

RSWM/SECTT/2023
February 16, 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
---	--

Subject: Transcript of Investors Conference Call held on 10th February, 2023.

Dear Sir,

Please refer to our Investors Conference Call scheduled on 10th February 2023 intimated vide our letter dated 03/02/2023.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the said Investors Conference Call. The said transcript is also available on the website of the Company.

You are requested to take the same on record.

Thanking you.

Yours faithfully,
For RSWM LIMITED

**SURENDER GUPTA
VP – LEGAL & COMPANY SECRETARY
FCS-2615**

rswm.investor@lnjbihilwara.com

(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: 09AACR9700M1Z1	Registered. Office: Kharigram, Post Office Gulabpura • 311 021 Distt. Bhilwara, (Rajasthan), India Tel: +91-1483-223144 to 223150, 223478 Fax: +91-1483-223361, 223479 Website: www.lnjbihilwara.com GSTIN: 08AACR9700M1Z3
---	---

CIN: L17115RJ 1960PLC008216



RSWM Limited
Q3 & 9M FY23 Earnings Conference Call Transcript
10th February 2023

MANAGEMENT:

Mr. Avinash Bhargava: Chief Financial Officer

Mr. Surender Gupta: VP - Legal and Company Secretary

RSWM Limited – Q3 & 9M FY23 Earnings conference call

Moderator:

Ladies and gentlemen, good day, and welcome to the RSWM Limited Q3 & 9M FY23 Earnings Conference Call. We have with us today from the management Mr. Avinash Bhargava, Chief Financial Officer, Mr. Surender Gupta, VP - Legal and Company Secretary. As a reminder, all participant lines will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touch-tone phone. Before we proceed with this call, I would like to take this opportunity to remind everyone about the disclaimer related to this conference call. Today's discussion may be forward-looking in nature based on management's current beliefs and expectations. It must be viewed in conjunction with the risks that our business faces that could cause our future results, performance, or achievements to differ significantly from what may be expressed or implied by such forward-looking statements. I now hand the conference over to Mr. Avinash Bhargava for opening remarks. Thank you and over to you Sir

Avinash Bhargava:

Thank you so much. Good evening, everyone, and thank you for taking the time to join us for our Q3 & 9M FY23 earnings call. I understand that the results were declared yesterday. And I hope that each and every one of you had the opportunity to thoroughly review them. As we proceed with this discussion, I would like to bring your attention to the investor presentation that we will be referencing. Let me start my speech by providing a comprehensive overview of the current state of textile industry and business scenario. This will give you a better understanding of the market trends and challenges faced by the industry and then we will open the floor for your questions. If you have any further questions that will remain unanswered after the earning call, please do not hesitate to reach out to us.

Let me brief you on the industry and business scenario first. In terms of the business scenario, as we discussed during the last call also the Indian textile industry encountered a few bumps in the road in 2022 after a good start during the year. Three main reasons that hit the sectors are unpredictable geopolitical events and variable raw material prices. Secondly, the demand from USA and Europe, two of our major consuming markets took a hit due to economic trends, and the domestic wasn't immune to the global scenario, leading to less optimism for the rest of the fiscal year. Thirdly relative price difference compared to the international markets, resulting in competitive disadvantage to most Indian textile players.

In the last half a year, the world has seen a significant increase in the demand for oil and gas. This can be attributed to the restrictions on Russian fuel exports which resulted in a scarcity of these essential commodities and a subsequent increase in their prices. The ongoing conflict between Russia and Ukraine, and the general geopolitical instability in the region only added fuel to the fire and heightened the already soaring prices, leading to inflationary pressures not just locally but globally as well. This further reduces the demand for these commodities in the export market. The situation wasn't helped by the concerns surrounding the spread of a new variant of COVID-19, which led to a further decline in market sentiments in international markets. However, in recent weeks, there has been a noticeable resurgence in inquiries for

RSWM Limited – Q3 & 9M FY23 Earnings conference call

these commodities across all segments like Yarn, Melange Yarn, Denim, Knits and all indicating a potential for recovery.

