

RSWM/SECTT/2023
February 10, 2023

BSE Limited Corporate Relationship Department, 1st Floor, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, MUMBAI - 400 001. Scrip Code: 500350	National Stock Exchange of India Limited Listing Department, Exchange Plaza, C-1, Block - G, Bandra-Kurla Complex, Bandra (East), MUMBAI - 400 051. Scrip Code: RSWM
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Sub: Investors Presentation on the Unaudited Financial Results of the Company for the quarter ended 31st December, 2022.

Dear Sir,

Please find enclosed a copy of Investors Presentation on the Unaudited Financial Results of the Company for the quarter ended 31st December, 2022 for your information and record.

Thanking you,

Yours faithfully,
For **RSWM LIMITED**

SURENDER GUPTA
VICE PRESENT – LEGAL & COMPANY SECRETARY
FCS – 2615

rswm.investor@lnjbihlvara.com

Encl.: As above

(Formerly Rajasthan Spinning & Weaving Mills Limited)

Corporate Office: Bhilwara Towers, A-12, Sector-1 Noida-201 301 (NCR-Delhi), India Tel. : +91-120-4390300 (EPABX) Fax : +91-120-4277841 Website : www.rswm.in GSTIN:09AAACR9700M1Z1	Regd. Office: Kharigram, P.O. Gulabpura – 311 021 District Bhilwara, Rajasthan, India Tel.: +91-1483-223144 to 223150, 223478 Fax: +91-1483-223361, 223479 Website : www.rswm.in GSTIN:08AAACR9700M1Z3
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Corporate Identification Number:L17115RJ1960PLC008216



Proud to be Indian
Privileged to be Global

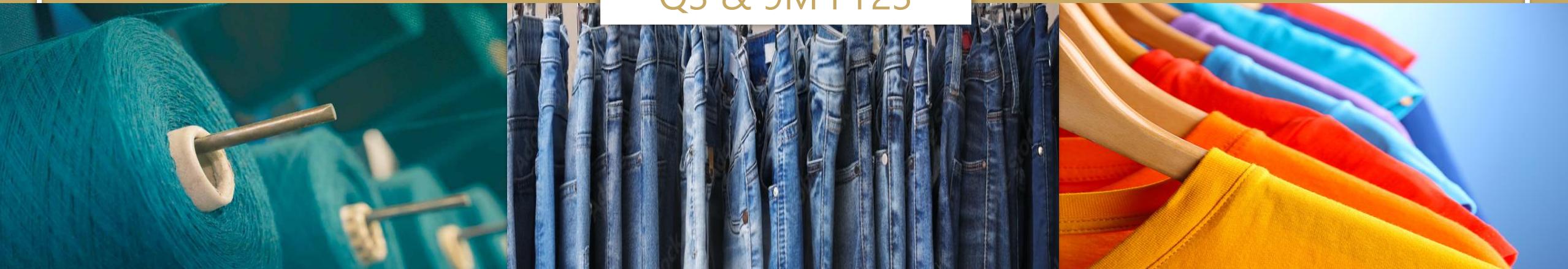


RSWM Limited
an LNJ Bhilwara Group Company

Investor Presentation

NSE: RSWM BSE: 500350

Q3 & 9M FY23



TEXTILE DRIVEN BY INNOVATION, GROWTH & TRANSFORMATION



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MESSAGE FROM CMD'S DESK



Commenting on the results, Mr. Riju Jhunjhunwala, Chairman & Managing Director, and CEO of RSWM Limited said, "The Indian Textile Industry encountered a few bumps in the road in 2022 due to unpredictable geopolitical events and variable raw material prices. The demand from the USA and Europe, two of our major consuming markets, took a hit due to economic trends, and the domestic market wasn't immune to the global scenario, leading to less optimism for the rest of the fiscal year. The recent quarter was a real test, but at RSWM, we're sticking to what we know best: operational efficiency and cost control. By keeping our expenses in check, we'll have the resources we need to support our growth. The commodity and freight markets are showing signs of improvement, but global consumer demand remains sluggish due to inflation and high inventory costs in key markets. However, we're optimistic that demand will pick up as the effects of price normalization and a brighter economic outlook become clear.

The long-term prospects for textiles look promising. To protect ourselves from supply chain disruptions, we're taking proactive steps and expect to see the benefits in the near future. In light of the current uncertainty, we don't think it's wise to provide earnings guidance at this time, but we're confident that our projects and plans remain on track and that the current fiscal year will be just a blip on the radar, not a hindrance to our long-term growth strategy"



Commenting on the results, Mr. B. M. Sharma, Joint Managing Director of RSWM Limited said, “*The past few quarters have been a trying time for our company, following a strong start in FY23, due to a widespread contraction in demand brought about by elevated oil and gas prices, geopolitical instability, inflationary pressures, and increased interest expenses. However, we remain confident in the long-term outlook for our company and anticipate a return to normalcy in the demand for our products and services in the next 2-3 quarters. Our team has been steadfast in delivering exceptional quality and customer service, and we are proud of our ability to outperform in this challenging environment. We would like to extend our gratitude to all of our stakeholders who have supported us through these difficulties, and we remain committed to our long-term goals of expanding our product line, fortifying our financial footing, and increasing profits through operational efficiency. Despite short-term headwinds, we are optimistic about our ability to lay a strong foundation for future growth and capitalize on market opportunities. We have persevered and delivered, and we will continue to do so in the years to come.*”



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Q3 & 9M FY23 Financial Performance





Business Update:

- Textile Industry faces tough times as consumers cut spending.
- Consumers in the United States, Europe, and other big markets have cut spending on clothing following a surge in inflation after the war in Ukraine.
- Export which constitutes 22% of Industry, is declining. Dropped by 9% (YoY) during the first half and 15% only in November 2022 as compared to November 2021.
- Domestic sales are also sluggish despite strong growth in the overall economy because of high costs and cheap imports.
- Volatility in raw material prices including cotton is a cause of concern for the Industry.
- Our domestic sales improved by 26% whereas export sales dropped by around 53% during Q3 and 31% during 9 months (YoY).
- We have been able to sell our products in domestic markets but at lower margins on the back of increased supply.

Yarn

- Global Yarn order flow has improved post Q3FY23.
- Brands continue to try and liquidate their high level of garments stock during Christmas & New year. Sales inquiries are back and scaled up in the market with good orders in February'23 and March'23.
- Raw material volatility, especially in Cotton seems to be stabilizing with the arrival of new cotton.
- School uniform fabric has some demand and some fresh demand for uniform counts is emerging in the yarn market.
- In the last 1 month, there is a good inflow of inquiries for Melange yarn from Global brands.

Denim

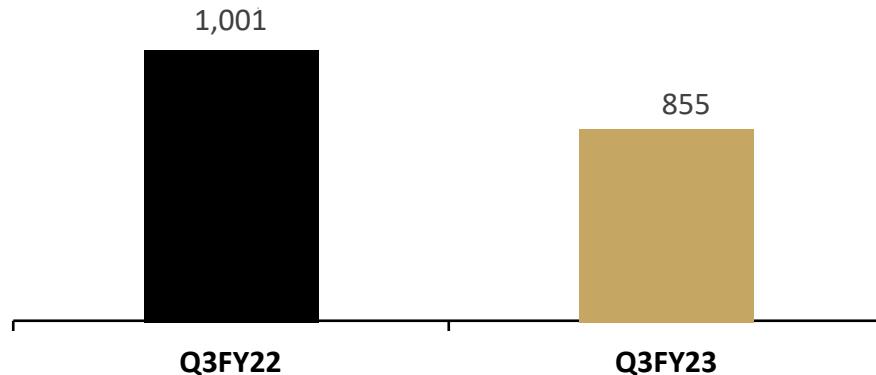
- Capacity utilization of leading denim mills in India for Q3 remained slow, owing to poor retail, raw material price uncertainty, and panic in the market. However, our denim unit capacity utilization was better than other denim players.

