers
- Quality of our denim fabric is better than other denim manufacturers.
- In FY22 we turnaround our denim segment
- Top brands associated with us: JCPenney, H&M, Zara, Levi's, Wrangler, Diesel, Lee, Spykar, Hilfiger denim and many more

Denims

Investment

- Company has invested around ₹410 Cr in expansion of Denim, Cotton Melange Yarn, Knits Business and Modernization & Balancing equipment's across all units.
- Above projects commenced commercial production w.e.f. 1st July, 2022
- Investment in Denim, Cotton Yarns and Knit expected to increase our top line by around ₹700 Cr p.a.
- Additional capex of ₹315 Cr to be invested in expansion of spinning capacity in Banswara – The project is underway and expected to be operational in FY24



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Q1FY23 Company Profile

Company Profile

RSWM Limited is one of the largest textile manufacturers and Exporters of Synthetic, Blended, Mélange, Cotton, Specialty value added yarns and also manufacturing Denim fabric and Green Polyester Fibre.



Business Segments

- Yarns, Denim & Knits
- Total Capacity: Yarn: 1,45,500 TPA, Denim Fabric: 33.4 Mn Mtr. p.a., Knitted Fabric: 4,800 MT p.a.



Global Presence

- Exports to around 78 nations globally like Africa, South East Asia, Europe, Middle East, USA
- Export contributed ~37% of Sales during FY22



Installed Capacities

- 11 Manufacturing facilities
- 43,000 MTs p.a. Green Polyester Fibre manufacturing capacity
- 4,94,680 Spindles and 4,800 Rotors Spinning
- 33.4 Mn Mtr. p.a. Denim Fabric manufacturing capacity -Composite Facility
- 4,800 MT p.a. Knitted Fabric manufacturing capacity



Strong Parentage

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



Certifications

- 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

Certification



Company Profile

Group Profile



**PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL**

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.

POWER CONSULTANCY

Indo Canadian Consultancy Services Ltd.

TEXTILES

- RSWM Ltd.
- Maral Overseas Ltd.
- BSL Ltd.
- Bhilwara Technical Textiles Ltd
- BMD Private Ltd.

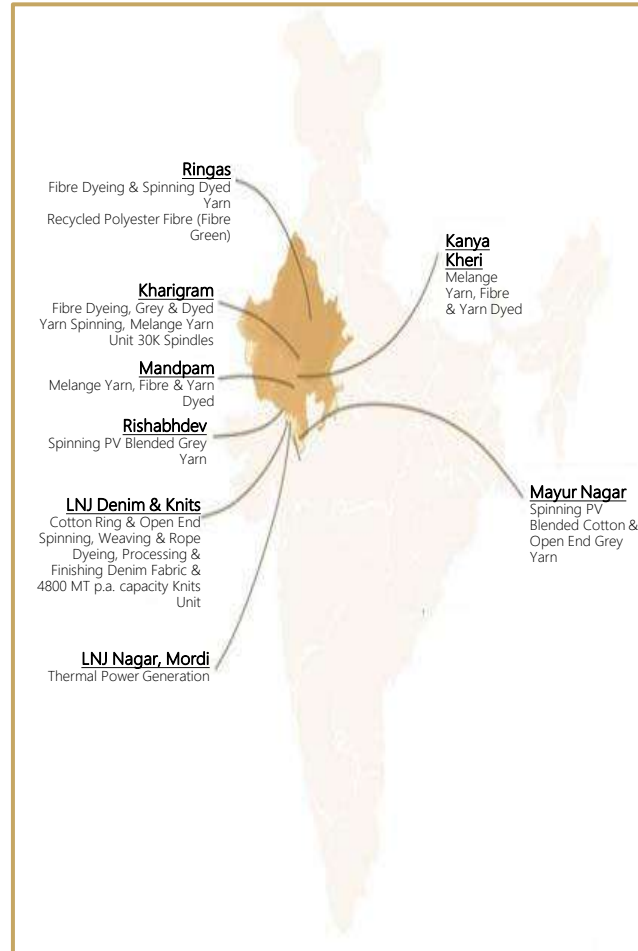
GRAPHITE ELECTRODES

HEG Ltd.