In light of the aforementioned challenges, the arrival of new cotton crops has led to a decline in prices both domestically and globally. Despite this, the prices remain higher than what is considered to be ideal. The correction of domestic cotton prices has reached around 40% from the previous peak, and the difference between domestic and international cotton prices has diminished. As a result, the Spinning Industry has returned to a more normal level of utilization compared to the second quarter of FY23. Additionally, the demand has begun to improve due to increased retail consumption and a decrease in downstream inventory levels. Overall, there has been a noticeable improvement in the situation over the past few weeks. Despite the difficult economic environment, the total textile and apparel exports of India declined by ~12% during the period from April to December 22. The share of textiles and apparel for the total merchandise exports from India dropped to ~8% during that period from 10% in the previous year. Prices of cotton yarn have decreased from their peak level in May 2022 but remain around 15% to 20% higher than the past several-year average. This moderation in prices has led to a decrease in profitability and revenue for the spinners, impacting their performance in Q3. However, RSWM Limited remains confident that these temporary disruptions will eventually be resolved and the long-term outlook remains positive.

The Union budget 2023-24 put forth by Finance minister Shri Nirmala Sitharaman has taken into consideration the needs of India's textile sector with the particular focus on Extra-Long staple (ELS) cotton. Five new HSN codes were introduced for more precise policy support for the segments that are dependent on imports or other incentives. Additionally, higher allocation to RoDTEP, RoSCTL, and ATP are expected to provide some relief. To further encourage the productivity of ELS cotton, a cluster-based value chain approach through public-private partnership was suggested. This involves collaboration between farmers, the state, and industry for input supplies, extension services, and market linkages. The textile industry awaits further details of the policy to move forward.

The easing of restrictions in China and the return of demand from one of the world's largest economies is indeed a positive sign for the spinning industry. The pent-up demand is likely to further drive the growth of the industry as more people start to return to their normal routines and businesses. Additionally, China's growing middle class and increased consumer spending power are expected to drive demand for textiles and clothing, which will further benefit the spinning industry. However, it is important to note that the global economy is still recovering from the impact of the COVID-19 pandemic, and there may still be some uncertainties and challenges in the short term. It will be important for the spinning industry to closely monitor developments and adjust its strategies as needed to remain competitive and take advantage of new opportunities as they arise.

RSWM Limited – Q3 & 9M FY23 Earnings conference call

With regard to the Company's recent quarter performance, it is evident that utilization levels have rebounded to their usual state. The spinning division saw an average utilization rate of 80% during the quarter, a marked improvement from 65% recorded in the preceding quarter. The yarn market experienced a drastic drop in prices as the industry eagerly awaited a reduction in raw material costs. Despite this, the margins have remained under pressure due to ongoing volatility and weak export demand. However, the company is proud to report that domestic demand remains robust. Unfortunately, the market has yet to see a resurgence in demand for knitted fabric and related yarns. Despite this, the company is steadfast in its commitment to expanding its share in the value-added segment and further penetrating the domestic market. The recent quarter was a test for the company, but RSWM Limited remained focused on what it does best: operational efficiency and cost control. By maintaining strict expenses, the company has the resources it needs to support its growth. Although the commodity and freight markets have shown improvement, global consumer demand remains sluggish due to inflation and high inventory costs in key markets. Nonetheless, the company remains optimistic and confident that demand will eventually pick up as the effects of price normalization and a brighter economic outlook become evident.

Coming to our quarter performance now, average sales realization in Q3FY23 remained subdued on a quarter-to-quarter basis for all PV, Greige yarn, Cotton Greige yarn, Melange yarns, PV dyed yarns and denim. Coming to our Q3FY23 performance, revenue stood at ₹855 Cr down by 15% on YoY basis, and EBITDA for the quarter stood at ₹28 Cr down by 77%. At the net profit level, the company reported a loss of ₹14 Cr for Q3FY23 as against a profit of ₹50 Cr corresponding previous quarter. For the 9MFY23 performance, revenue stood at ₹2,833 Cr, up 5% on YoY basis. EBITDA stood at ₹251 Cr, down 22% on YoY basis, which translates into an EBITDA margin of ~9%. PAT for nine months stands at ₹67 Cr, down by 48% at a PAT margin of 2.4%.

On the balance sheet side, we have been consistently reducing our debt-to-equity ratio and currently our debt-to-equity and fixed asset coverage ratio remains healthy.

