

RSWM/
November 8, 2019

<p>BSE Limited Corporate Relationship Department, 1st Floor, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, MUMBAI - 400 001.</p> <p>Scrip Code: 500350</p>	<p>National Stock Exchange of India Limited Listing Department, Exchange Plaza, C-1, Block - G, Bandra-Kurla Complex, Bandra (East), MUMBAI - 400 051.</p> <p>Scrip Code: RSWM</p>
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Sub: Investors presentation on the unaudited Financial Results of the Company for the quarter and half year ended 30th September, 2019.

Dear Sir,

Please find enclosed a copy of Investors Presentation on the unaudited Financial Results of the Company for the quarter and half year ended 30th September, 2019 for your information and record.

Thanking you,

Yours faithfully,
For **RSWM LIMITED**



SURENDER GUPTA
COMPANY SECRETARY
FCS – 2615

rswm.investor@lnjbhilwara.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, Post Office Gulabpura - 311 021
Distt. Bhilwara, (Rajasthan), India
Tel: +91-1483-223144 to 223150, 223478
Fax: +91-1483-223361, 223479
Website: www.lnjbhilwara.com
GSTIN: 08AAACR9700M1Z3

Corporate Identification Number: L17115RJ1960PLC008216

RSWM Limited

An LNJ Bhilwara Group Company



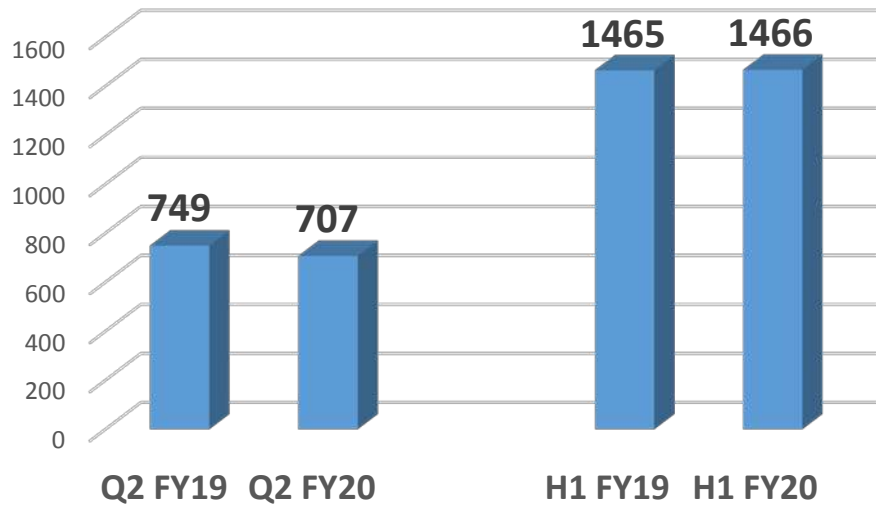
H1 FY20 Performance



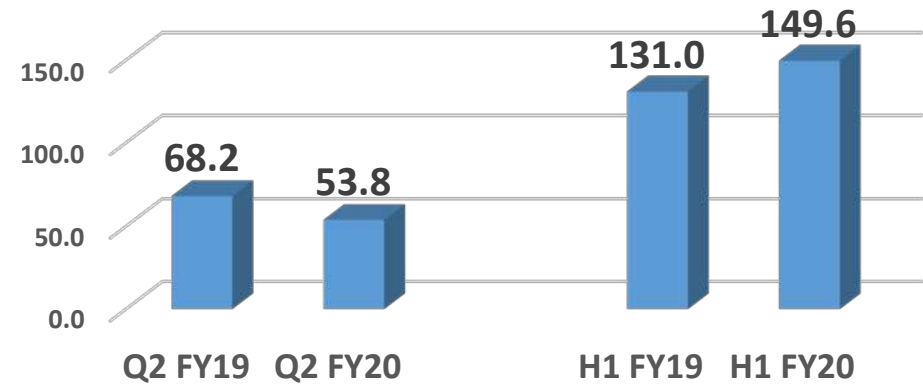
Q2 & H1 FY20 Financial Highlights

₹ in Cr.

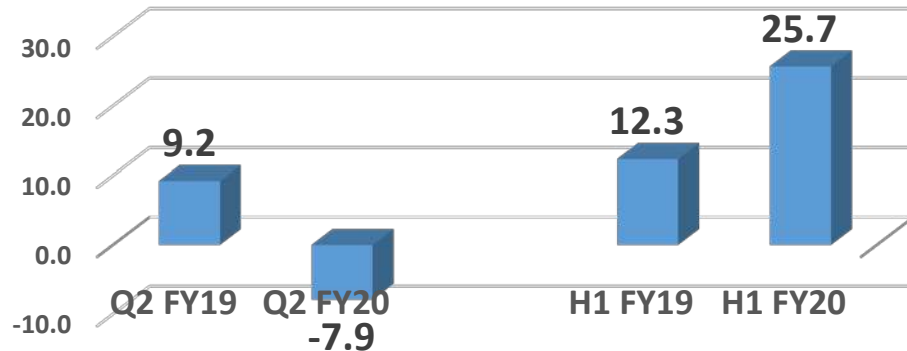
Total Income



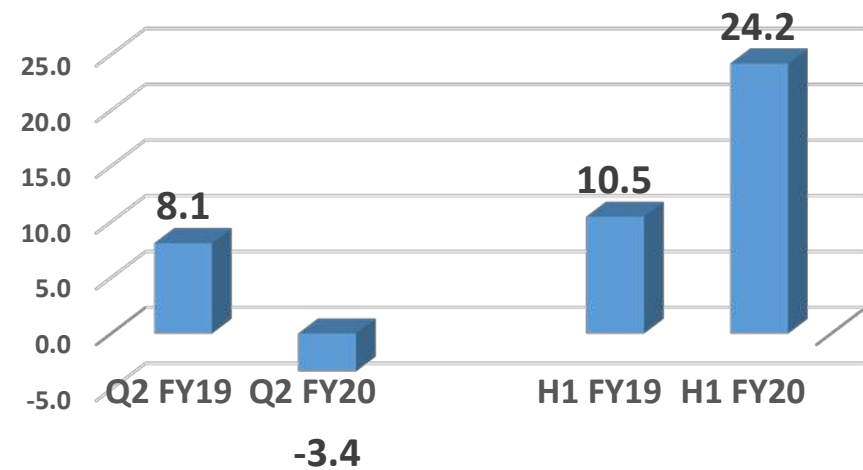
EBIDTA



EBT



PAT



Profitability Highlights

₹ in Cr.

	Q2 FY20	Q2 FY19	H1 FY20	H1 FY19	FY19
Total Income (Incl. other income)	706.82	748.72	1466.22	1464.92	2991.78
Raw Material Cost	411.86	438.49	840.43	852.59	1712.67
Employee Cost	94.52	90.64	185.10	180.59	352.18
Other Expenses	171.46	169.86	336.57	337.67	663.85
Inc./Dec. in Inventory	-24.82	-18.49	-45.50	-36.95	53.07
EBIDTA	53.80	68.22	149.62	131.02	210.01
EBIDTA Margin (%)	7.72%	9.21%	10.70%	9.03%	7.09%
Depreciation	33.28	30.08	65.90	60.17	123.28
Finance Cost	28.44	28.93	58.04	58.52	119.52
Profit Before Tax	-7.92	9.21	25.68	12.33	-32.79
Tax	-4.54	1.13	1.49	1.88	-8.52
Net Profit After Tax	-3.38	8.08	24.19	10.45	-24.27
Net Profit Margin (%)	-0.48%	1.09%	1.73%	0.72%	-0.82%

Balance Sheet Highlights

₹ in Cr.	30.09.19	31.03.19
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Assets