POWER

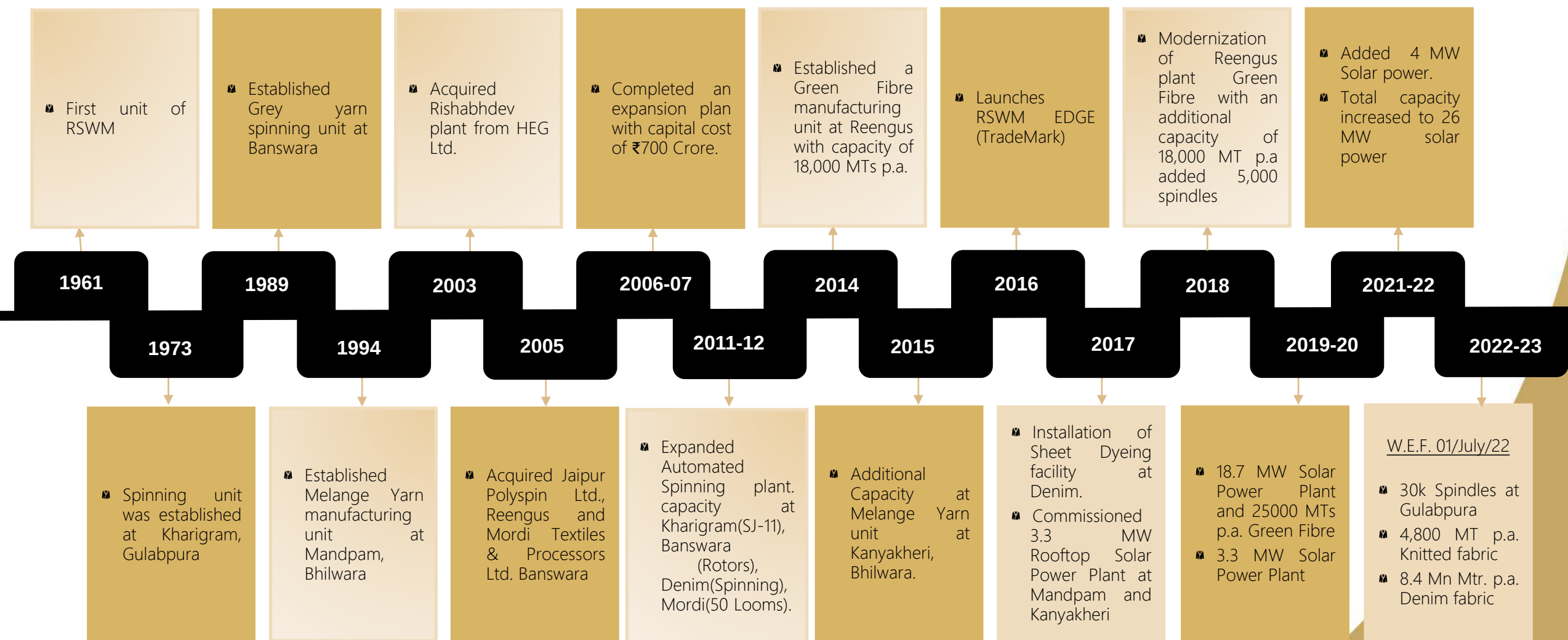
- Balephi Jal-Vidyut Co. P. Ltd.-Nepal
- NJC Hydro Power Ltd.
- AD Hydro Power Ltd.
- AD Hydro Power Ltd.
- Maral Overseas Ltd.
- Bhilwara Energy Ltd.

Location & Capacity



Location	Spindles	Rotors	Looms	Green Fibre	Knitted Fabric
Kharigram	1,97,792				
Banswara	95,376	3,120			
Rishabhdev	52,848				
Reengus	32,840			43K MT p.a.	
Mordī	40,752	1,680	172		4,800 MT p.a.
Mandpam	49,152				
Kanyakheri	25,920				
Total	4,94,680	4,800	172	-	-