On the CAPEX side, the company has invested around ₹410 Cr in the expansion of denim, cotton mélange, and knits business and modernization and balancing equipment across all units. Additionally, CAPEX of ₹315 Cr is to be invested in the expansion of its spinning capacity at Lodha. The delivery of machinery will be started in April'23 and a complete erection will be done by somewhere around 31st July'23. The project is underway and shall be completed by 2024. Recently, RSWM Limited has been sanctioned a special customized package by the Government of Rajasthan under RIPS 2019 for the expansion of denim, mélange units, and 51,000 spindles at Lodha, Banswara. This special customized package has also been notified.

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. The

RSWM Limited – Q3 & 9M FY23 Earnings conference call

long-term prospects for textiles look promising. To protect ourselves from supply chain disruptions we are taking proactive steps and I expect to see the benefits in the near future. In light of the current uncertainty, we don't think it's wise to provide earning guidance at this time, but we are 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 and anticipate a return to normalcy in the demand for our products and services in next 2-3 quarters. Now I am happy to take any questions you may have. Thank you so much and over to you.

Moderator: Thank you very much, Sir. Ladies and gentlemen, we will now begin the question-and-answer session. Our first question is from the line of Tanush Mehta from JM Financial. Please go ahead.

Tanush Mehta: I have a few questions. The first one is that sir can you give your segment-wise demand scenario for may be your yarn and denim and followed by the gross debt position of the company and along with the CAPEX requirements for the next year.

Avinash Bhargava: I would like to answer your question in terms of full capacity utilization. It increased from the first week of February. Earlier, we were not able to use our capacity that we were having with yarn and denim. Next, earlier the capacity utilization was short by around 18% till December. Now we have 100% capacity utilization and in denim, we were able to use only 63%. Now the capacity utilization of 178 looms is 100% and next in the capacity utilization there are challenges, there are teething problems with us for knits and we hope that by end of March, we will be able to use 100% of capacity of our knits business. So, we have the capacity of 400 metric tonnes in knit business. And in denim business, it is around 27 lakh meters, and then around 7,000 - 8,000 metric tonnes in yarn business. We have good order booking now and the market now is picking up.

Tanush Mehta: Ok and sir something on the gross debt position.

Avinash Bhargava: Gross debt position will be around ₹900 Cr- ₹950 Cr that's it. We have paid our loans to some extent and around ₹200 Cr are going to be repaid this year. It will be around ₹950 Cr only by the end of the year which includes working capital and term loans.

Tanush Mehta: OK. So, we're taking all into account the demand scenario is something which is not clear to all as of now, what would our inventory levels be and how are we managing it as of now?

Avinash Bhargava: We have the inventory levels with us. We have the inventory of around 8,000 metric tonnes of yarn. It used to be 6,000 metric tonnes, we are up by 2,000 metric tonnes, but we have certain plan to reduce it and we are going to reduce it to the level of 7000 or 7000 plus few metric tonnes by the end of February. And last year it was around 5,000 metric tonnes of yarn. In case of mélange yarn, the inventory level in December'21 it was 400 metric tonnes and now in mélange yarn it is 900 metric tonnes we have. So, for Melange it's just double, but not very

RSWM Limited – Q3 & 9M FY23 Earnings conference call

much. There is a current demand we are pushing lots to penetrate our stock into the market. As far as Denim is concerned, we are at normal inventory level of around 6 to 7 lakh meters at the end of December'22. Earlier year it was 6 lakh meters and in December 22 it was 8 lakh meters, not very much inventory wise, we are managing good. But inventory level in case of yarn, these are high by around 30%-33% with respect to last year December 21.

Moderator: Thank you. Our next question is from the line of Amit Goela from Rare Enterprises. Please go ahead.

Amit Goela: Sir, I just had a basic question regarding PV dyed. Sir, I just wanted to understand how exactly is the recent earthquakes in Turkey gonna impact the demand scenario going ahead specifically for PV dyed, which is a huge segment for us.

Avinash Bhargava: OK, there is a pressure on PV dyed yarn since Turkey earthquake is there, apart from this Ukraine and Russia war, this has added to our problem and certainly there is a pressure because of this earthquake, demand has scaled down.

Amit Goela: So how as a company, we are proceeding to handle this situation, are we reducing the spindle exposure on PV dyed?

Avinash Bhargava: No. We are not reducing the PV spindle exposure; we are using our 100% capacity as of now and since the demand is good in Ludhiana and other domestic market and that demand is picking up for this next season. There are good order bookings from Ludhiana market.