Non-current Assets	1185	1433
Fixed Assets	1089	1144
Investments	75	270
Other Non-current Assets	21	19
Current Assets	996	1105
Inventories	428	432
Trade Receivable	364	453
Other Current Assets	204	220
Total Assets	2181	2538

₹ in Cr.	30.09.19	31.03.19
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Liabilities

Shareholders' Fund	722	783
Share Capital	24	24
Reserve & Surplus	698	759
Non-current Liabilities	546	661
Long Term Borrowing	474	573
Other Non-current Liabilities	72	88
Current Liabilities	913	1094
Short Term Borrowing	493	665
Other Current Liabilities	420	429
Total Liabilities	2181	2538

Key ratios

		H1 FY20	H1 FY19	FY19	FY18
Balance sheet ratios					
	<i>fixed asset cover ratio</i>	1.63	1.61	1.47	1.62
	<i>DE ratio excl CPTL</i>	1.23	1.32	1.43	1.41
	<i>DE ratio incl CPTL</i>	1.50	1.50	1.69	1.56
	<i>debt service coverage ratio (DSCR)</i>	0.81	1.08	0.79	0.66
	<i>interest coverage ratio (ISCR)</i>	2.58	2.24	1.76	2.24
	<i>current ratio</i>	1.39	1.13	1.24	1.13
	<i>current ratio incl CPTL</i>	1.09	0.97	1.01	1.01
Earning Ratio					
	<i>return on capital employed (%)</i>	7.68	5.13	3.42	5.11
	<i>return on net worth (%)</i>	6.70	2.28	-3.10	1.61
	<i>return on sales (%)</i>	1.73	0.72	-0.82	0.49
	<i>EBITDA margin %</i>	10.70	9.03	7.09	8.94
EPS					
	<i>basic EPS (₹)*</i>	10.27	4.44	-10.30	6.16
	<i>cash EPS (₹)*</i>	38.88	30.78	38.42	61.91

Current Market Scenario and outlook (Yarn)

- *The export of cotton yarn in the first six months of this financial year declined 39 per cent.*
- *The continuous fall in cotton yarn exports since start of this year has raised concerns in the textile industry.*
- *Increase in raw cotton prices, import duty by importing countries and no export benefits on cotton yarns has increased the cost of Indian yarn as compared to competing countries.*
- *India is the second largest producer of Manmade Fibre (MMF) and Filaments globally after China.*
- *Domestic manmade yarn demand witnessed an uptick in Q2.*
- *Domestic demand of cotton and manmade yarn expected to increase further in Q3 and Q4 due marriage and uniform season.*
- *We are putting more thrust on sale of value added & new products to protect bottomline.*

Current Market Scenario and outlook (Denim)

- *There is a tremendous oversupply situation in the Indian denim industry. This is sharply affecting demand patterns. Denim fabric manufacturing is growing in the unorganised segment. Number of denim units have increased to 46, from 30 in 2012. Capacity has increased to 1500 million metres per annum from 800 million metres per annum. Another 150 million metres per annum is in pipeline. Estimated Domestic market size is 750 to 800 million metres per annum and Export market size is estimated at 200 million metres per annum.*
- *The overall capacity utilisation in the industry is low, as domestic brands and dealers are challenged with increased inventories and low retail offtake. Buying patterns have altered drastically. Most units are understood to have temporarily shut down a part capacity, therefore running at capacity utilisation of 70%*
- *The influx of imported denim fabrics in an already saturated market is causing further drop of demand.*
- *Indian branded garmenters are moving their production to Bangladesh, as importing garments has become easier. Brand buying in India has been severely affected, as large number of imported garments are getting placed on retail shelves, at lower costs.*
- *Denim fabric export has been sluggish, prices under high pressure, as sales for International brands too are slower than last season. Roll over of seasonal orders, delay in garment manufacturing cycles have a negative impact on fabric demand.*
- *With the changes in product mix, value additions, increased customer base and rationalisation of operational costs, we have been able to revive our denim business in first 6 months of current fiscal.*

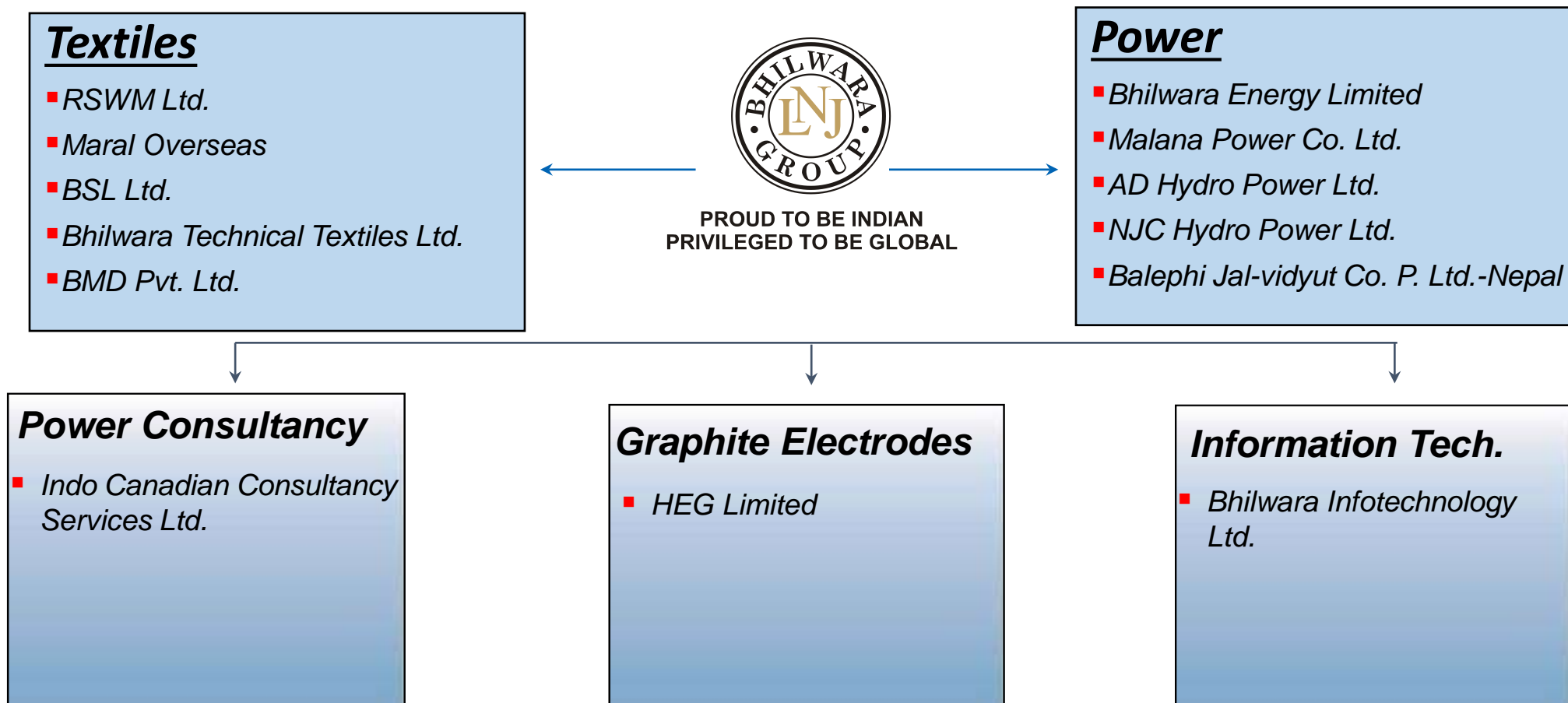
Opportunities (Denim)

- *The large format retailers in India – Reliance, Future Lifestyles, Madura Lifestyle Fashions, Myntra are yet churning our large volumes for their quickly increasing shelf space. Though the price points remain challenging, this arena is now major focus for growth.*
- *Our focused attention is to further increase our share in National and International brands who are procuring fabrics within India.*
- *Large format retailers and offline retailers are increasingly searching for full garment package solutions.*

LNJ Bhilwara Group – At a glance



- Set up in 1961 by Mr. L.N.Jhunjhunwala, today LNJ Bhilwara Group has grown into a conglomerate with a strong global presence and turnover of over Rs.8000 Crore.