Milestone

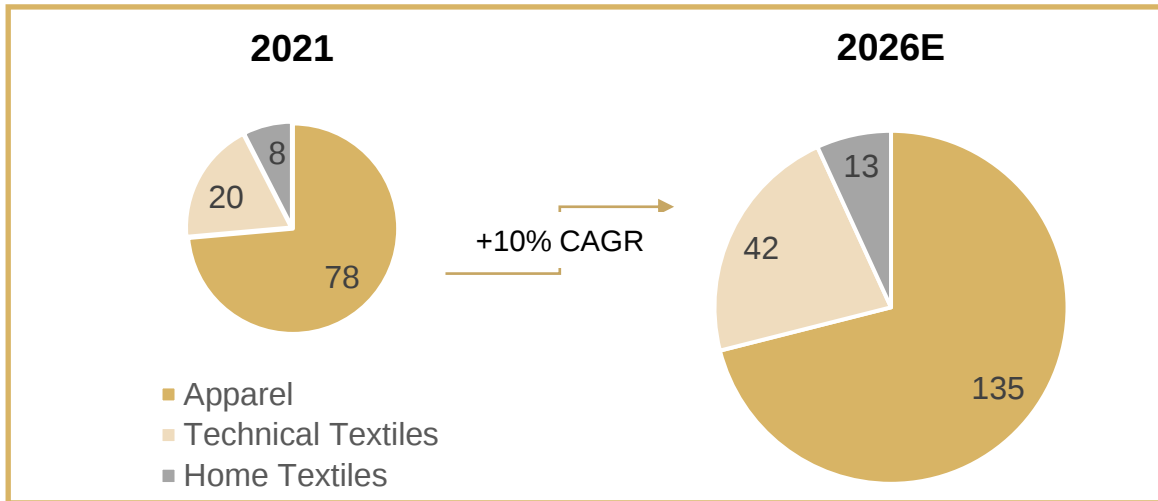


Business Verticals



Indian textile sector to grow at ~10% CAGR

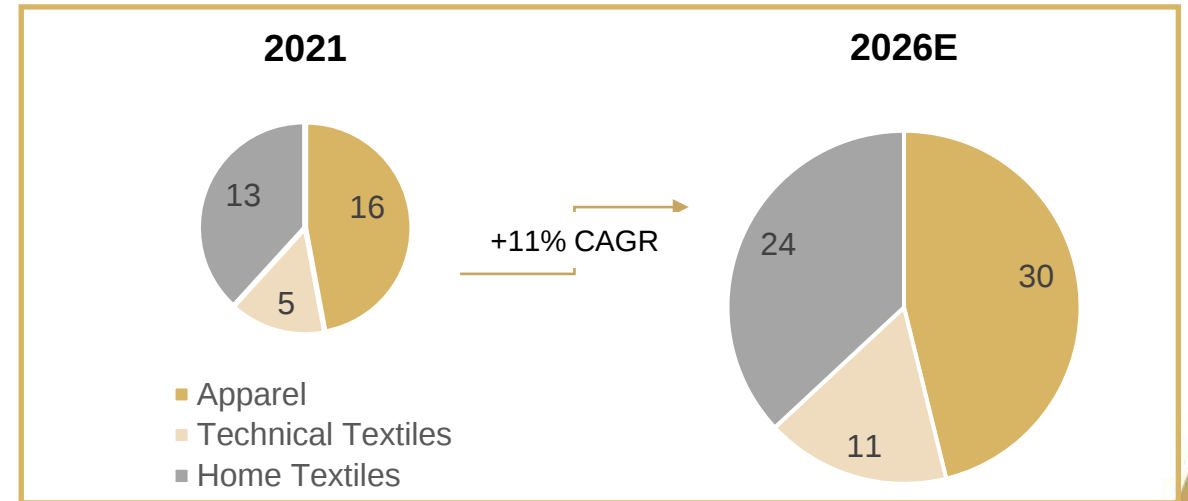
Domestic demand expectation



Factors contributing for domestic growth

- E-commerce leading to higher offtakes
- Younger demographics' quicker wardrobe turnarounds
- Resumption of offices/schools should lead to higher woven demand
- Price Inflation leading to better realisations
- Increased demand for knit clothing on account of WFHs
- Technology leading to faster adaption of fashion trends
- Salary hikes leading to higher consumer spending on apparel
- Apparel regaining their lost wallet share

Exports demand expectation



Factors contributing for Export growth

- China Plus One' has led to several western countries looking at alternate markets
- Better availability of skilled man power in India.
- The trade tension between US-China leading to higher import duty on Chinese apparels.
- 'Government Initiatives such as PLI and others.
- The ban of cotton from the Xinjiang region should benefit Indian cotton yarn exporters
- Probable Free Trade Agreements
- India's right to win in the Made-Ups being the 2nd largest
- Given the sourcing advantage, vertically integrated players should gain more tractions