Knits

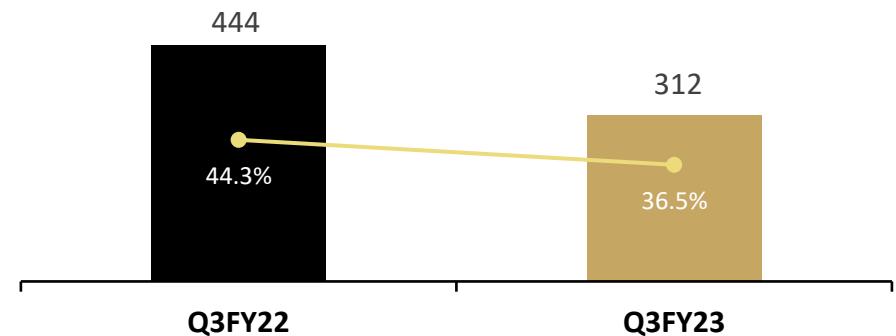
- Garment exports in Q3 showed slight improvement nationwide, but Q4 began with a slow note post-Christmas in the international markets. Efforts are being made to close the gap in the remaining months of Q4.
- Base interactions with exporters and domestic players market are moving and we have started scaling up our capacity utilization.



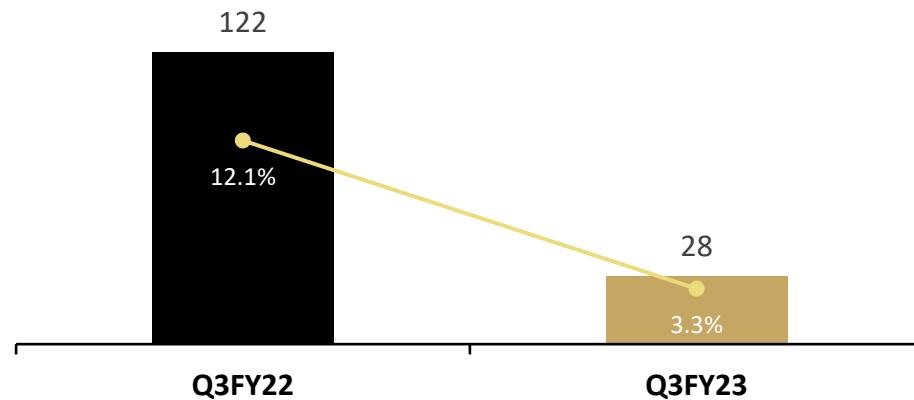
Revenue



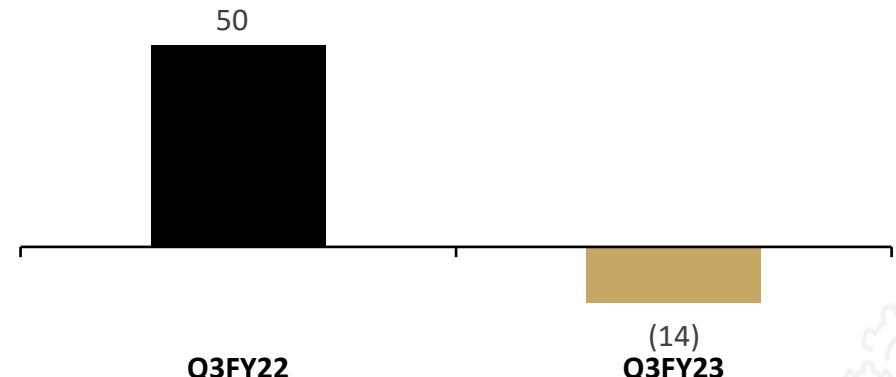