LNJ Bhilwara Group - Diversified Presence

- *6 Group companies listed on the Stock Exchanges.*
- *Over 1,000,000 stake holders in the Group.*
- *Production units & Corporate office spread across the country at 38 locations*
- *All key companies ISO certified*
- *Over 28,000 strong workforce.*

RSWM Ltd. – At a glance



RSWM – Overview

- *Flagship company of LNJ Bhilwara Group*
- *Incorporated in 1960*
- *One of the largest textile manufacturers of Synthetic, Blended, Mélange, Cotton, Speciality and Value added yarns. Also manufacturing Fabrics, Denim and Green Polyester Fiber.*
- *Exports to over 78 countries*
- *‘Golden Trading House’ status*
- *Sales Office and Distribution Network across the country*

RSWM – Overview

Installed Capacity

- 43000 MTs p.a. Green Polyester Fiber manufacturing capacity
- 445192 Spindles and 4800 Rotors Spinning
- 12 million meter p.a. PV Fabric (117 Looms)
- 24 million meter p.a. Fabric Processing
- 25 million mtrs p.a. Denim Fabric manufacturing capacity -Composite Facility (Spinning+Weaving+Processing+Dyeing)
- 46 MW Thermal Power, 22 MW Solar Power

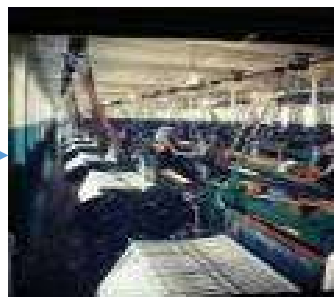
Recycled Fiber



Spinning



Weaving



Processing



Branding



Stars ki Pasand

RSWM – Journey

- 1960 – Company incorporated and in 1961 established a spinning unit at Bhilwara.
- 1973 - Second plant commissioned at Gulabpura. Later, Bhilwara plant was spun off as independent Company (Bhilwara Spinners Ltd.)
- 1989 - Established grey yarn spinning unit at Banswara.
- 1994 - Established Melange Yarn manufacturing unit at Mandpam, Bhilwara
- 2003 - Acquired Rishabhdev plant from HEG Ltd.
- 2005 - Acquired Jaipur Polyspin Ltd., Reengus and Mordi Textiles & Processors Ltd. Banswara
- 2006 – 2007 Completed an ambitious expansion plan with capital cost of Rs.700 Crore. Set-up Composite Denim Fabric unit, Captive Thermal Power Plant of 46 MW, Expansion of capacity at all the existing locations.

RSWM – Journey

- *2011 – 2012 Executed another expansion plan with capital outlay of Rs. 400 Crore. Expanded capacity at Kharigram (SJ-11), Banswara (Rotors), Denim (Spinning), Mordi (50 Looms).*
- *2014 - Established a Green Fiber manufacturing unit at Reengus with capacity of 18000 MTs p.a.*
- *2014 - CTL – Bagalur merged into RSWM.*
- *2015 – Added another Melange Yarn unit at Kanyakheri, Bhilwara.*
- *2017 – Installation of Sheet Dyeing facility at Denim*
- *2017 - Comissioned 3.3 MW Rooftop Solar Power Plant at Mandpam and Kanyakheri.*
- *2018-19 – 18.7 MW Solar Power Plant and 25000 MTs p.a. Green Fibre*

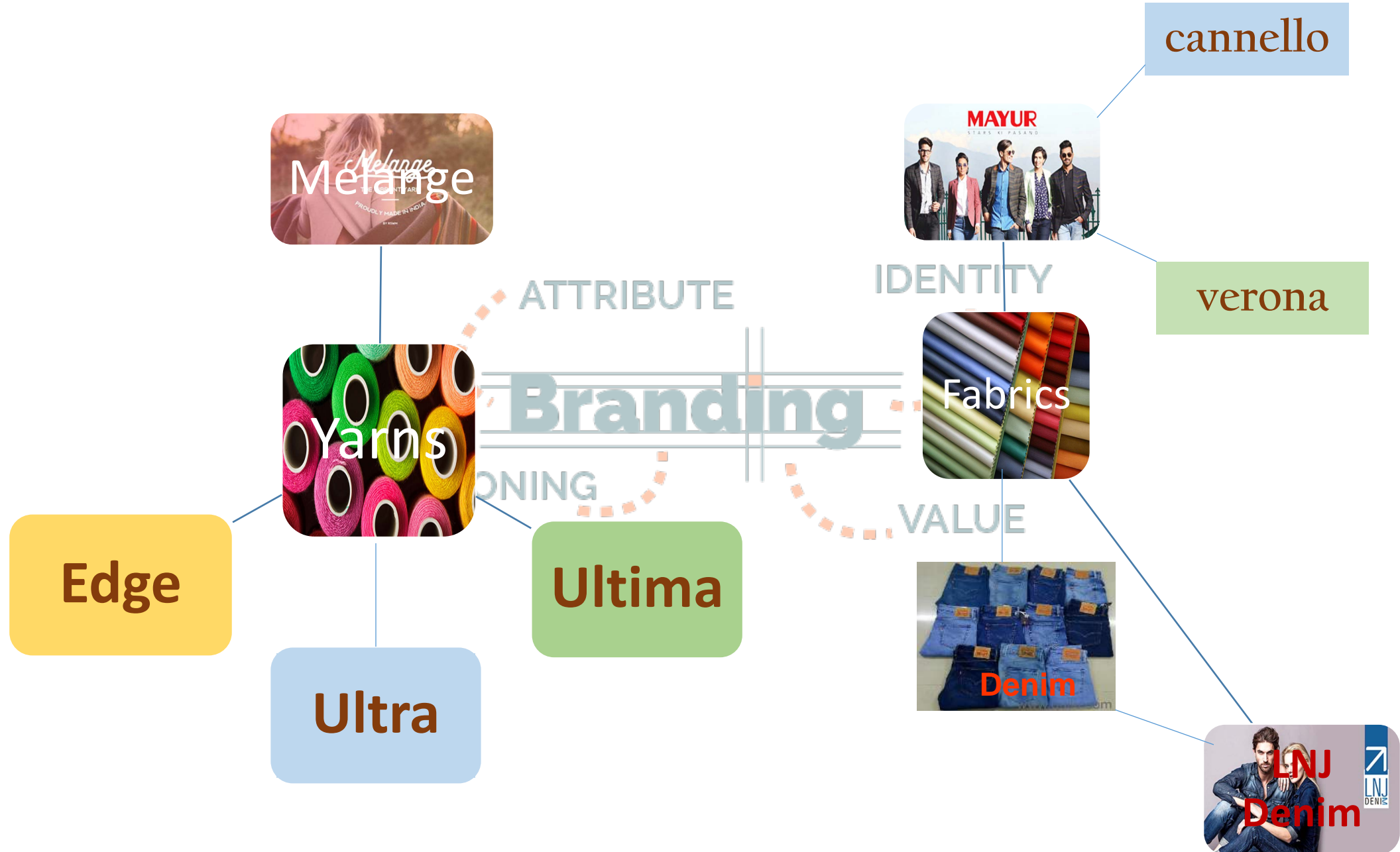
Certifications

- *ISO 9001:2015 : Quality System Certification*
- *ISO EMS - 14001:2015 : Environment Management Certification*
- *OHSAS - 18001: 2007 : Health and Safety Certification*
- *SA- 8000:2015 (certified by BSI) : Social Accountability*
- *ISO EnMS – 5001 : 2012: Energy Management Systems*
- *Oeko-Tex-100 (certified by Hoihenstein) : Human Ecological Certification*
- *GOTS : Global Organic Textile Standard*
- *GRS : Global Recycle Standard*
- *Organic Cotton Fair Trade Standards.*