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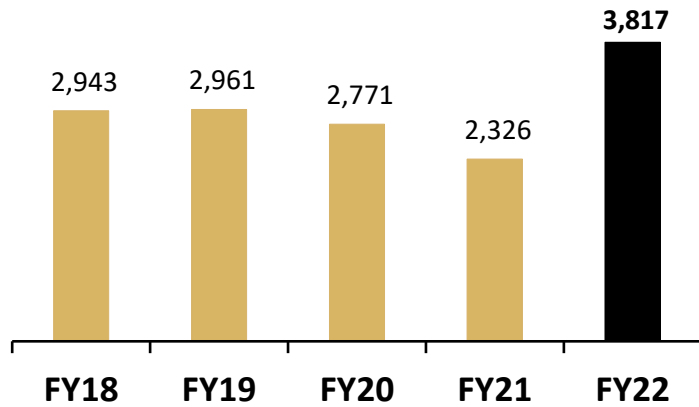
YARNS || DENIM || KNITTED FABRIC

Historical Financial Overview

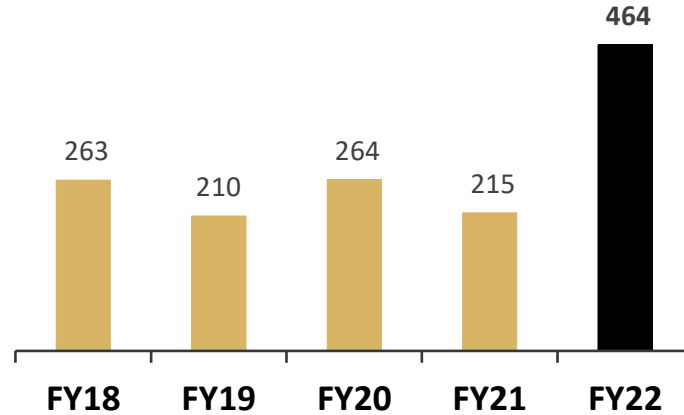
Historical Financial Overview

₹ in Cr

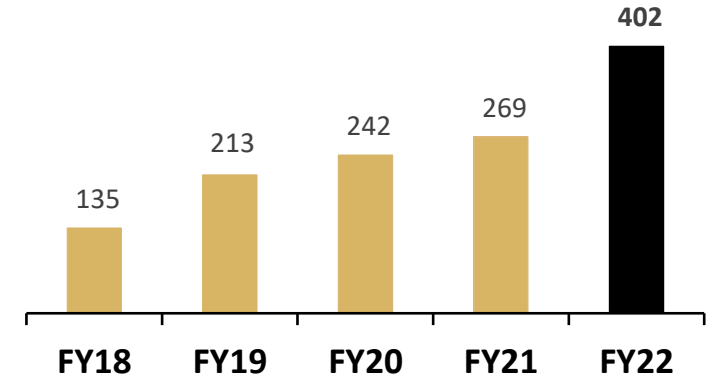
Revenue



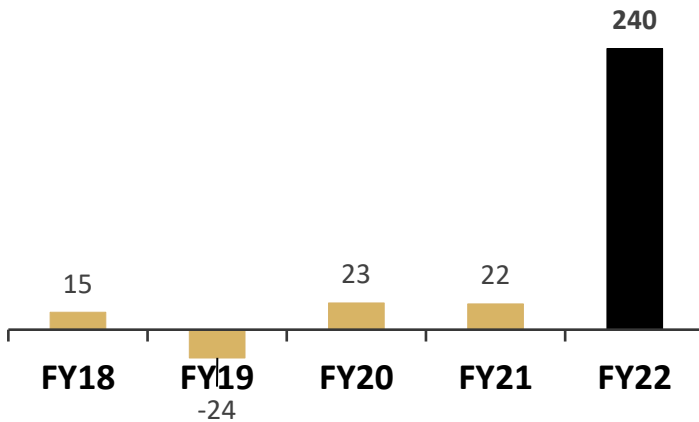
EBIDTA



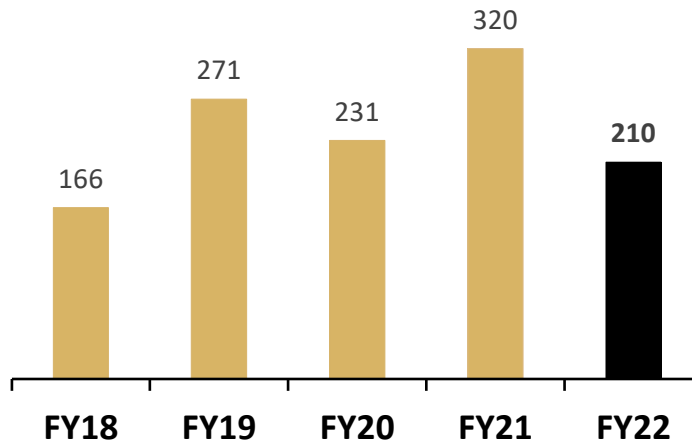
Net Working Capital



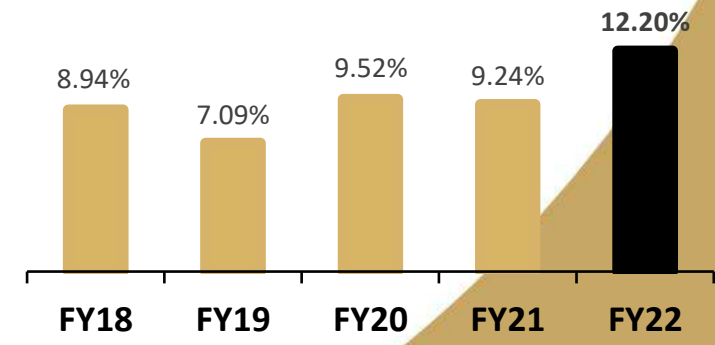
PAT



Net Cash Flow From Operation

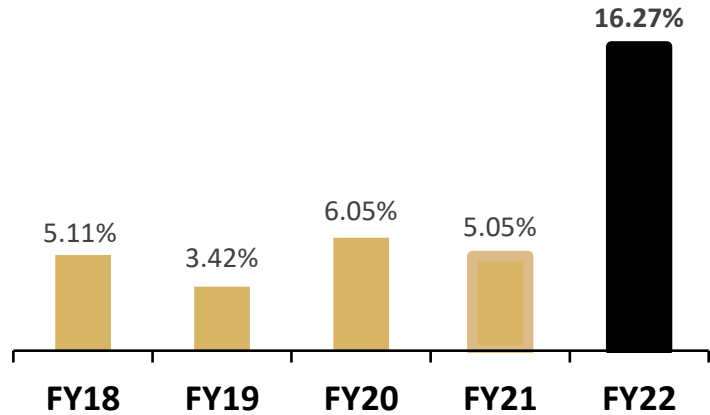


EBITDA Margins