Moderator: Thank you. The next question is from the line of Amol Kankariya from Startez Technologies Private Limited. Please go ahead.

Amol Kankariya: I have a query regarding your power and fuel expenses regarding to the last quarter, the power and fuel expenses were ₹103 Cr and this time it is ₹99.84 Cr. While the turnover has dropped down 15%? I consider power and fuel as a variable cost. So why is the cost not come down in that ratio?

Avinash Bhargava: Yes, please repeat your question. What you want to say?

Amol Kankariya: Sir, I want to say that the last time the power and fuel cost, last quarter was ₹103.61 Cr, this time it is ₹99.84 Cr and the turnover has reduced by ₹100 Cr, means it has reduced in a much higher percentage. The power and fuel cost has not reduced, the cost should have come down. So, I just wanted to know what is the reason. And the other thing, I wanted to know is that our nine monthly performance remains robust comparatively to the last two quarters, so is the management thinking of paying any interim dividends? Because if it is a practice, it would be great.

RSWM Limited – Q3 & 9M FY23 Earnings conference call

- Avinash Bhargava:** Just allow me to brief about this power situation. In Rajasthan there are certain power cuts during this quarter, now the situation is improved. In case of private power, we bought the power from IEX, it was as high as around ₹12.00 per unit against the Electricity board power rate of ₹7.92 per unit. Secondly, whenever there is a situation of this spindle stoppage and all, you will find that per kg unit of power consumption will remain high if we are reducing our spindles. In some of the cases in PV dyed, let me tell you technical things. Let us take one ring frame of 1,000 spindles right and if the lot is of small size, we cannot produce the different colors of yarn on a single machine because of contamination and all quality issues. In that case, the machine will run fully and the production will be low, so the power cost in case of underutilization of capacity will always remain high.
- Amol Kankariya:** Got it, Sir. But the suggestion is that currently, we have raised funds, our debt-equity ratio is good, why don't we go for the solar power plants or other power sources where we can reduce the cost and not depend on the uncertain power from the government department?
- Avinash Bhargava:** You are right, there are certain things into our pipeline, in our plans and we are thinking on that. And whenever the next results will come, you will find that some additional capacities of solar panels and solar plants have been added to it.
- Amol Kankariya:** You have already done it.
- Avinash Bhargava:** Yes, we have around 27 MW solar plant solar capacity with us and we are adding the others also.
- Amol Kankariya:** So how much is our total requirement, Sir, of the power?
- Avinash Bhargava:** In terms of Megawatts?
- Amol Kankariya:** Yes, in terms of Megawatts.
- Avinash Bhargava:** I have to check it technically.
- Amol Kankariya:** I just wanted to understand in terms of percentage, how much percentage are we covered in terms of the solar power plants or whatever the other our own sources
- Avinash Bhargava:** I would love to reply you separately and you can drop down a mail to me. I will reply you certainly with all data and all because this information is not ready with me
- Amol Kankariya:** OK, I understand, I will do that needful. Also, I wanted to know about the employee benefit expenses considering that we don't have a variable source of an employee's where or we have all the permanent employees, where if our work goes down despite that, but on the piecemeal basis there are no employees which are working.

RSWM Limited – Q3 & 9M FY23 Earnings conference call

- Avinash Bhargava:** Actually, as far as this employee part is concerned, we have all permanent employees with us, this is not on daily wages basis.
- Amol Kankariya:** No, what happens is generally in many large companies have come to us contractual workers on piecemeal basis or something of that sort.
- Avinash Bhargava:** These are very less. In case of capacity underutilization, we have to pay a certain amount to them, not full amount. We can reduce the manpower cost when we underutilize the capacities but yes we have to pay certain amount to them we cannot neutralize entire employee cost if we underutilize the capacity.
- Amol Kankariya:** In the last two annual reports we have been hearing from the management, including the chairman that we are planning to rationalize the manpower and we are not going to hire up new people and we are going to use the old people again, but we can't see any decreases in the employee benefit expenses, means in terms of your peers what I've seen as a percentage of sales, yours is the highest.
- Avinash Bhargava:** We have our internal policy that we will not recruit the persons at higher positions. We are elevating internally. And we are to maintain the same cost of employees as far as the staff is concerned even after considering these increments and all. Since we are talking about these things since last three years, if we are maintaining the same employee cost, it's good for us. Whenever new positions in senior level or middle level are arrived, we try to fill it up internally. But as far as supervisors and production linked workers are concerned, we can't control it.
- Amol Kankariya:** Can I assume that even after the expansion the employee cost will not increase?
- Avinash Bhargava:** Even after expansions, these production workers and production staffs have to be recruited. Let me take an example, if we are having a staff load on around 20,000 spindles and we need 3 supervisors in three shifts, we will have to recruit them but otherwise, we don't recruit managers, general managers, or chief operating officers or plant head or commercial head and these administrative staff is not being recruited.
- Amol Kankariya:** Got it, there will be a proportion will be missed, but the one after the expansion considering the production our employee cost will not increase in the same proportion.
- Avinash Bhargava:** Right, managerial staff and administrative staff will not be recruited, but shop floor staff like Supervisors, Sectional Heads; these will be recruited.
- Amol Kankariya:** Last question you had taken over Cheslind textiles and the units, I think probably you are not using the unit near Bangalore, so why don't you sell that off?
- Avinash Bhargava:** Assets of It have already been sold out.