- Synthetic Yarns –** *Grey/Dyed PV Blended, Poly 100%, Visc. 100%, Poly/Visc/Cotton Blended Specialty Yarns from unorthodox fibres like Bamboo, Bamboo-charcoal, Flex, Lycra, Tencel, Trevira CS, Birla Modal, Protex, X-static, Beltron, Huvis FR polyester etc.*
- Melange Yarns -** *High value cotton yarn, combining two or more fibres largely considered fancy yarn used in casual wear, sports wear, business suits, shirts, bed linen, decorative fabrics and other high end home furnishings.*
- Fabrics -** *PV Fabrics, FR Fabrics, Oil and Water repellent fabrics.*
- Denim -** *Capable of processing 3000+ denim variants. Manufacturing normal denim, value added denim range comprises denim-out-of-denim (recycled denim), work wear like anti-bacterial, hydrophobic, anti odour, fire retardant, power stretch, plasma denim. Rich blended denims like cotton with linen, cotton with Kashmir wool, cotton with viscose and 100% tencel.*

Branding



Manufacturing Units

- | | | |
|---------------------|---|---|
| 1. Spinning Unit | - | Kharigram, P.O. Gulabpura, Dist. Bhilwara, Rajasthan |
| 2. Spinning Unit | - | Village Lodha, Banswara, Rajasthan |
| 3. Spinning Unit | - | Rishabhdev, Dist. Udaipur, Rajasthan |
| 4. Spinning Unit | - | Reengus, SP-1, Industrial Area, Reengus, Dist. Sikar, Rajasthan |
| 5. Green Fibre Unit | - | Reengus, SP-1, Industrial Area, Reengus, Dist. Sikar, Rajasthan |
| 6. Spinning Unit | - | Mandpam, Bhilwara, Rajasthan |
| 7. Spinning Unit | - | Kanyakheri, Bhilwara, Rajasthan |
| 8. Fabric Unit | - | Village Mordi, Banswara, Rajasthan |
| 9. Denim Unit | - | Village Mordi, Banswara, Rajasthan |

Captive Power Plants

- | | | |
|----------------------------|---|---------------------------------------|
| 1. 46MW Thermal Power Unit | - | Village Mordi, Banswara, Rajasthan |
| 2. 22 MW Solar Power | - | Mandpam, Kanyakheri, Kharigram, Mordi |

Kharigram Unit

Installed Capacity : 167792 Spindles

Product : Blended synthetic grey/dyed yarns (p/v yarn, 100% Viscose, 100% polyester, acrylic), Slub Yarn, Core-spun, Compact yarn

Production Capacity : 52000 MTs p.a.



Banswara Unit

Installed Capacity : 95376 Spindles and 3120 Rotors

Product : Blended synthetic & cotton grey yarns (p/v yarn, p/c yarn, 00% viscose, 100% polyester) Slub, Compact, Core-spun yarn

Production Capacity: 36500 MTs p.a.

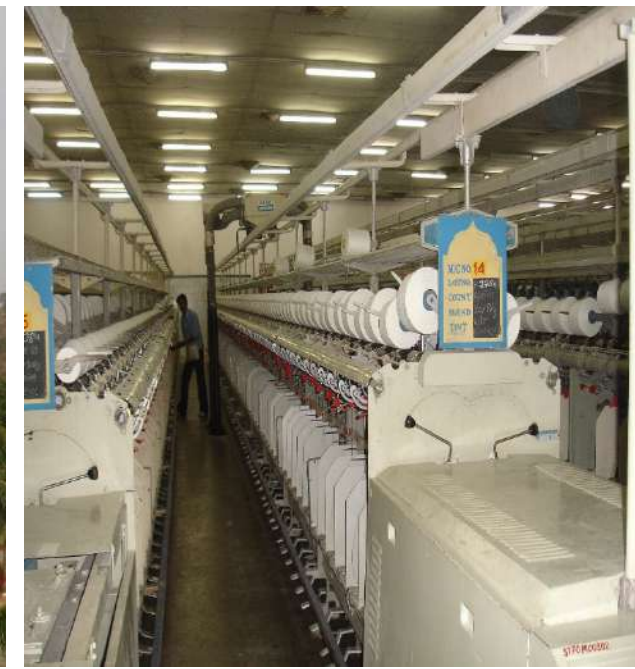


Rishabhdev Unit

Installed Capacity : 52848 Spindles

***Product : Blended synthetic grey yarns (p/v yarn, 100%
Viscose, 100% Polyester)***

Production Capacity: 18500 MTs p.a.



Reengus Unit

Installed Capacity : 32840 Spindles

Product : Blended synthetic grey/dyed yarns (p/v yarn, 100% Viscose, 100% polyester, acrylic), Slub Yarn, Core-Spun, Compact yarn

Production Capacity: 12000 MTs p.a.



Green Fibre Unit

Product : Recycled Polyester Fibre
Production Capacity: 43000 MTs p.a.



Mandpam Unit

Installed Capacity : 49152 Spindles
Product : Cotton Melange Yarn
Production Capacity: 10000 MTs p.a.



Kanyakheri Unit

Installed Capacity : 25920 Spindles
Product : Cotton Melange Yarn
Production Capacity: 4500 MTs p.a.



Fabric Unit

Installed Capacity : 117 Looms

Product : Fabrics (PV fabric, PC fabric, Flame Retardant and other value added fabrics)

Production Capacity: 12 Million Mtr. p.a.



Denim Unit

Installed Capacity : 136 Looms with matching spinning, dyeing and processing capacity

Product : Denim Fabrics (3000+ denim variants)

Production Capacity: 25 Million Mtrs. p.a.



RSWM Ltd. – Performance



Financials

(₹ in Crore)

Description	2014-15	2015-16	2016-17	2017-18	2018-19
Turnover	3,014	2,945	2,996	2,943	2,961
EBIDTA	377	423	358	263	210
EBDT	252	297	248	146	90
EAT	85	107	101	15	(24)
Fixed Assets (Net)	1,161	1,143	1,190	1,138	1,144
Net Worth	445	552	633	901	783
Long Term Loans	669	564	497	571	573
Working Capital Loans	447	626	723	820	665
Total Debt	1,117	1,189	1,220	1,391	1,238
Operating Profit Margin %	12.52	14.41	11.98	8.95	7.09
Return on Capital Employed %(PBIT/Capital Emp.)	11.88	12.36	9.44	5.11	3.42
Return on Sales % (PAT/ Turnover)	2.83	3.65	3.38	0.49	(0.82)
Return on Net Worth %	19.08	19.37	15.95	1.61	(3.10)
Long Term Debt Equity Ratio (TL/NW)	1.50	1.02	0.78	0.63	0.73
Debt Equity Ratio (Total Debt/NW)	2.51	2.27	2.12	1.56	1.69
Interest Cover Ratio	3.01	3.36	3.24	2.24	1.76
Fixed Assets Cover Ratio	1.73	2.03	2.40	1.99	2.02
EPS (IN Rs.)	36.68	46.20	43.33	6.16	(10.30)