Gross Profit & Gross Profit Margin %



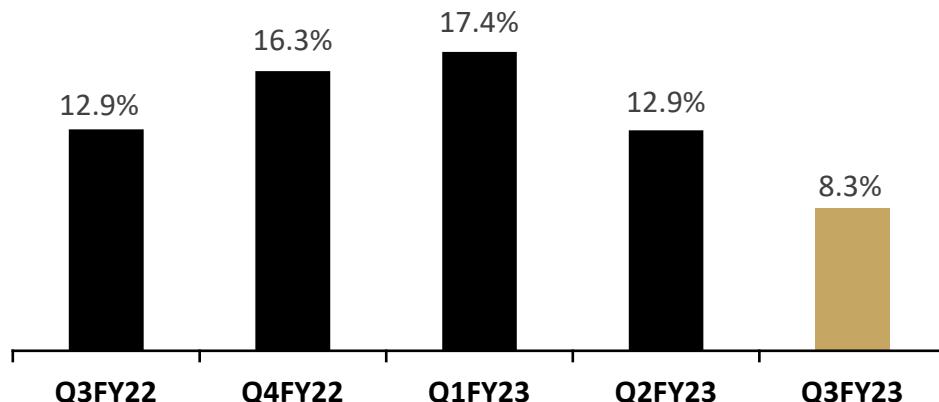
EBITDA & EBITDA Margin %



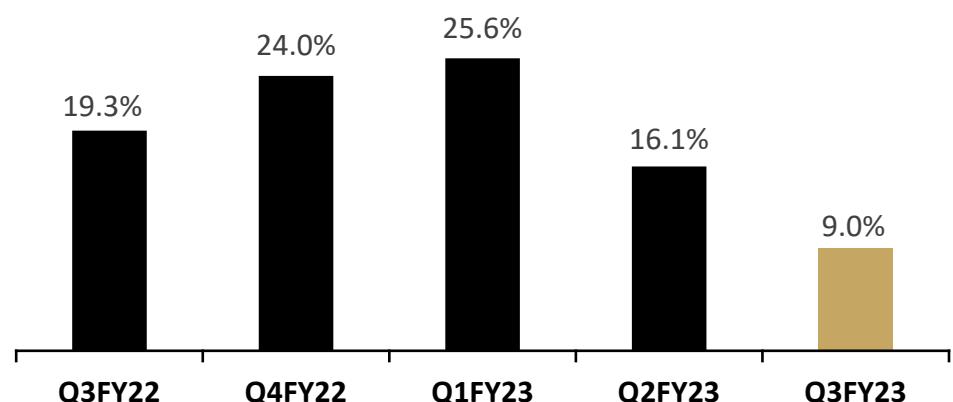
PAT



ROCE

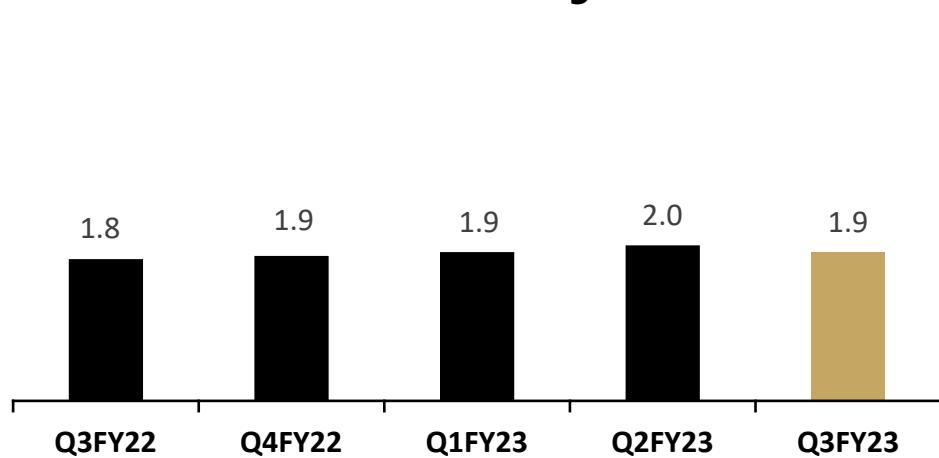


RONW



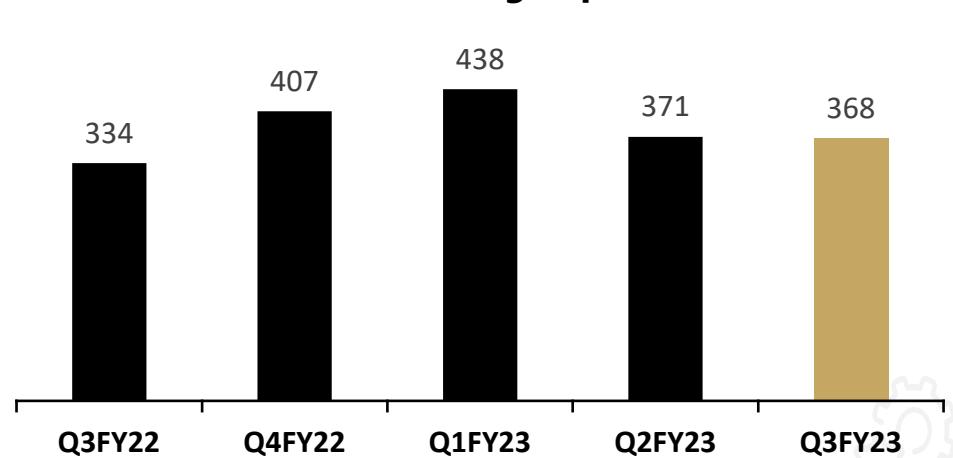
Fixed Asset Coverage Ratio

In times



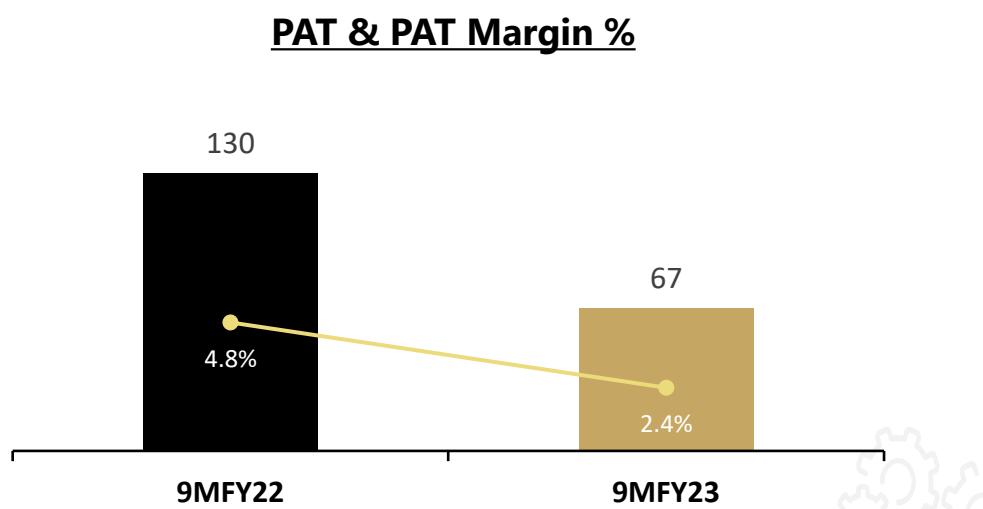
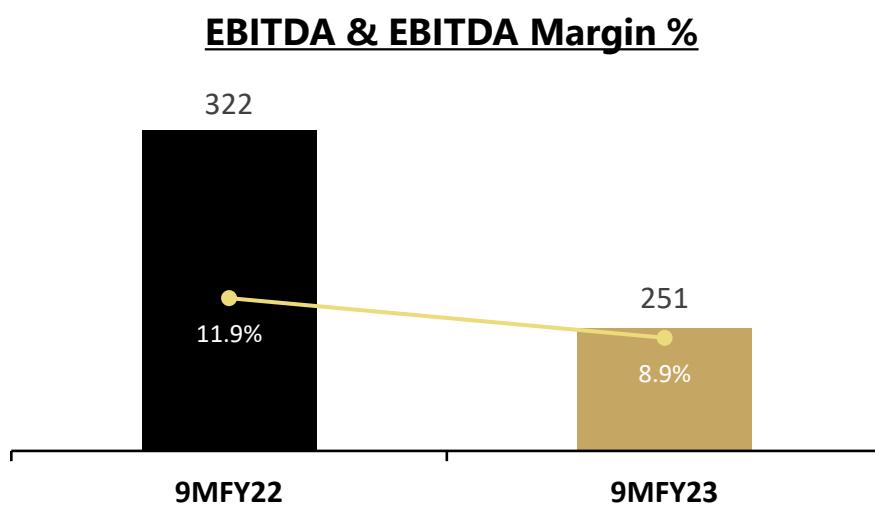
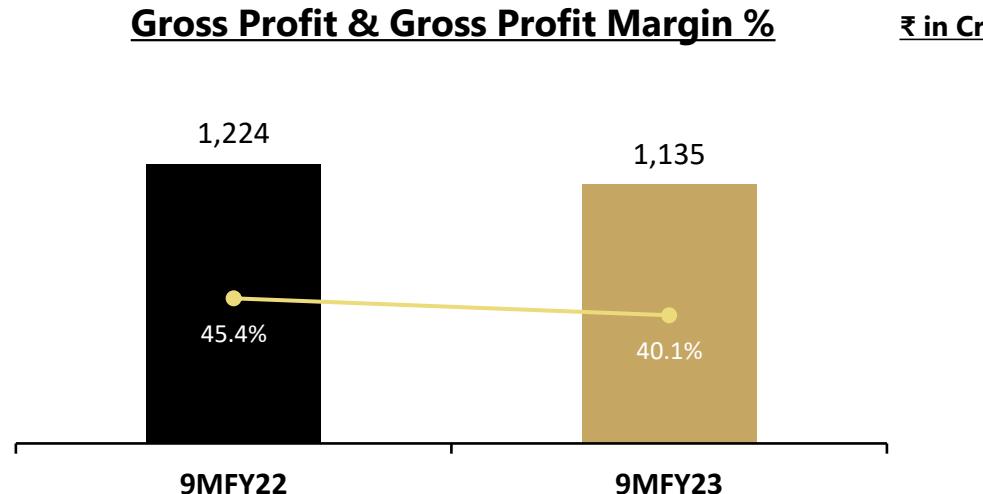
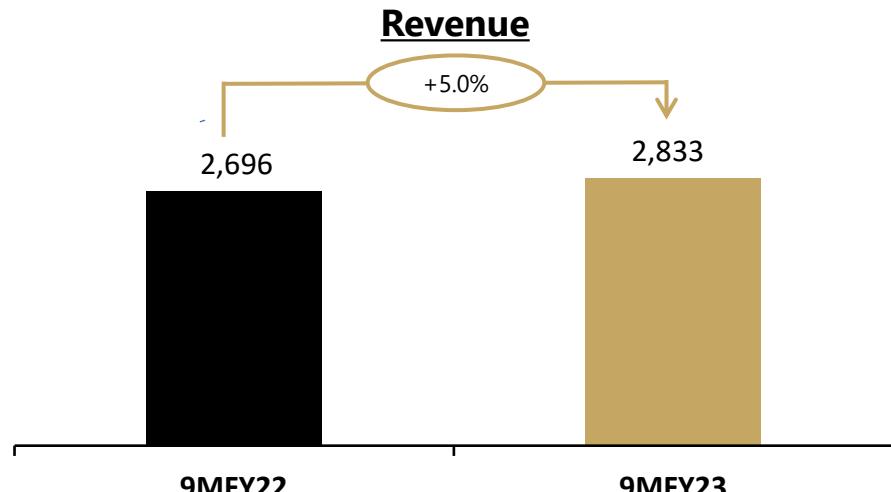
Net Working Capital