RSWM Limited – Q3 & 9M FY23 Earnings conference call

Amol Kankariya: Has the money been realized

Avinash Bhargava: Yes, we got the money.

Moderator: Thank you very much. Our next question is from the line of Saket Kapoor from Kapoor & Co. Please go ahead.

Saket Kapoor: If we look at the current business environment, what is our understanding, where are we in the midst of the cyclical nature of the textile industry, and what steps further are needed by us so that we do all the correct work so that when the cycle reverses, we can benefit from this again? As we have seen in one year's time, Sir, going from the highest ever profit to a quarterly loss all happening in a span of two or three quarters, so what key changes that the management is emphasizing going ahead, whether in terms of product mix, whether in terms of cost structure. In order to glide through these vagaries of the market and also some understandings, where are we in terms of the headwinds that the industry is facing? Your thought on this?

Avinash Bhargava: Valid and very good question from your side and I would like to explain you what we are doing inside the company. You are saying that this is cyclical business and we take the example of prices of cotton volatility in the market. We have our Cotton Purchase Committee wherein 3 - 4 members of purchase team and 3-4 members from Operation side, Business side, CFO, Joint Managing Director, and Managing Director - all review this Cotton purchase on fortnightly or monthly basis. They have the close watch on the prices of the cotton and we don't play with the cotton prices and because of that only we did not incur much losses on the side of trading losses, in case of cotton we have not incurred any kind of loss in these nine months and we have insulated ourselves with installation of this Cotton purchase committee and the decisions are being taken with current price situation. Secondly, we are controlling our inventory levels, whether finished goods or whether raw materials in a best way. We have our internal policy of saying like we will keep the 15 days of polyester, we will keep the 15 days stock of viscose and other raw materials. We are trying to keep these inventory levels within control and secondly in similar way the consumables and the store consumptions we have our inventory policies, we have the review system on weekly basis or fortnightly basis, or say monthly basis. Inventory control is the one area and second is cost control. We have our one project in campus, in which every stakeholder or cost owner is giving the presentation that what he has contributed during this week during this fortnight, or during this month. So, cost control is another area based on which we have been able to minimize our losses in this current environment and the third one is, as we have already discussed, this employee cost, we are controlling that. These are the tools which we are following. And we have our weekly review basis of operational heads, commercial heads, at the level of directors also, they all review the system for cost control and inventory control and all.

RSWM Limited – Q3 & 9M FY23 Earnings conference call

Saket Kapoor: So, when we look at the current environment, what are the current utilization levels? Where were we in the December quarter? If you could give the color, how was the utilization levels and what are they currently?

Avinash Bhargava: I would like to give you the brief idea of utilization of spindles or looms. The capacity of denim was being used 75% level we were using, but now we are utilizing 100% capacity and in case of spindles around 15% spindles were shut. Initially, these were 10% then because of low demand the underutilization was gone up to 15% and now it is 100% capacity utilization in case of yarn. As far as knit is concerned, we have already spoken that there are teething problems but we are able to use around 65% of the capacity of knits also.

Saket Kapoor: So, sir going into this, we are already in 40 days into this quarter. So, what could be the very likelihood the top line and the bottom line posted by us. Is the worst over for the company in terms of profitability, being in losses for the quarter, or since the current trend, worst is yet to come in terms of the performance.

