

RSWM/
November 8, 2017

BSE Limited
Corporate Relationship Department,
1st Floor, New Trading Ring,
Rotunda Building, P.J. Towers,
Dalal Street,
MUMBAI - 400 001.

Security Code: 500350
Security ID: RSWM

Sub: Investors presentation on the Unaudited Financial Results of the Company for the quarter and half year ended 30th September, 2017.

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, 2017 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: L17115RJ1960PL C008216

RSWM/
November 8, 2017

National Stock Exchange of India Limited
Listing Department,
Exchange Plaza, C-1, Block - G,
Bandra-Kurla Complex,
Bandra (East),
MUMBAI - 400 051.

Symbol : RSWM

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INVESTORS' PRESENTATION Q2 FY 17-18



Business outlook

Overall position of domestic market is sluggish since the last 4-5 months.

GST implemented is still not completely absorbed by market specially by decentralized sectors.

Liquidity crunch is faced by industry due to GST implication, as last chain of fabric supply was not in tax bracket till now.

Further on account of Diwali , working in most of the market is affected for almost 15 days of Oct. 2017.

Recently GOI has changed GST on synthetic yarn from 18% to 12%. This change will address weaver issue to some extent.

However, its impact is expected from Nov. onwards as currently most of market is facing excess stock + liquidity crunch.

With reduction in GST, some positive sentiments may build up & demand may improve in near future.

However, since as on today almost all mills are carrying huge stock, thus there is price war expected among all spinner & will remain so till demand-supply equilibrium gets balanced.

In Bhilwara & Mumbai market, uniform season will start from December onwards thus there will be expected improvement in demand of grey synthetic yarn.

For Ludhiana market, working for summer season will start from November/December, thus more thrust will be on cotton & cotton blends.

Over all market is supposed to be better from current level.

Due to implementation of GST, the traders are unable to cope up with the challenges and thus domestic distribution market has slowed down.

After implementation of GST, exporting of fabric is not economical due to reduction of duty draw back from 5.5% to 1.7%. Parallel to this, import of fabric is cheaper as Counter Vailing Duty (CVD) - 12.5% and Special Additional Duty (SAD) - 4% is replaced by GST of 5%. Government is expected to address this shortly.

Denim market is under penetrated and per capita consumption of jeans is much lower, but the aspiration of non-metro population is increasing and expected to increase the consumption rapidly.

It is expected that the duplicate brands, which were earlier abundantly available in Northern Indian market will diminish and demand for branded garments will increase.

Considering the above scenario, we opted to divert the attention to supply our fabric to Indian and international Jeans brands and are able to achieve required success.

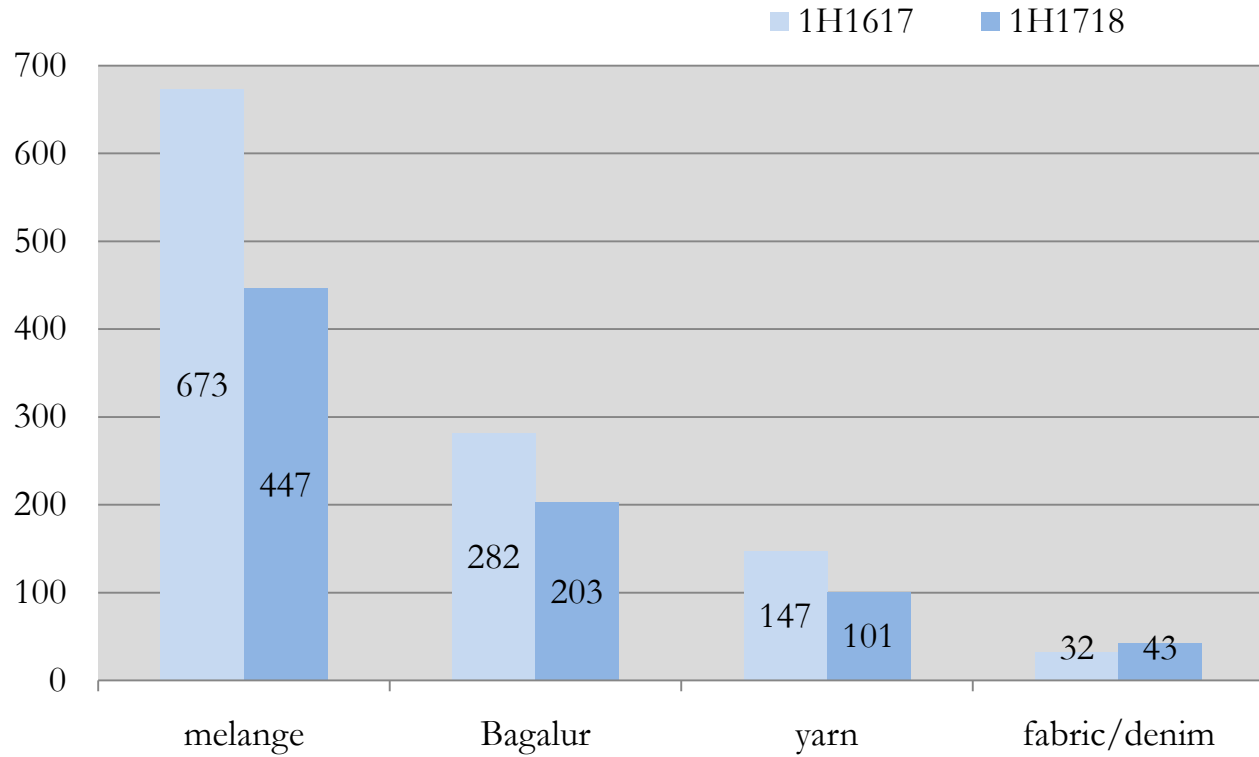
For the next 2 quarters, we will further strengthen focus towards supplying our Denim fabric to domestic and international brands.