₹ in Cr



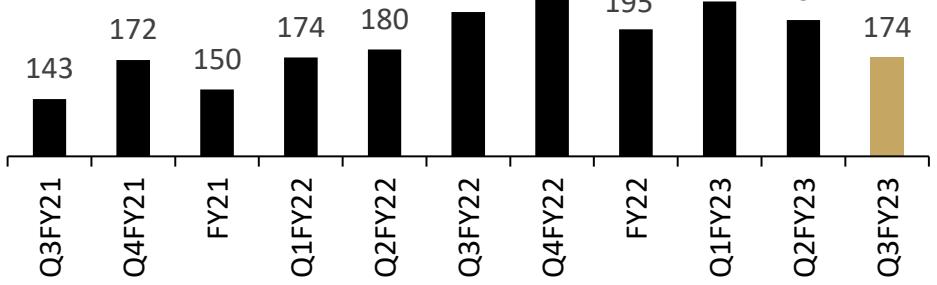


FINANCIAL PERFORMANCE: 9M FY23

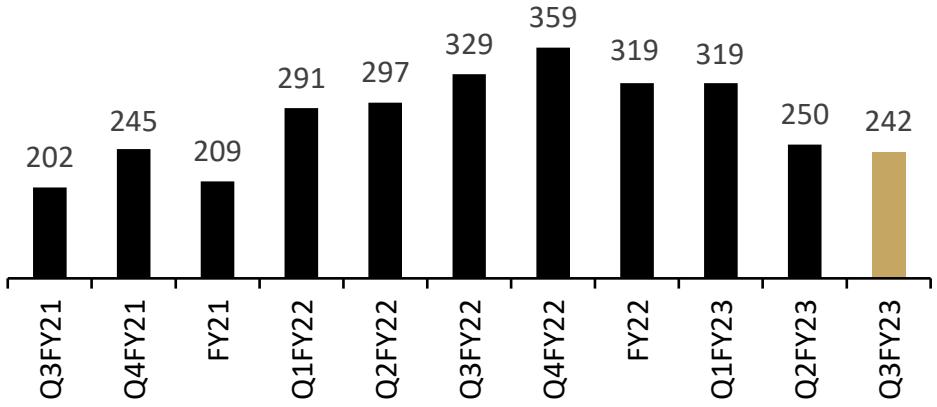


AVERAGE SALES REALIZATION: Q3 FY23

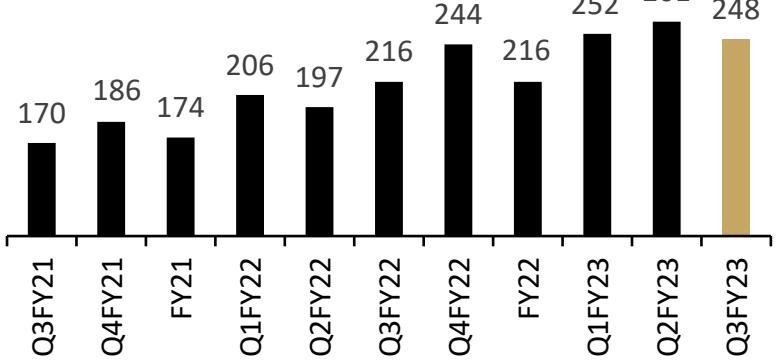
PV Grey Yarn



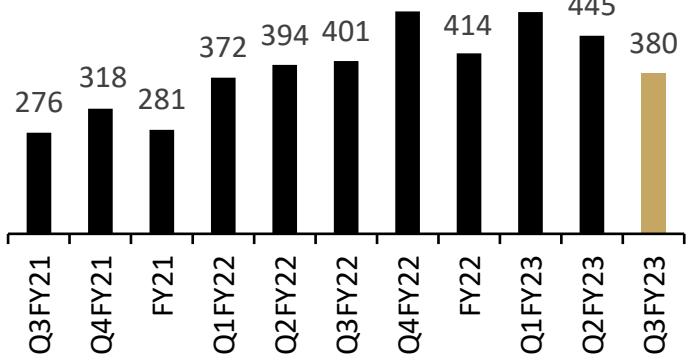
Cotton Grey Yarn



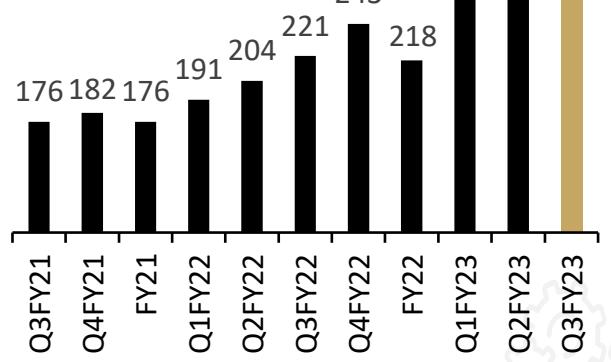
PV Dyed Yarn



Melange Yarn



Denim





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DRIVERS OF GROWTH

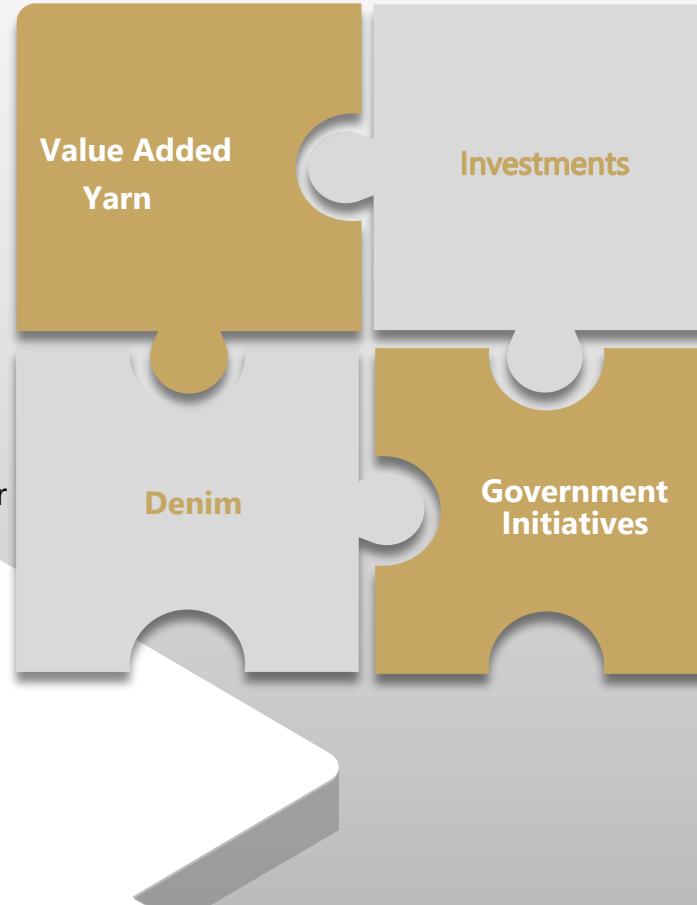




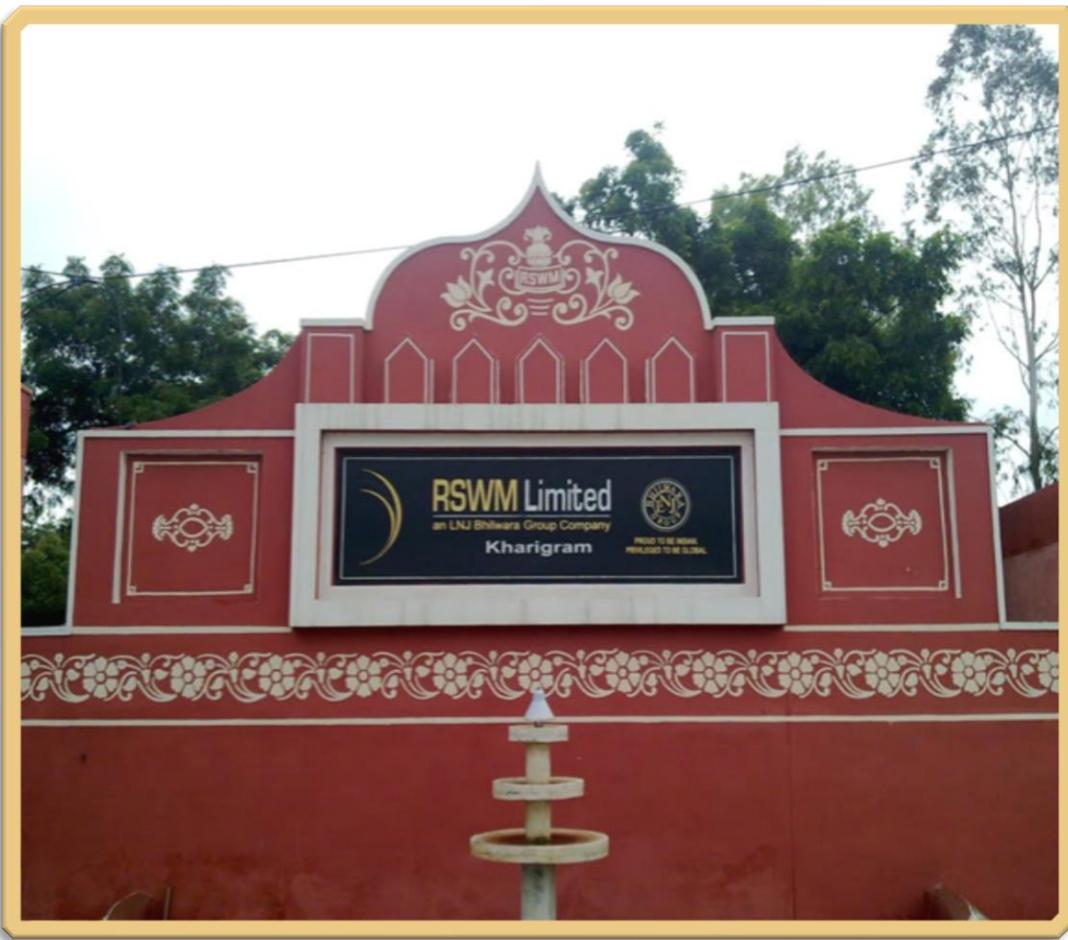
DRIVERS OF GROWTH

- 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 & **regular energy audit** helps in reduction of power cost