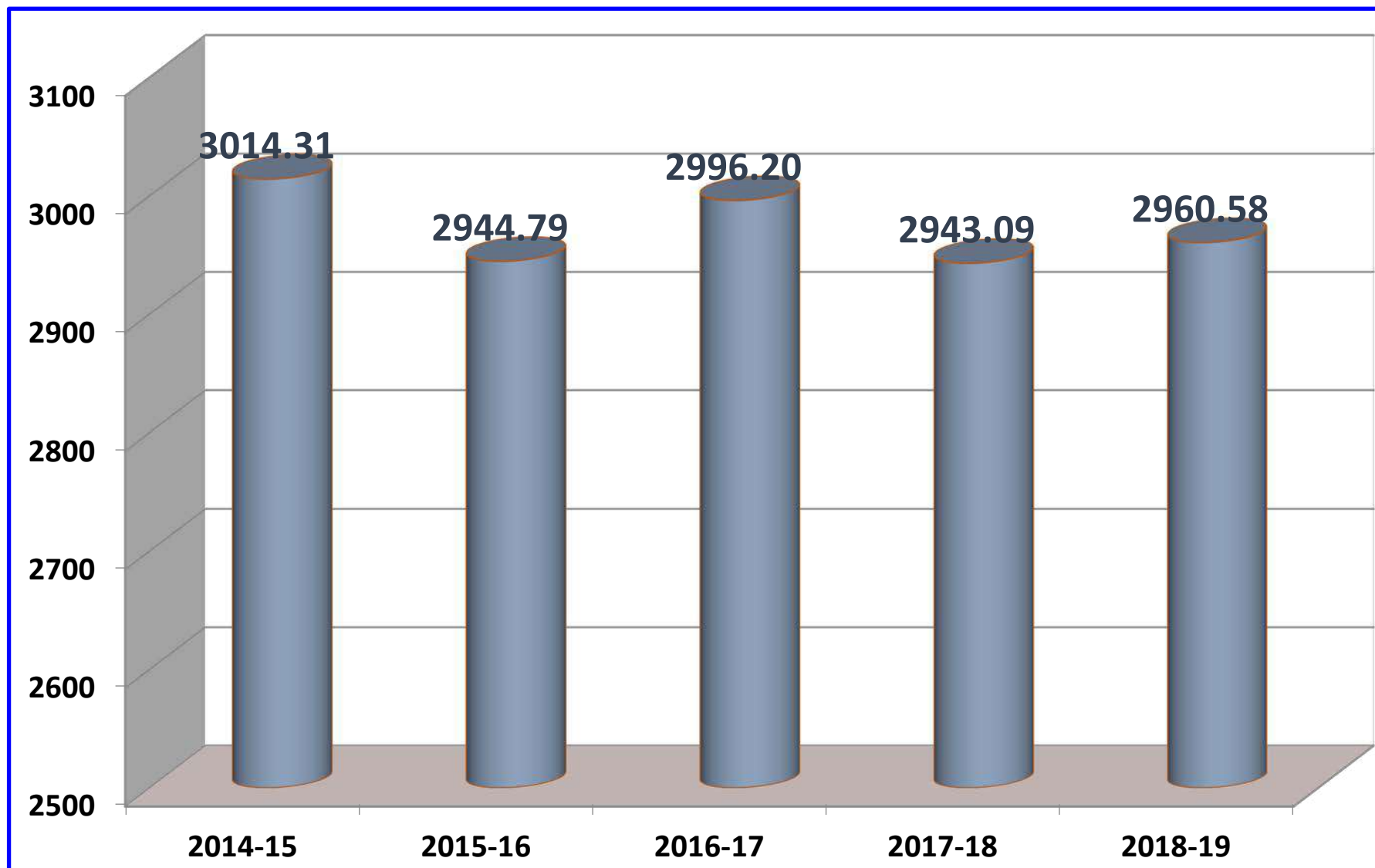
Segment-wise Turnover

Qty – Yarn: Lac Kg.
Fabric/Denim Lac Mtr.
Amt. - ₹ in Crore

	2014-15		2015-16		2016-17		2017-18		2018-19	
Segment	Qty	Amt	Qty	Amt	Qty	Amt	Qty	Amt	Qty	Amt
Yarn	1345	2564	1392	2497	1420	2513	1349	2472	1297	2504
Denim	157	286	163	297	191	324	203	325	202	320
Fabric	152	165	138	151	127	160	114	146	99	137
Total		3014		2945		2996		2943		2961