In the previous quarter, we introduced a new premium sub brand 'VERONA by MAYUR' to cater A-class retailers and has created a new benchmark in our supply basket for the over-the-counter business.

In the Verona basket collections are TR, Poly-wool, Cationic amongst many others.

Our earlier collection of Cannello has already established in the market as a value rich super products.

Key parameter indicators



Financials

	2q1718	2q1617	FY1617	2q1718	2q1617	FY1617
net revenue	686	746	2996	100%	100%	100%
export	238	215	919	35%	29%	31%
domestic	448	531	2077	65%	71%	69%
production value	749	786	3084	% of production value		
less raw material	433	444	1750			
less packing and selling	39	36	139			
value addition	277	306	1195	37.0%	38.9%	38.7%
less operating expenses	219	207	837			
EBITDA	58	99	358	7.7%	12.6%	11.6%
less financial charges	30	28	110			
EBDT	28	71	248	3.7%	9.0%	8.0%
less depreciation	31	35	132			
EBT	-3	36	115	-0.4%	4.6%	3.7%
EAT	-2	27	101	-0.3%	3.4%	3.3%
Other Comprehensive Income/Loss	53	2	8			
total comprehensive Income	50	29	109	6.7%	3.7%	3.5%

	as of Sept17	as of Sept16	as of Mar17
non-current assets	1344	1305	1319
<i>net fixed assets*</i>	1147	1138	1190
<i>investment</i>	180	131	110
<i>loans</i>	1	2	2
<i>other non-current assets</i>	17	35	16
current assets	1043	879	1071
<i>inventories</i>	518	400	541
<i>trade receivables</i>	378	344	380
<i>cash & bank</i>	10	4	8
<i>other current assets</i>	129	125	140
<i>loans</i>	7	5	2
total assets	2387	2184	2390

* net fixed assets

gross block	2612	2516	2602
<i>less depreciation</i>	1473	1400	1427
net block	1139	1116	1175
capital wip	7	22	15

	as of Sept17	as of Sept16	as of Mar17
non-current liabilities	626	570	600
<i>borrowings</i>	526	456	497
<i>other financial liabilities</i>	4	4	4
<i>deferred revenue income</i>	3	3	3
<i>provisions</i>	7	7	6
<i>deferred tax liability (net)</i>	82	97	87
<i>other non current liabilities</i>	4	3	4
current liabilities	1108	1006	1157
<i>borrowings</i>	748	590	723
<i>trade payables</i>	65	30	80
<i>other financial liabilities</i>	243	326	313
<i>other current liabilities</i>	50	57	37
<i>provisions & deferred income</i>	3	2	4

equity	654	607	633
<i>equity share capital</i>	24	23	24
<i>other equity</i>	631	584	610
total equity and liabilities	2387	2184	2390

	1h1718	1h1617	FY16-17
<i>balance sheet ratios</i>			
asset cover ratio (fixed assets) excl CPTL	2.18	2.49	2.40
asset cover ratio (fa+inv) excl CPTL	2.52	2.78	2.62
LT debt eq ratio excl CPTL	0.80	0.75	0.78
LT debt eq ratio incl CPTL	1.07	1.18	1.17
DE ratio excl CPTL	1.95	1.73	1.73
DE ratio incl CPTL	2.02	1.95	2.12
debt service coverage ratio (DSCR)	0.45	1.27	1.07
interest coverage ratio (ISCR)	1.89	3.69	3.24
DEBT/EBIDTA with CPTL	5.87	2.88	3.75
<i>earnings ratio</i>			
return on capital employed	4.14	12.45	9.44
return on net worth	-2.56	20.65	15.95
return on sales	-0.60	4.26	3.37
EBITDA margin %	8.05	13.96	11.94
<i>EPS</i>			
basic EPS (₹)*	-7.1	54.1	42.9
cash EPS (₹)*	45.1	129.4	105.1