- **Good demand** for LNJ denim is seen in FY23
- Ranked **Top 10 suppliers**
- The 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

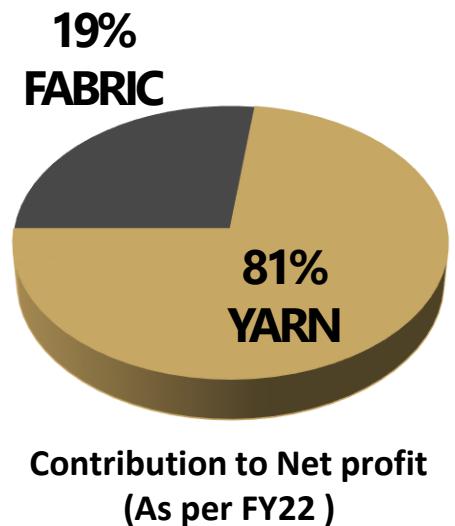
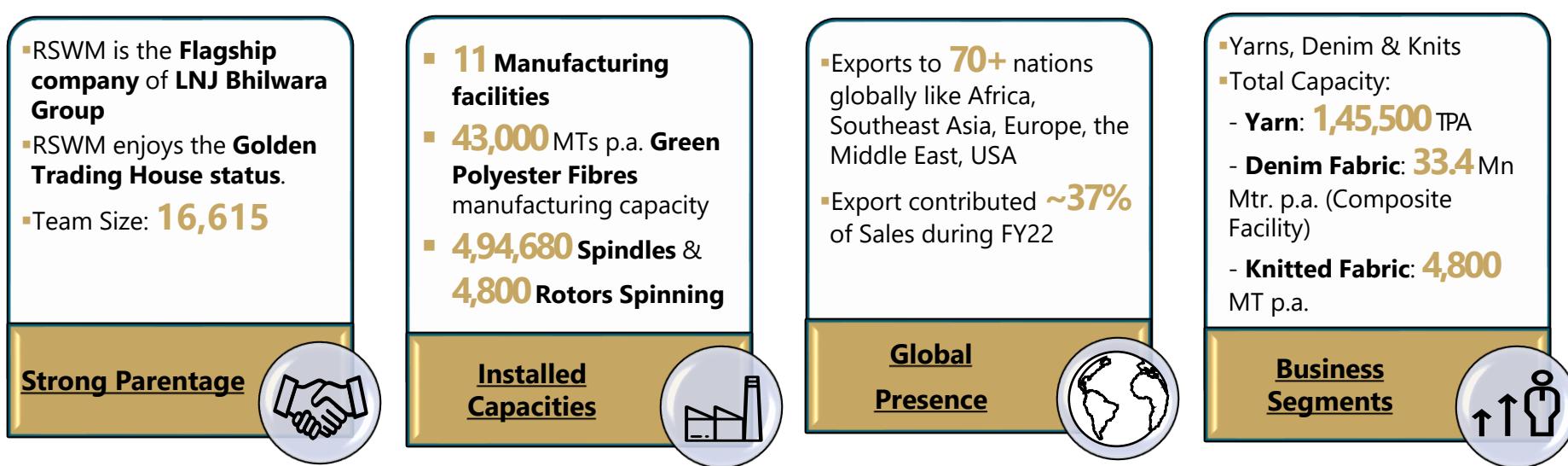


- The company has **invested around ₹410 Cr** in the expansion of **Denim, Cotton Mélange Yarn, Knits Business**, and Modernization & Balancing equipment across all units.
- **Additional Capex of ₹315 Cr** to be invested in the expansion of spinning capacity at Lodha, Banswara – The project is underway and shall be completed in FY24
- Recently RSWM has been sanctioned **Special Customized Package under RIPS 2019** for expansions of Denim, Melange/Knits, and 51k spindles at Lodha, Banswara
- **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 the entire value chain for exporters
- Capitalize on growth opportunities arising from New textile policies like PLI, Mega investment in Textile parks (MITRA) and Free Trade Agreement
- Incentives Under Rajasthan Investment Promotion Scheme 2019





RSWM Limited is one of the largest textile manufacturers and exporters of Synthetic, Blended, Mélange, Cotton, and Specialty value-added yarns, and in the manufacturing of Denim fabric, Knitted fabric, and Green Polyester Fibres.