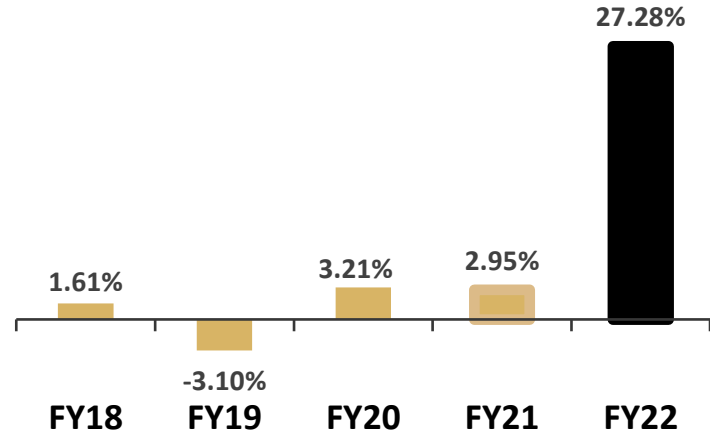


Historical Financial Overview

Return on Capital Employed

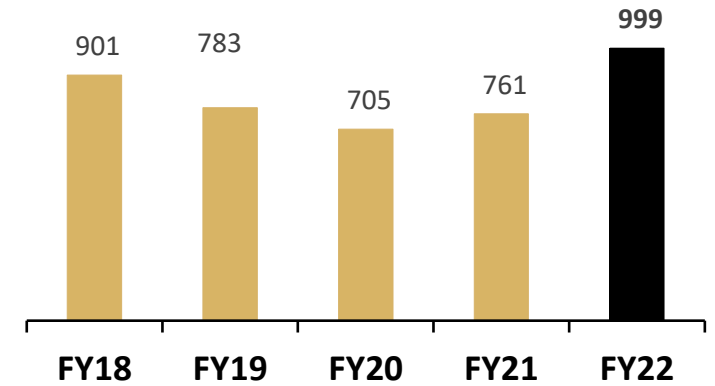


Return on Equity



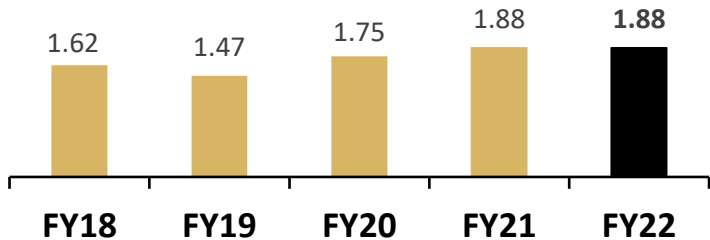
Net Worth

₹ in Cr



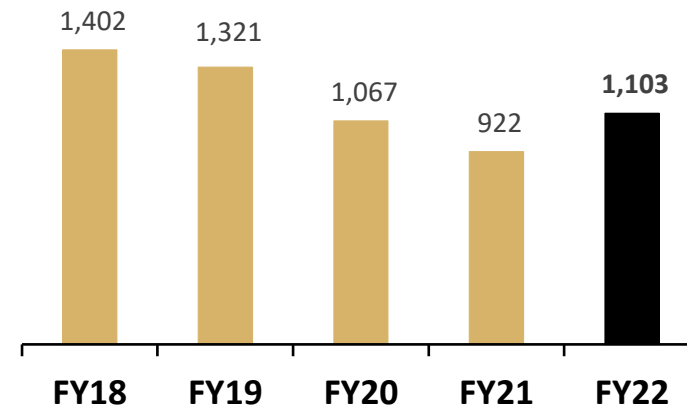
Fixed Asset Turnover

in times



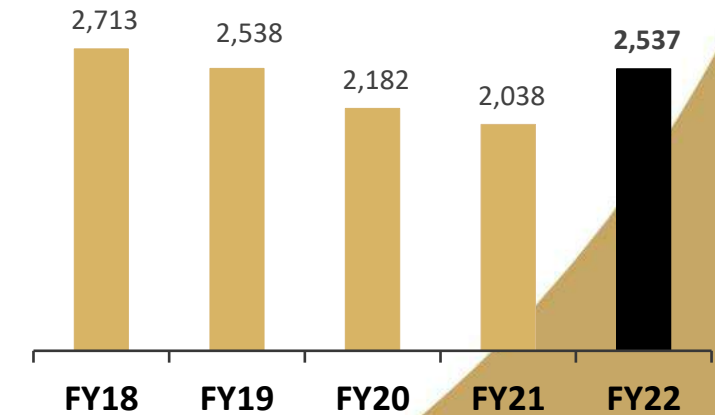
Net Debt

₹ in Cr



Capital Employed

₹ in Cr





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ESG Initiatives

Safeguarding Environment

Water Management