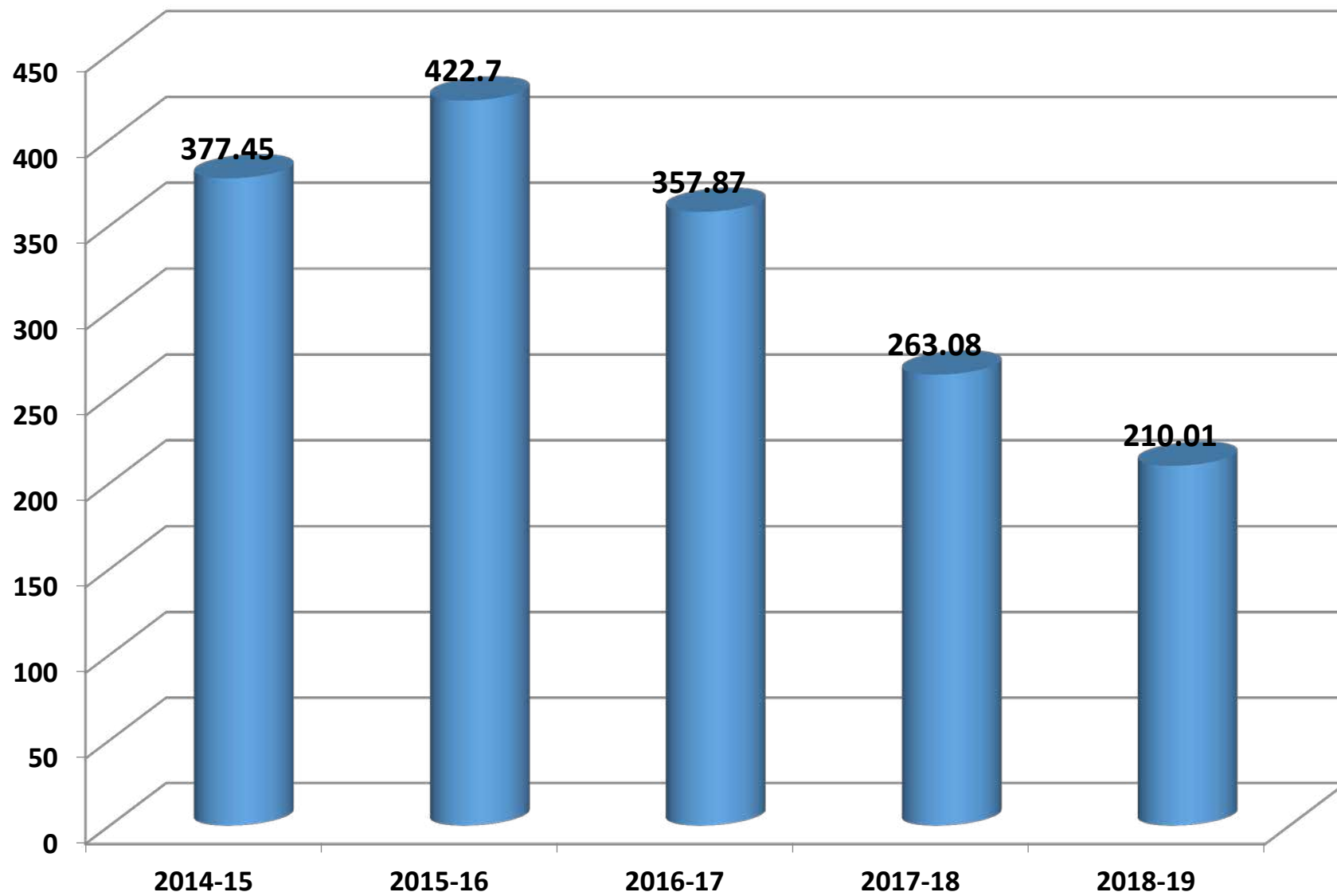
Turnover

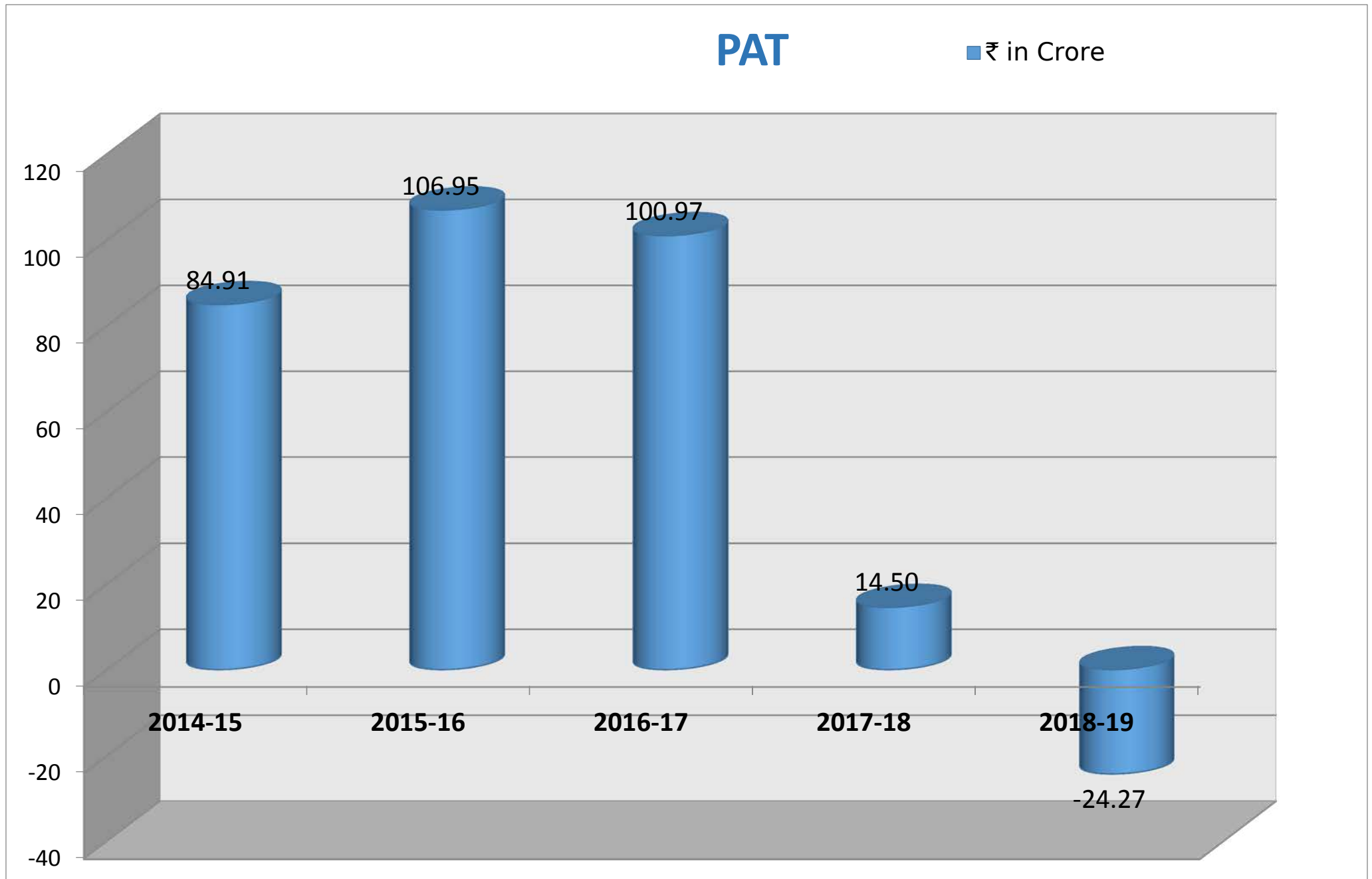
■ Rs. in Crore



EBIDTA

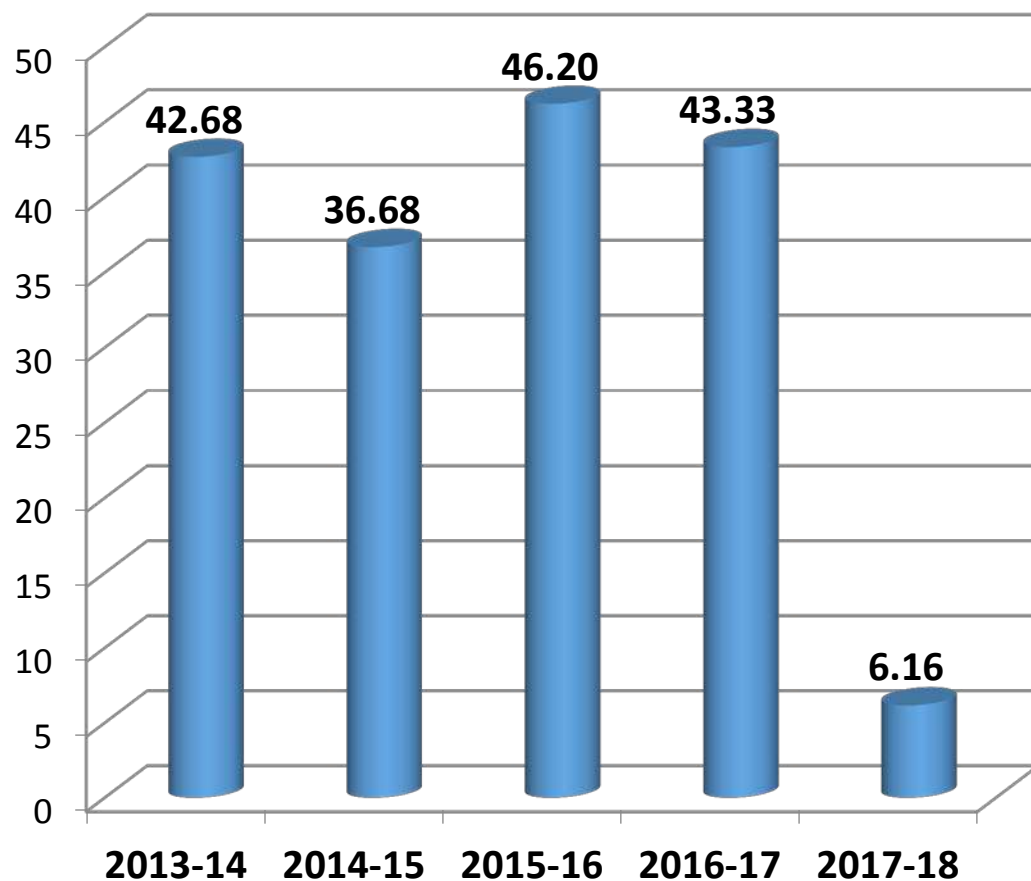
■ ` in Crore





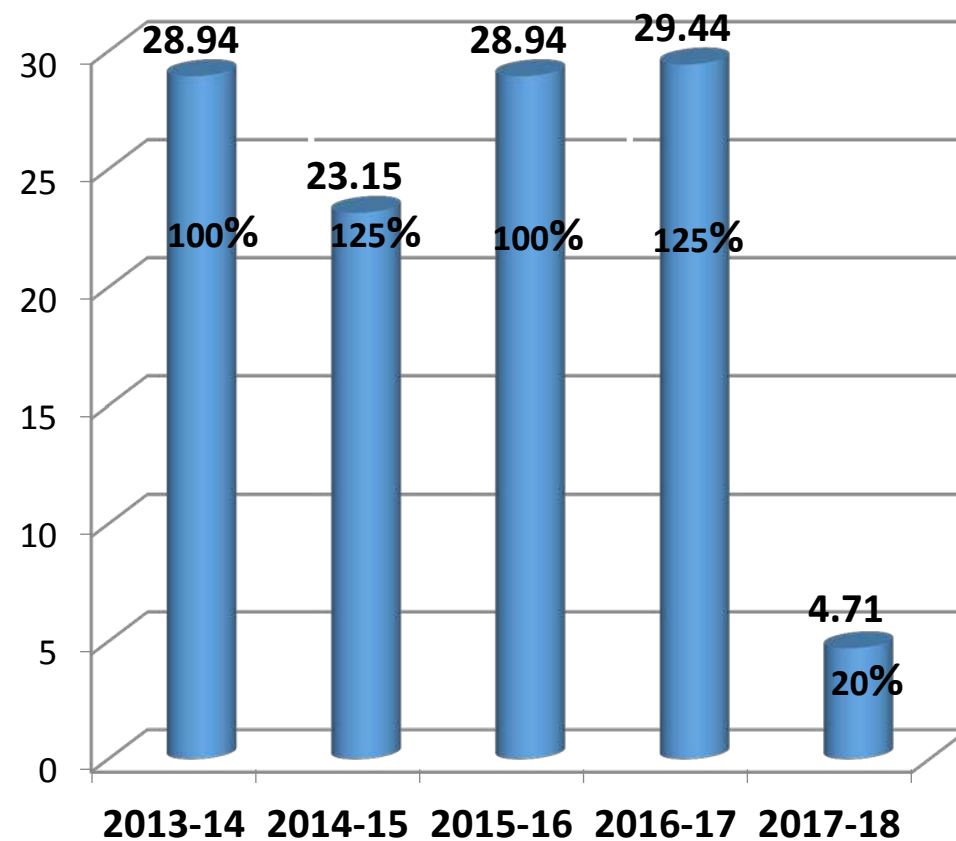
EPS

₹



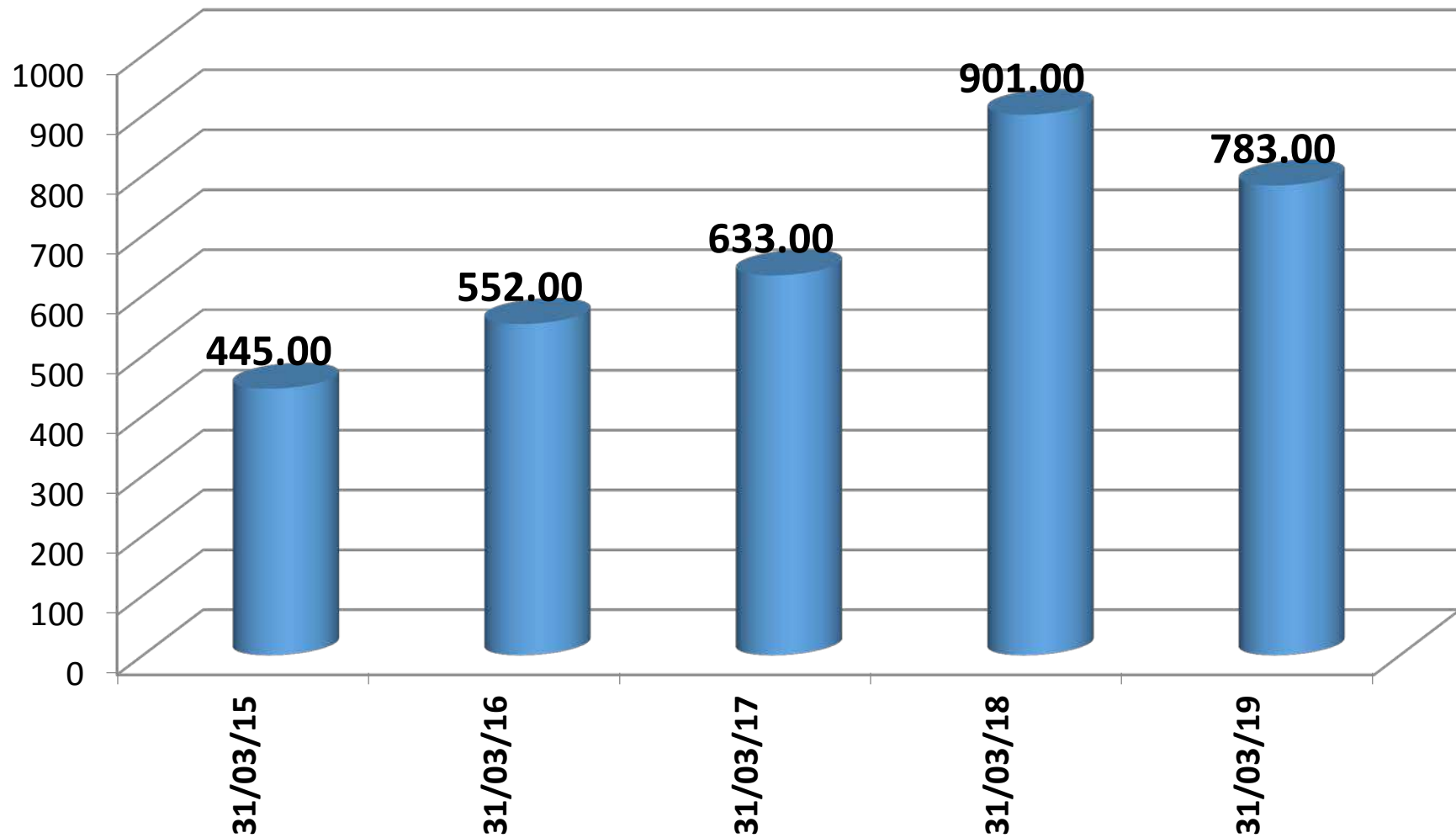
Dividend Payout

■ Rs. in Crore



Net Worth

■ Rs. in Crore



Textile Industry – Overview



Textile Industry - Overview



2nd Largest Employer in India. Employs around 40 Mn workforce directly and 40 Mn. Indirectly



4% Contribution to India's GDP



14% Contribution to Industrial Production of country.



16% Contribution to Exports Earnings



22% of World Spindles Capacity
48 MN SPDL & 8Lac Rotors



Highest # looms in World 47.8 Lac



World's # 1 Producer & 1st largest exporter of Jute



World's # 2 Producer of Silk (18% of world silk prod.)