Certification



COTTON





STRATEGIC LOCATION

DECODING Potential Growth

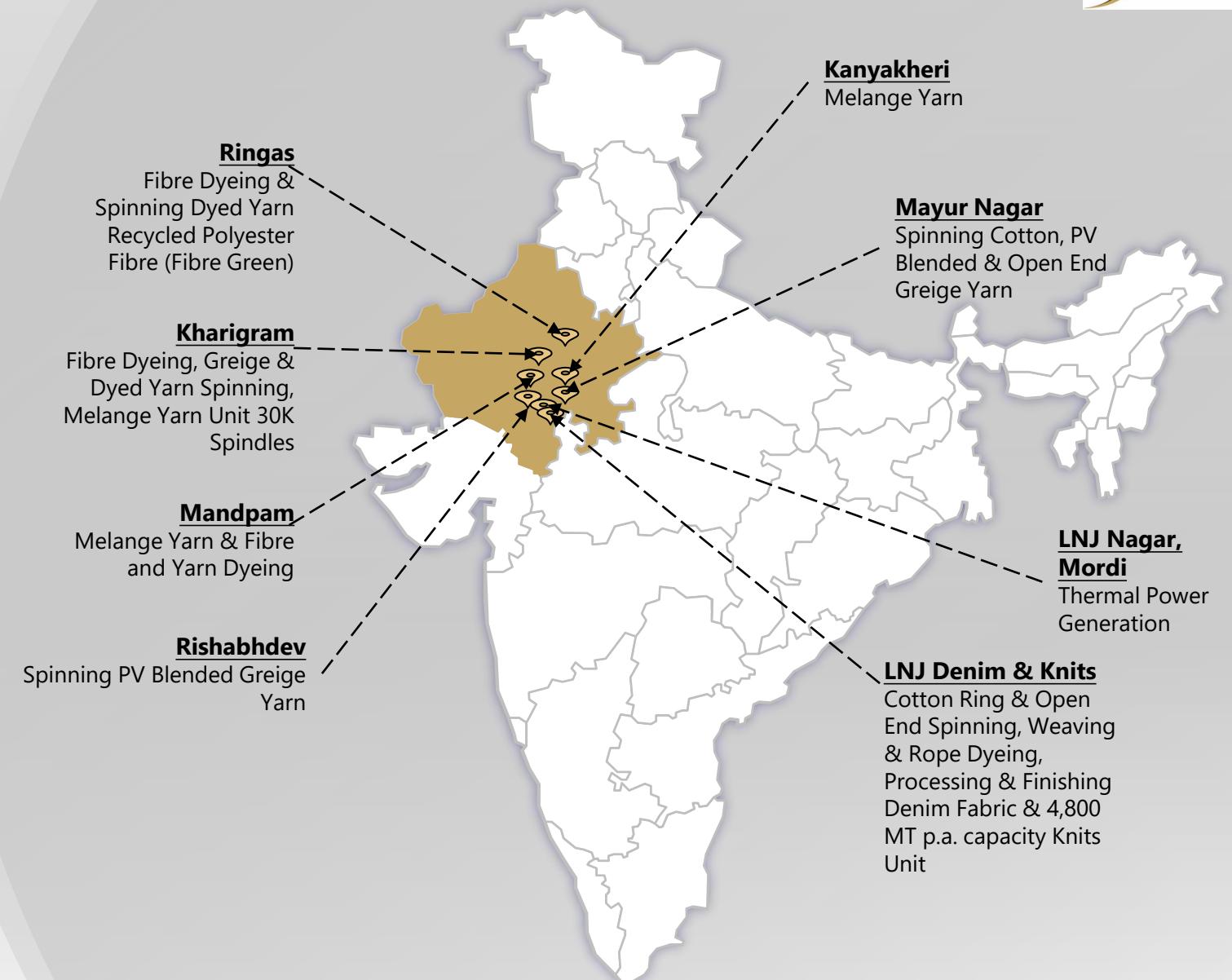
4,94,680 SPINDLES

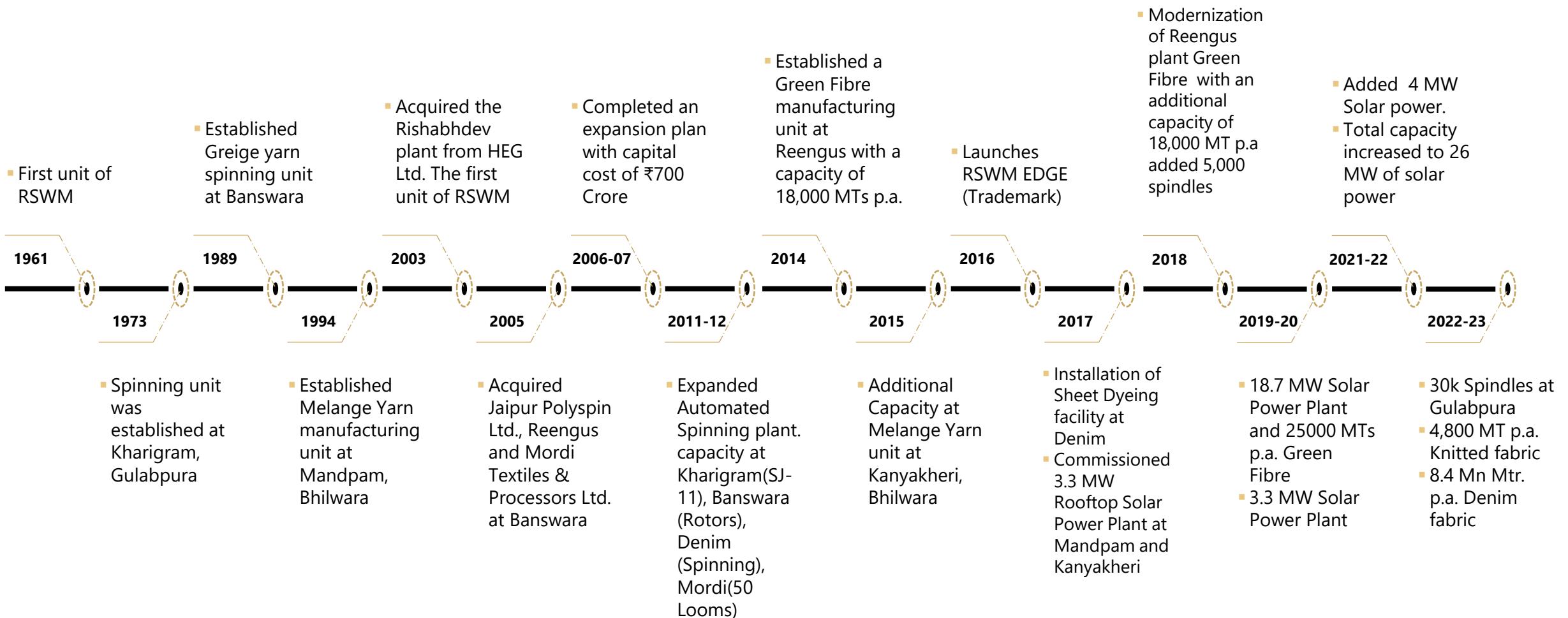
4,800 ROTORS

172 LOOMS

43K MT p.a. GREEN FIBRE

4,800 MT p.a. KNITTED FABRIC







Dyed Yarn

- Dyed PV Blended, Poly 100%, Visc. 100%, Poly/Visc/Cotton Blended Specialty Yarns from unorthodox fibres
- We have two advanced facilities located in Bhilwara and one near Jaipur
- These two units offer the most optimum efficiency and excellence when it comes to creating exquisite designer yarns like Slub, Neppy, Siro, Siro Slub, CSY, Grindle, and many more



Greige Yarn

- Greige is a yarn that hasn't been bleached or dyed
- Greige yarn is suitable for weaving, knitting, sewing, and industrial application
- The yarn from this factory is sold under the brand name ULTIMA® and is the finest polyester-viscose greige yarn in the Indian market



Melange Yarn

- Melange yarn, a high-value yarn, is manufactured at its Mandpam and Kanyakheri units
- Melange contributes about 22% to the revenue earned by the yarn vertical and it is widely accepted by leading global brands operating in India
- It is widely used for undergarments, shirts, business suits, socks, sportswear, bed linen, towels, and other home fabric products



Yarn

Denim

Knitted
Fabric

Business Vertical





- LNJ Denim, a denim-manufacturing facility established in 2007 under RSWM Limited (the flagship company of LNJ Bhilwara Group), has a manufacturing capacity of 33.4 million meters annually. Capable of processing 3000+ denim variants
- LNJ Denim has earned an excellent reputation amongst international and domestic brands as an innovator and a quality supplier of denim fabric.



Global Denim Industry

2020



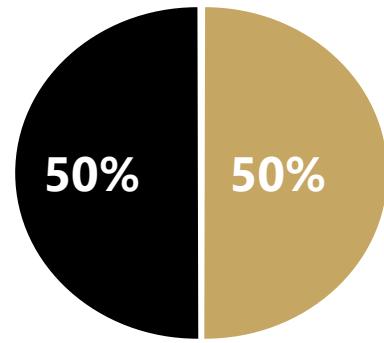
2027E



+4.70% CAGR

Denim Industry Snapshot

- **50%** Organised Sector
- **50%** Unorganised Sector



Yarn

Denim

Knitted Fabric

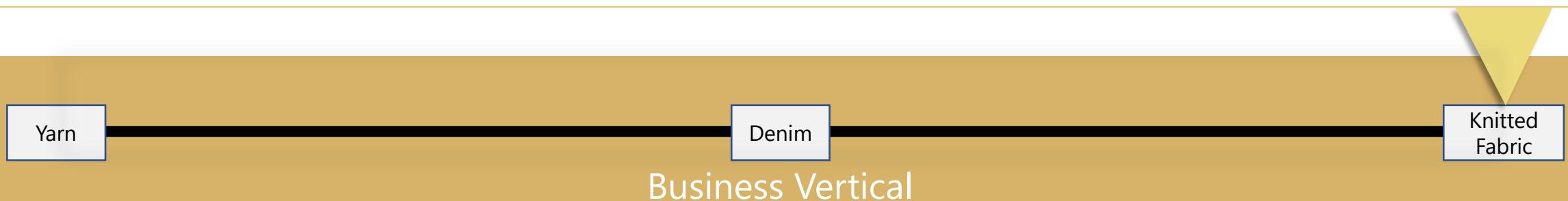
Business Vertical





Venturing into Knitted Fabric to create value

- After being the leading supplier of high-quality yarn to the world, **RSWM Limited has ventured into producing circular knitting fabrics**
- Our well-kitted fabrics ensure **comfort, weightlessness, wrinkle resistance, and a multitude of properties** built in especially for today's needs
- Knits is a USD 206Bn market globally and India has ~4% market share. Opportunity is huge in Knits for India, and we are testing the waters with an initial investment of INR 80crs.
- With a **robust establishment fuelled by immense creativity**, LNJ Knits offers a dynamic product range that comprises knitted fabrics **like Single Jersey, Interlock, Rib, Fleece, Flat Back Rib, Terry, Foma, Honey Comb, Pique, Waffel**, and many more.
- Our unit consists of **26 machines for polyester, 21 for cotton, and 8 flat knitting machines**.
- LNJ Knits offers a **tremendous manufacturing capacity of 4,800 MTPA in Phase One**. Over time, the production capacity will be gradually increased.
- Knitting machines from renowned institutions such as **Pailung, Fukuhara, Terrot, Unitex, and flat knitting ones from Kauo Heng**, our in-house textile engineers are enabled to craft products that rival the best in the world. These machines ensure precision and quality control to deliver the finest results at every step.





TEXTILES

- RSWM Limited
- Maral Overseas Limited
- BSL Limited
- BMD Private Limited
- Bhilwara Technical Textiles Limited

ELECTRODES

- HEG Limited



IT SERVICES

- Bhilwara Infotechnology Limited

POWER CONSULTANCY

- Indo Canadian Consultancy Services Limited

POWER

- Balephi Jal-Vidut Co. P. Limited - Nepal
- NJC Hydro Power Limited
- AD Hydro Power Limited
- 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 stakeholders in the Group.
- All key companies ISO certified
- Over 28,000 strong workforce.





