

RSWM/SECTT/2023
August 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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Subject: Press Release of the Company

Dear Sir,

Please find enclosed the press release being issued by the Company.

This will also be hosted on the Company's website at www.rswm.in

This is for your information and record please.

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

Press Release

RSWM Limited has Reported its Q1 FY24 Financial Results

- ❖ Total sales recorded at ₹901 Cr. during Q1FY24.
- ❖ Gross Profit for Q1FY24 amounted to ₹336 Cr.
- ❖ The EBITDA for Q1FY24 stands at ₹25 Cr.
- ❖ In response to the increasing demand for Cotton & Cotton blended Yarn, we have strategically expanded our operations at the Lodha Unit in Banswara, Rajasthan. This expansion is of 51,072 Spindles of Compact Cotton Yarn, and its formal inauguration took place on 2nd August 2023.

New Delhi, 10th August 2023: RSWM Ltd. (BSE: 500350/NSE: RSWM), is one of the largest manufacturers and exporters of value-added synthetic, mélange, blended spun yarns, denim fabric, knitted fabric, and green polyester fibers from India, today announced its unaudited financial results for the Q1FY24 quarter which ended 30th June 2023.

Financial Performance for Q1FY24 & Future Outlook:

Parameters (₹ in Cr)	Q1FY24	Q4FY23	Q1FY23	FY23
Sales	901	956	1,024	3,789
Gross Profit	336	341	437	1,475
Gross Profit Margin	37.3%	35.7%	42.7%	38.9%
EBITDA	25	89	141	340
EBITDA Margin	2.8%	9.3%	13.8%	9.0%
PAT	(18)	43	67	110

- ❖ **Business Environment Challenges:** Geopolitical tensions and an unprecedented increase in cotton prices presented a highly challenging business environment over the past nine months. These factors created obstacles for RSWM Ltd. and the industry as a whole.
- ❖ **Yarn Exports and Pressure on Domestic Market Revenue:** The challenges faced by the industry have affected the domestic market as well. Despite satisfactory manufacturing performance, there has been low demand for textiles within the country. This has led to a strain on revenues, with domestic earnings falling by 9% and export earnings declining significantly by 19% during the quarter.
- ❖ **Optimism for the Future:** Despite the current challenges, there is a glimmer of hope. The latter part of June and July'2023 has seen a rise in orders from both domestic and export markets, offering a positive outlook for the second quarter and a potential recovery for the struggling textile industry.
- ❖ **Wide Market Reach and Product Portfolio:** RSWM Ltd. boasts an extensive outreach across domestic markets and more than 70 countries worldwide, the company is well-positioned to navigate challenges and capitalize on opportunities. We remain cautiously optimistic for the upcoming quarters, banking on increased orders and a potential resurgence in global and domestic demand. Vigilant monitoring and strategic adaptations will be crucial as the industry navigates through these turbulent times.

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

"During the first quarter of FY24, the textile industry faced significant difficulties arising from various factors. These challenges encompassed a reduced demand from international markets, disruptions in the supply chain, and rising costs of commodities, all contributing to a decrease in profit margins. These obstacles are expected to persist throughout the first half of FY24, as several factors stand in the way of potential improvement. These factors include the ongoing difference between Indian and international cotton prices, a continued shift in demand to other competitive countries, a slow recovery in demand due to China's policies, and a sluggish rebound in global demand from downstream industries. Despite having well-equipped manufacturing facilities, a wide range of products, and a dedicated workforce, the company is finding ways to navigate these challenging market conditions"

About RSWM Limited (BSE: 500350, NSE: RSWM):

RSWM Ltd. produces and supplies high-quality yarns to some of the most renowned brands in India and over 70+ countries abroad. For the last 57 years, the company has been producing high-quality cotton, mélange, synthetic, novelty yarns, and denim fabric used to drape populations around the world. RSWM is one of the largest manufacturers and exporters of synthetic and blended spun yarns from India.

About LNJ Bhilwara:

The esteemed journey of the LNJ Bhilwara Group started in 1960, when the Group's founder, Mr. L. N. Jhunjhunwala established a textile mill in Bhilwara, Rajasthan. The Group has completed more than 50 glorious years and today the single textile mills of 1961 have expanded into 11 plants; the Group export earnings comprise 50% of its turnover and has strategically diversified over the period. It stands proudly as a multi-products and services conglomerate in textile, graphite electrodes, power generation, IT-enabled services, power engineering consultancy services, Energy storage solutions & Skill development.

LNJ Bhilwara Group is a well-diversified conglomerate and stands as one of India's largest setups on the corporate horizon. The USD 967 million LNJ Bhilwara Group (www.lnjbhilwara.com), commands 20 production units, is strategically located, markets internationally, and employs over 25,000 employees globally. HEG Ltd. is the group's flagship company and has the world's largest single-location graphite electrode manufacturing plant. The group also owns two hydroelectric projects under Bhilwara Energy Ltd.

Contacts:

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