Avinash Bhargava: As far as top line is concerned; we will be plus from the last year. And as far as profitability is concerned the third quarter of this year was the worst and you will see good numbers, better numbers in this quarter.

Saket Kapoor: By which have you done topline comparisons, QoQ?

Avinash Bhargava: Top line comparison I have done of whole year. I mean even after this reduction of prices of yarn, denim fabric, and all. After that, we were able to achieve the last time level.

Saket Kapoor: You were mentioning about the inventory part, so for this quarter and also for the 9M, did we have to book any inventory losses or we do not carry inventories mark to market as is needed?

Avinash Bhargava: The inventory valuation is always marked to market but that loss will be minimal. But if we will value at AS2, the cost or market price whichever is lower, for that inventory loss you will see substantial improvement in these numbers.

Saket Kapoor: No Sir, I still did not make it, if you could rephrase it, Sir?

Avinash Bhargava: What was your question? I think I was not able to understand your question.

Saket Kapoor: I asked that currently in this quarter and nine months how much inventory losses we have booked or we have to do it?

Avinash Bhargava: Which type of inventory loss are you asking?

Saket Kapoor: I was asking about cotton and yarn with the declining in prices.

RSWM Limited – Q3 & 9M FY23 Earnings conference call

- Avinash Bhargava:** No, that loss is not there.
- Saket Kapoor:** And what you were trying to say whether my question was correct or not understood what you were trying to explain.
- Avinash Bhargava:** I was trying to say that since the price improvement is there, therefore, there were the valuation losses which were only accounting losses and there is substantial improvement in that area.
- Saket Kapoor:** As you have given yarn price trend up to December'22, what was the number for January month? We have mentioned in the slide the yarn prices for the month of December'22. So, can you share some color on what the price trend was for the month of January'23? In your presentation, it was mentioned.
- Avinash Bhargava:** Yarn prices on single 30-cotton in January'23 it was ₹258 - ₹260 and in PV 230 these were around ₹180.
- Saket Kapoor:** OK Sir and lastly if you could give some data for Melange yarn and denim prices also. The average for Q3 for Melange yarn was ₹380 and denim was ₹262. So where are the price trends currently, Sir?
- Avinash Bhargava:** Denim you can say around ₹250 per meter in case of exports and if we talk about domestic brands it is around ₹280 - ₹285.
- Saket Kapoor:** So, when we are quoting in our average sales realization for Q3, we have the blended numbers for denim at ₹262. Taking into account both the domestic and the export realization, we have taken the average of the same at ₹262 in our slide number.
- Avinash Bhargava:** Yes.
- Saket Kapoor:** So that is slightly higher. If we take the market share in the yarn segment, what is the market share for the company, and if you take it on India basis, where are we in terms of the capacity and the market share in denim and the yarn business?
- Avinash Bhargava:** It is very difficult to reply this question at this stage because lot of capacities are coming in.
- Saket Kapoor:** Who can be counted in your peer comparison?
- Avinash Bhargava:** See the commodity basket of RSWM Limited is very big. And we produce all kinds of yarns, whereas other players are not producing all kinds of yarns they are producing the commodity yarns. So, the production will certainly be high in these cases and if we talk about a company, we cannot compare with anyone.

RSWM Limited – Q3 & 9M FY23 Earnings conference call

Saket Kapoor: So that is what my question was, Sir. For denim you may have a different player, for yarn business you may compete with someone else, so we are trying to look whom we can compare in the market.

Avinash Bhargava: If you put together all our products, all our facilities, we cannot compare with any other industry. It would be wrong on my part if I will take the name of any other industry.

Moderator: Thank you, ladies and gentlemen, we will take that as the last question. I now hand the conference over to the management for closing comments.

Avinash Bhargava: Thank you so much for listening us patiently and then supporting us in this tough time. Thank you so much.

Moderator: Thank you very much members of the management team, ladies and gentlemen, on behalf of RSWM Limited that concludes this conference call. Thank you for joining us. You may now disconnect your lines.

(This document has been edited for readability purposes.)

For further queries: Email: cfo.rswm@lnjbhilwara.com

Registered Office: Kharigram, P.B No.28, P.O Gulabpura- 311 021, Distt. Bhilwara Rajasthan | Website: <https://www.rswm.in>

CIN: L17115RJ1960PLC008216