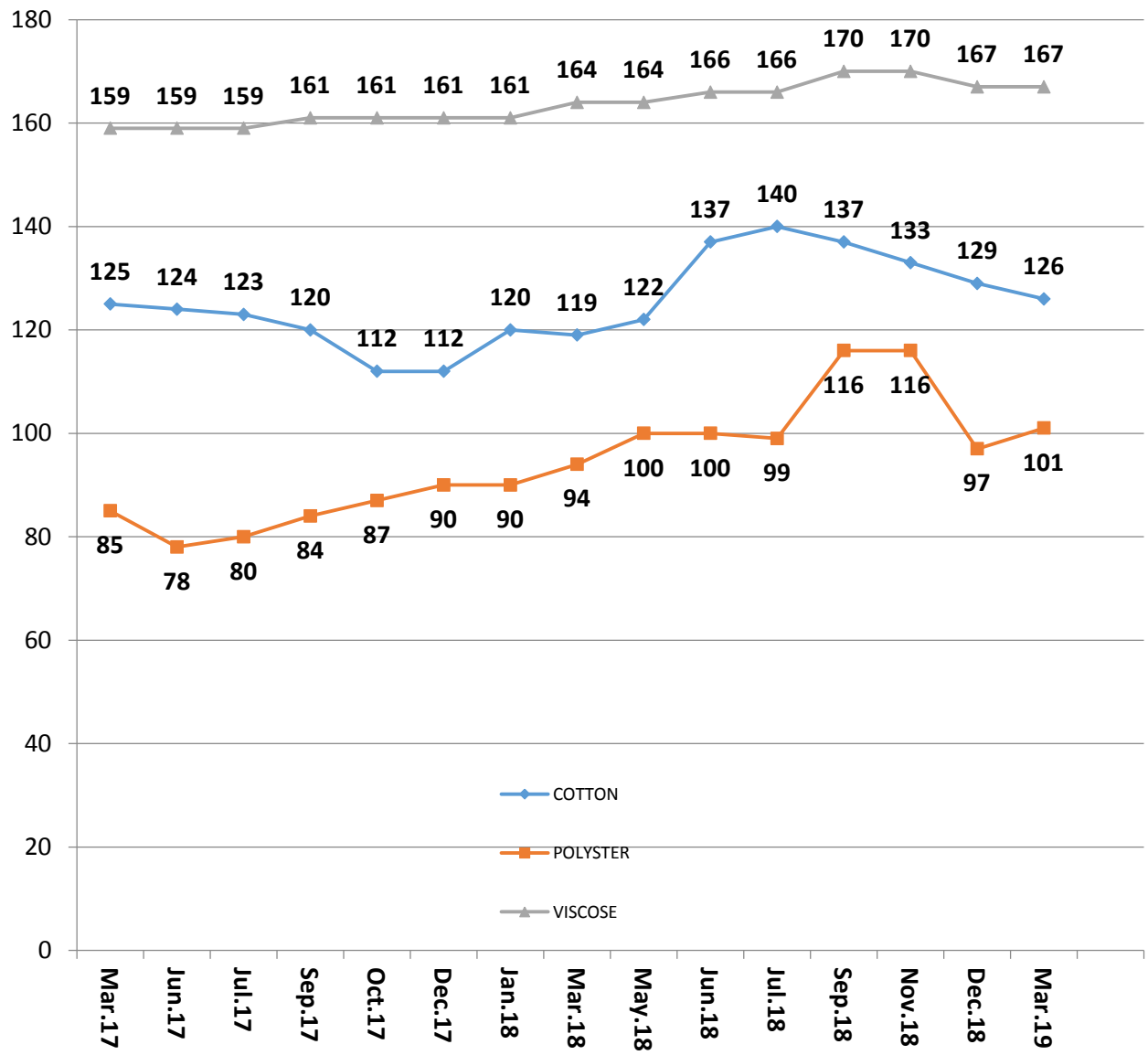
World's # 2 Producer of Cotton



World's # 3 Sheep Population

Raw Material Price Trend (₹/Kg)

Month	COTTON	POLYSTER	VISCOSE
Mar.17	125	85	159
Jun.17	124	78	159
Jul.17	123	80	159
Sep.17	120	84	161
Oct.17	112	87	161
Dec.17	112	90	161
Jan.18	120	90	161
Mar.18	119	94	164
May.18	122	100	164
Jun.18	137	100	166
Jul.18	140	99	166
Sep.18	137	116	170
Nov.18	133	116	170
Dec.18	129	97	167
Mar.19	126	101	167



RSWM Ltd. – Standing with its Strengths



RSWM – Strengths

- ***Integrated operations.***

Fibre Mfg. -> Dyeing-->Spinning-->Yarn Dyeing-->Weaving—>Processing & Finishing-->Fabric Dyeing

- ***Economy of Scale***

43000 MT p.a. PSF manufacturing, 35000 MT p.a. fibre/yarn dyeing, 445192 spindles, 4800 Rotors, 12 million meter (117 Looms) fabric, 24 million meter fabric processing, 25 million meter Denim fabric

- ***Latest Technology.***

Incurred Rs.1500 Crore under TUFS till now

- ***Established Quality***

Lowest quality claims

- ***Across the Globe Presence***

Exports to more than 78 countries

- ***Diversified Product Basket***

Grey and Dyed yarns - Cotton/Cotton blended/Synthetic blended/ PV/ Poly100/ Visc.100/Acrylic/ Fabric/FR products/fabric for work wears/Denim etc.

- ***Full Package Sell***

One stop solution

- ***People Development***

RSWM has strength of more than 15000 skilled workforce

RSWM – Mitigating Challenges

- *Invested around Rs.1500 Cr under TUFS and Rs.550 Cr Non-TUFS in last 11 years*
- *Added 2.25 lac Spindles, 4800 Rotors, 64 Looms, 25 million meter p.a. capacity Denim unit, 46MW CPP, 22MW Solar, Yarn/Fibre Dyeing and 43000 MT Green Fibre Manufacturing unit*
- *Also added various value addition equipment like slub yarn attachment, core-spun yarn attachment, compact yarn attachment*
- *Branding of yarns like Ultima and Edge.*
- *Regular technology up-gradation and automation to improve operational efficiencies*
- *Established NPDs (New Product Development Cells in each business)*
- *Increase in spending on R & D in last 5 years. Incurred Rs.16 Cr on R & D during 2017-18. Increase of around 300% from Rs.5.4 Cr. in 2011-12*

- *RSWM recognises Corporate Governance not as a set of rules but as a framework supporting the core values.*
- *Good Governance helps us to maintain trust with the shareholders, stakeholders, employees and society at large*
- *RSWM believes that good governance is the key to doing business in a sustainable manner, which creates value for the society*
- *The Company is managed by its Board of Directors, which formulates strategies & policies and carries out periodic review of its performance*
- *Board of Directors:*

Mr. Ravi Jhunjunwala	-	Chairman
Mr. Shekhar Agarwal	-	Vice Chairman
Mr. Riju Jhunjunwala	-	Managing Director & Chief Executive Officer
Mr. B. M. Sharma	-	Jt. Managing Director
Mr. Arun Churiwal	-	Director
Dr. Kamal Gupta	-	Independent Director
Mr. Amar Nath Chaudhary	-	Independent Director
Mr. P.S. Dasgupta	-	Independent Director
Mrs. Archana Capoor	-	Independent Director
Mr. Deepak Jain	-	Independent Director

Corporate Information

Corporate Office, Noida

Key Managerial Persons

Mr. Riju Jhunhunwala-	Managing Director & CEO
Mr. B. M. Sharma -	Jt. Managing Director & CFO
Mr. Surender Gupta-	Company Secretary

Business Heads and Key Executives

Mr. Prakash Maheshwari-	Chief Executive (Corp.Affairs & TPP)
Mr. S.C.Garg-	Chief Executive (Melange Yarn)
Mr. Rajeev Jain-	Business Head (Yarn)
Mr. Suketu Shah-	Chief Executive (Denim & Fabric)
Mr. J.K. Manghani -	Dy. CFO

Auditors

Lodha & Co., New Delhi
S. S. Kothari Mehta & Co., New Delhi

Registered Office

Kharigram, P.O. Gulabpura – 311 021
Dist. Bhilwara (Rajasthan)

Corporate Office

Bhilwara Towers, A-12, Sector - 1
Noida – 201 301 (U.P.)



Corporate Information

For further information, please contact:

Shri J. K. Manghani
Dy. CFO
Tel: 01483 222515
Cell: 9414018382
Email: jk.manghani@lnjbhilwara.com

Shri Surender Gupta
Company Secretary
Tel: 0120 4390058
Cell: 9818646484
Email: skg@lnjbhilwara.com

Shri Rakesh Jain
DGM – Corporate Finance
Tel: 01483 222118
Cell: 9413356091
Email: rakeshk.jain@lnjbhilwara.com

Thank you

DISCLAIMER

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