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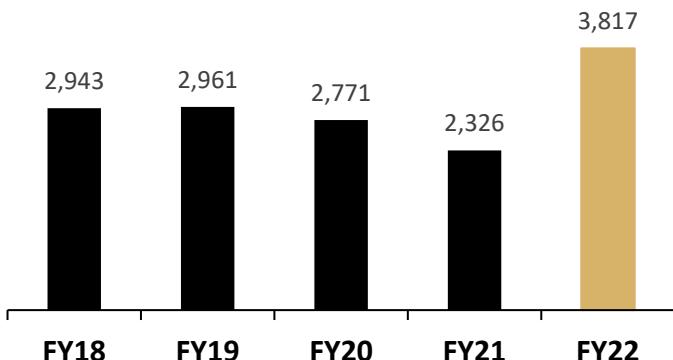
**STRONG HISTORICAL
FUNDAMENTALS**



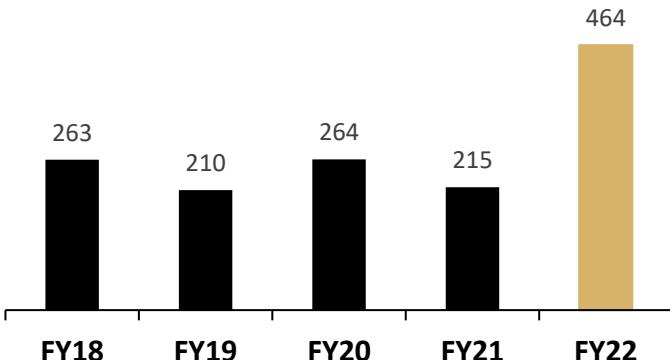


STRONG FUNDAMENTALS: LEADING TO GROWTH

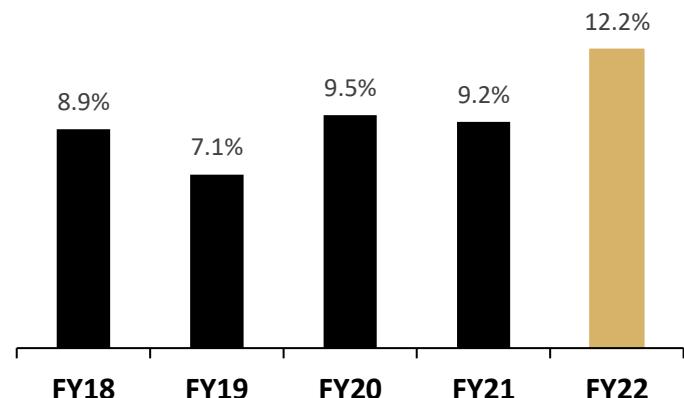
Revenue



EBIDTA

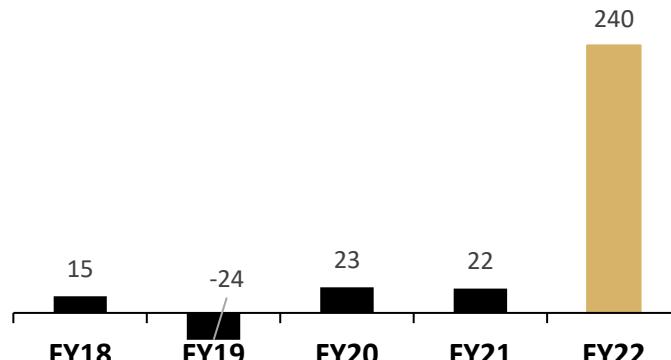


EBIDTA Margin

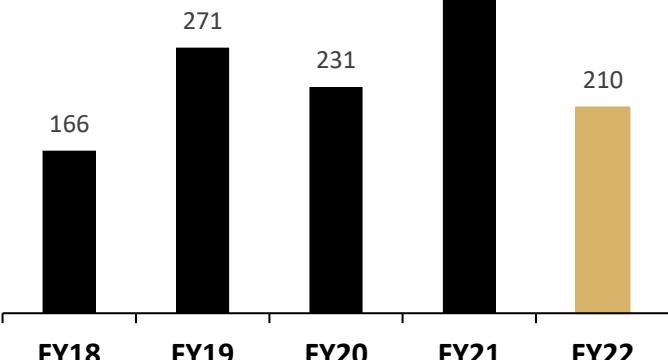


₹ in Cr

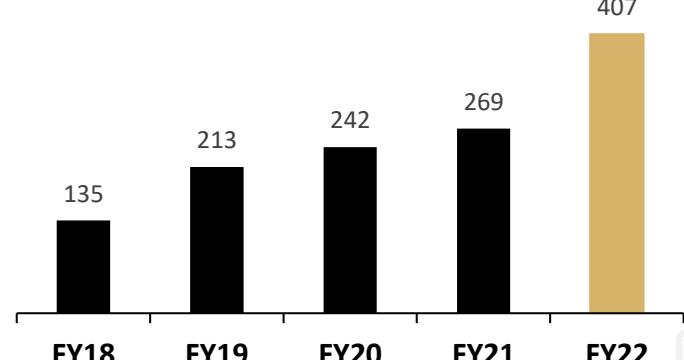
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Net Cash Flow From Operation