- We offer fibre dyeing 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 plants and further purify it via reverse osmosis (RO) before returning it to the environment cleaner than before

Recycle & Waste Management

- We proudly offer recycled fibre 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.

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.

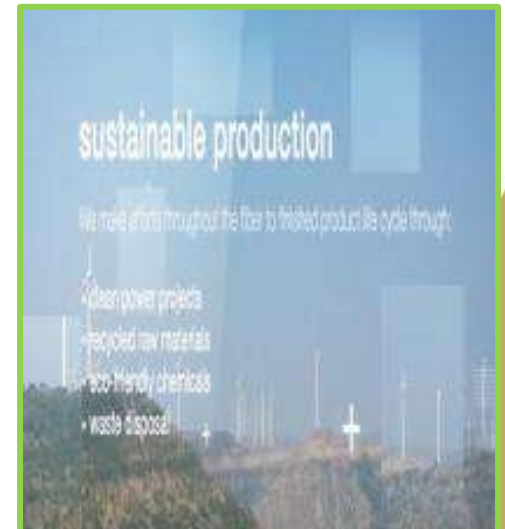


HYDRO POWER

India's first merchant hydro power plant

Highlights

- 1,350 KL water saved everyday
- 8,00,000 Tonnes of CO2 emissions reduced annually
- 30 Tonnes of fabric recycled per month