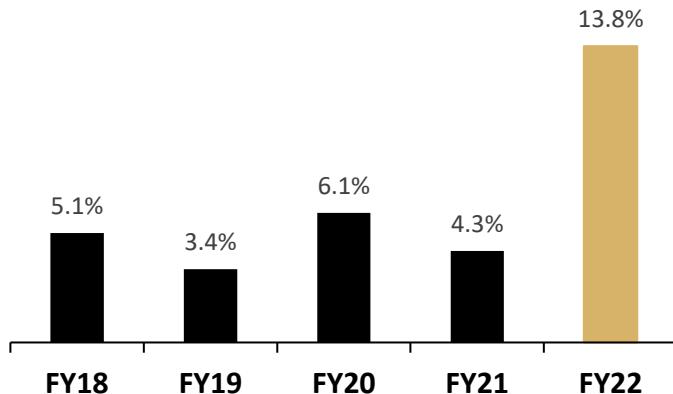
Net Working Capital



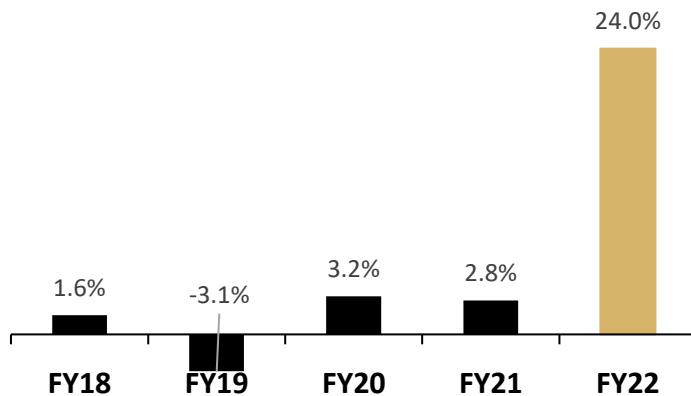


EXCEPTIONAL: RETURN RATIO

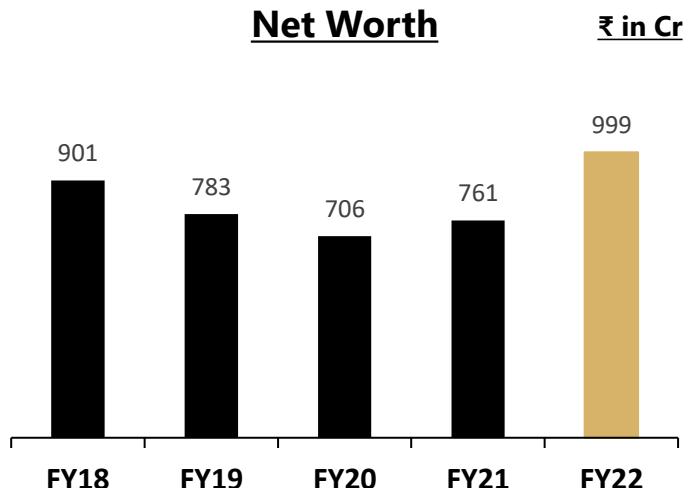
Return on Capital Employed



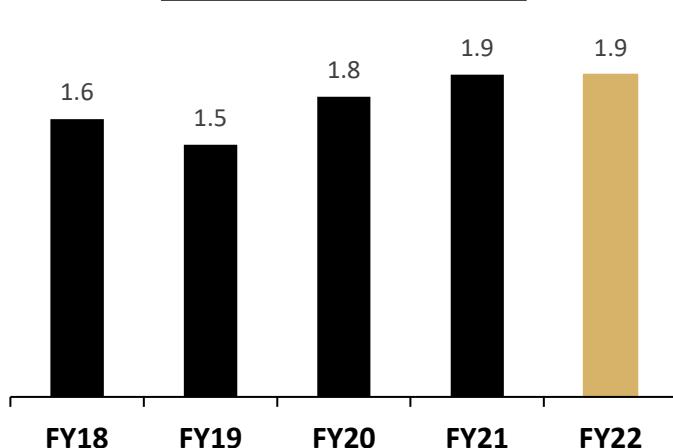
Return on Net Worth



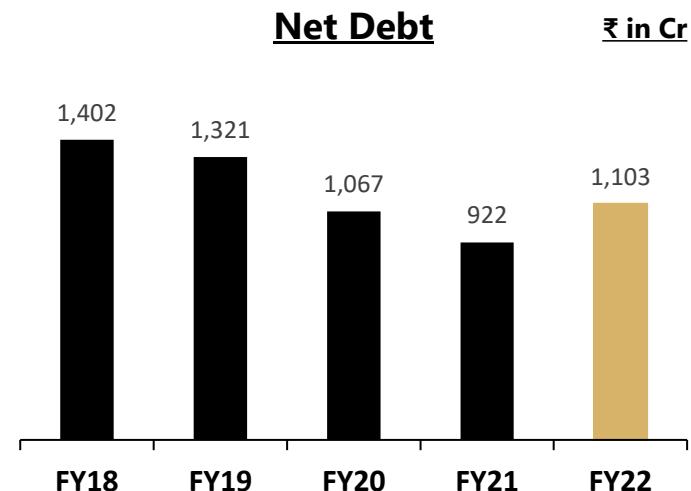
Net Worth



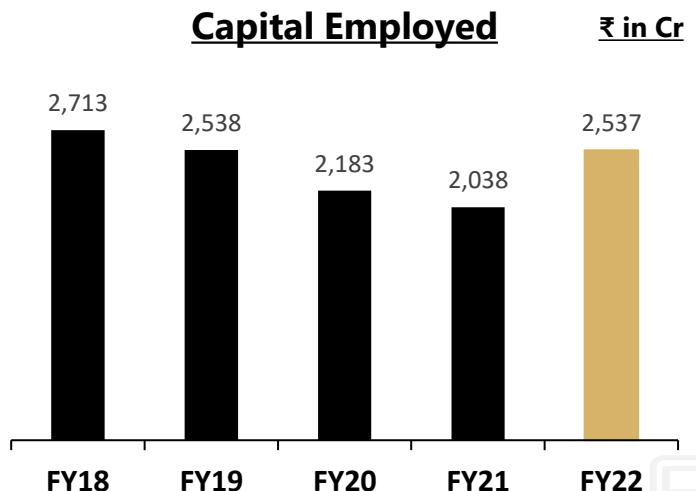
Fixed Asset Turnover In times



Net Debt



Capital Employed





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MANAGEMENT TEAM





MANAGEMENT TEAM



Director & Key Managerial Personnel



Mr. Riju Jhunjhunwala

Chairman, CEO and Managing Director



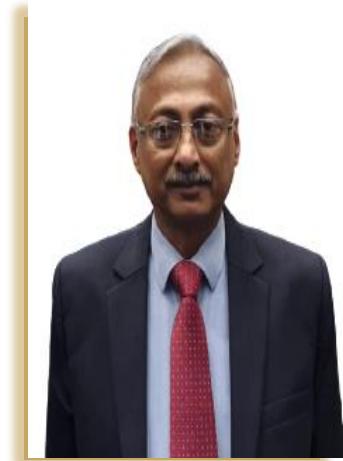
Mr. B. M. Sharma

Joint Managing Director



Mr. Avinash Bhargava

Chief Financial Officer



Mr. Surender Gupta

VP – Legal & CS



Management

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

Mr. Suketu Shah
Chief Executive
(Denim)

Mr. Sukesh Sharma
Chief Executive
(Yarn)

Mr. Arvind Gupta
President &
Chief Marketing Officer

Mr. Manoj Sharma
President & CHRO

Mr. Puneet Anand
Chief Strategy Officer





Holds the prestigious
“3 Star Trading House”
status by Govt. of India



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



Award for best HR
practices
- To CHRO by UBS
Forum



Most Innovative Risk
Management Strategy
of the Year
- CRO Leadership
Summit & Awards
2022



Three time Winner of
the Rajiv Gandhi
National Quality
Award



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



Silver Trophy for
Highest Export in 2021
for LNJ Denim



Rajasthan State Export
Awards 2020 in Textile
Sector
- In 2022 by Government
of Rajasthan



GET IN TOUCH WITH US



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E: cfo.rswm@lnjbhilwara.com

Shri Surender Gupta
VP – Legal and CS
Tel: +91 120 4390058
E: skg@lnjbhilwara.com



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

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



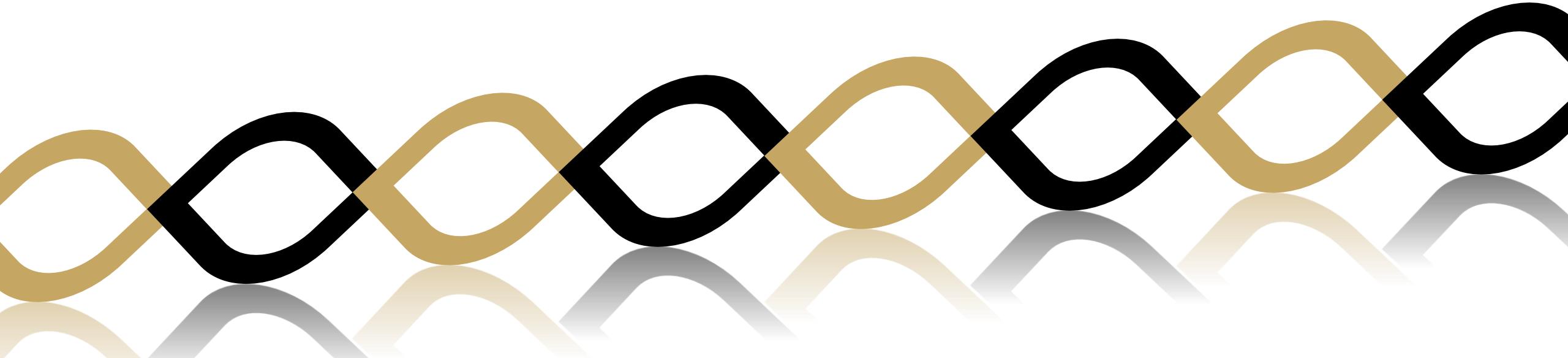


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Proud to be Indian
Privileged to be Global

Thank You!





Profit & Loss Statement

₹ in Cr

Period	Q3FY23	Q3FY22	Q2FY22	9MFY23	9MFY22	FY22	FY21
Total Income (Incl. other income)	864.86	1007.12	963.27	2,883.27	2715.65	3,849.54	2,365.43
Raw Material Cost	535.73	582.12	609.74	1,787.89	1548	2,196.71	1,217.99
Employee Cost	105.16	101.38	109.95	323.82	300.78	401.40	312.33
Power Cost	99.84	103.91	103.61	313.74	283.77	387.83	258.04
Other Expenses	88.86	122.88	99.13	296.72	337.33	460.16	279.85
Inc./Dec. in Inventory	6.96	(24.71)	(40.79)	(89.65)	(76.26)	(60.73)	82.25
EBIDTA	28.31	121.54	81.63	250.75	322.03	464.17	214.97
EBIDTA Margin (%)	3.31%	12.14%	8.56%	8.85%	11.94%	12.16%	9.24%
Depreciation	32.59	26.02	34.77	94.80	85.93	113.08	127.68
Finance Cost	20.72	15.3	18.51	57.83	50.54	67.61	83.03
Profit Before Tax	(25.00)	80.22	28.35	98.12	185.56	283.48	4.26
Tax	(11.01)	29.82	14.61	31.12	55.52	43.50	(17.35)
Net Profit After Tax	(13.99)	50.40	13.74	67.00	130.04	239.98	21.61
Net Profit Margin (%)	(1.64%)	5.03%	1.44%	2.37%	4.82%	6.29%	0.92%