Social Responsibility

Fibre Green

- Fibre green is a process of converting waste material into fibre.
- Disposed PET bottles are converted into flakes which are finally turned into fibre in different denier and cut for spinning into yarn.
- In terms of performance, these recycled 100% polyester fibres are just like virgin polyester fibre having a production capacity in excess of 3600 tons 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
- Created RSWM Employees Benevolent Fund for the welfare of employees



VACCINATING
OUR STAFF

Corporate Governance

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
- Kindly read our sustainability policy: <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
- Advance adoption of BRSR Policy



RECYCLING 30 TONNES
of used fabric every month





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Management Team

Management Team

Key Managerial Persons

Mr. Riju Jhunhunwala
Chairman, Managing Director and CEO

Mr. B. M. Sharma
Joint Managing Director

Mr. Avinash Bhargava
Chief Financial Officer

Mr. Surender Gupta
Company Secretary

Management Team

Mr. Prakash Maheshwari
Chief Executive
(Corp. Affairs & TPP)

Mr. Suketu Shah
Chief Executive
(Denim)

Mr. Arun Dudeja
Chief Executive
(Knits)

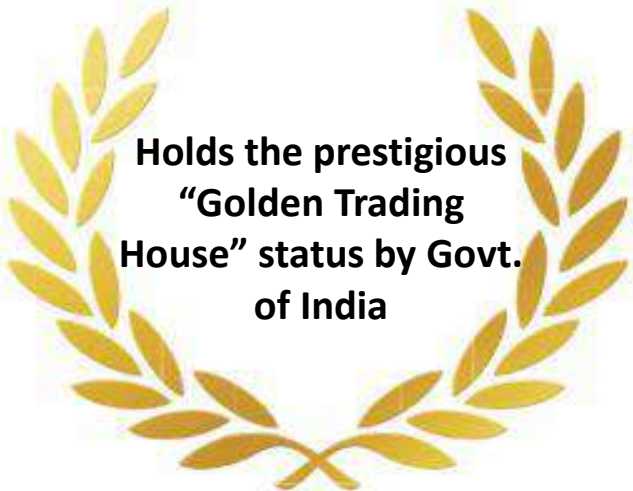
Mr. Sukesh Sharma
Chief Executive
(Yarn)

Mr. Arvind Gupta
President &
Chief Marketing Officer

Mr. Manoj Sharma
President &
Chief HR Officer

Mr. Punit Anand
Chief Strategy Officer

Awards & Recognition



**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**



**Excellence Award for
Financial Performance &
Analysis Instituted by
Rajasthan Chamber of
Commerce & Industries**



GET IN TOUCH WITH US

Shri Avinash Bhargava

Chief Financial Officer

Tel: 01483 222515

E: cfo.rswm@lnjbhilwara.com

Shri Surender Gupta

VP – Legal and Company Secretary

Tel: +91 120 4390058

E: skg@lnjbhilwara.com



Registered Office

Kharigram,

P.O. Gulabpura – 311 021

Dist. Bhilwara (Rajasthan)

CIN:L17115RJ1960PLC008216

Corporate Office

Bhilwara Towers,

A-12, Sector - 1

Noida – 201 301 (U.P.)

<https://www.rswm.in>



Profit & Loss Statement

₹ in Cr

Period	Q1FY23	Q1FY22	Q4FY22	FY22	FY21
Total Income (Incl. other income)	1055.2	749.99	1,132.53	3,849.54	2,365.43
Raw Material Cost	642.42	450.00	648.72	2,196.71	1,217.99
Employee Cost	108.71	97.66	100.62	401.40	312.33
Power Cost	110.29	85.28	104.06	387.83	258.04
Other Expenses	108.78	94.02	121.47	460.16	279.85
Inc./Dec. in Inventory	(55.82)	(66.56)	15.53	(60.73)	82.25
EBIDTA	140.81	89.60	142.13	464.17	214.97
EBIDTA Margin (%)	13.75%	12.08%	12.67%	12.16%	9.24%
Depreciation	27.44	31.07	27.15	113.08	127.68
Finance Cost	18.6	18.40	17.06	67.61	83.03
Profit Before Tax	94.77	40.13	97.92	283.48	4.26
Tax	27.52	2.84	-12.02	43.50	(17.35)
Net Profit After Tax	67.25	37.29	109.94	239.98	21.61
Net Profit Margin (%)	6.57%	5.03%	9.80%	6.29%	0.92%