*annualised

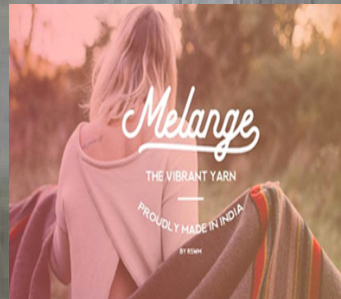
	as of Sept17	as of Sept16	as of Mar17
i) inventory	518	400	541
raw material	124	116	266
<i>cotton</i>	36	39	150
<i>other than cotton</i>	88	77	116
finished goods	243	158	149
<i>yarn</i>	173	110	95
<i>fabric</i>	70	48	54
stock in process	110	91	105
stores and spares	16	20	14
coal and fuels	25	16	7
ii) trade receivables	378	344	380
export	163	158	153
domestic	215	186	227
iii) other current assets	129	125	140
export incentive receivables	17	21	26
other current assets	112	104	114
iv) cash and bank balances	10	4	8
v) loans and advances	7	5	2
total current assets (i-v)	1043	879	1071

	as of Sept17	as of Sept16	as of Mar17
total current liabilities	1107	1006	1157
sundry creditors	65	30	80
other liabilities and provisions	295	386	353
working capital loans from banks	748	590	723
net working capital	-64	-127	-85
working capital ratio			
current ratio with CPTL	0.94x	0.87x	0.93x
current ratio without CPTL	1.11x	1.18x	1.17x
current asset turnover ratio (annualised)	2.63x	3.31x	3.08x
finished inventory holding	32d	20d	16d
debtors holding	50d	43d	42d
other current assets/loan & advances	20d	17d	17d

RSWM Limited



An LNJ Bhilwara Group Company

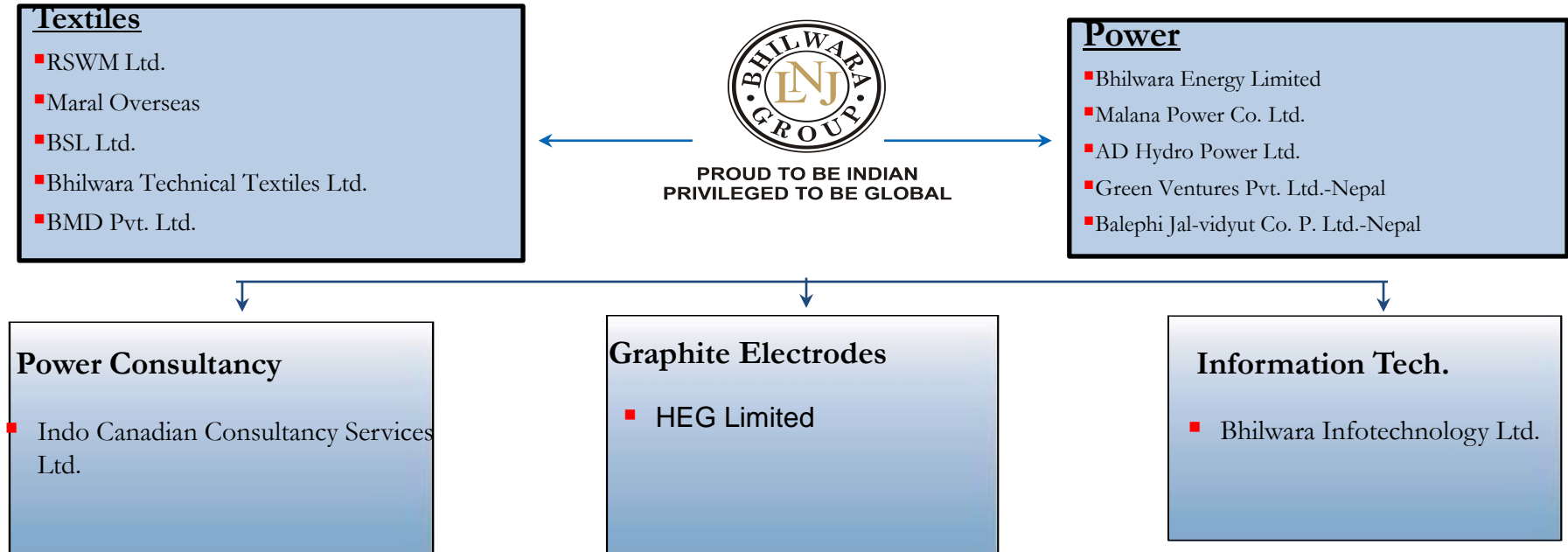


- Changing product-mix by discarding less contributing products.
- Looking to the poor salability and lower contribution from commodity yarns, specially grey yarns, Company has decided to convert 43000 spindles of Kharigram unit and 53000 spindles of Rishabhdev unit from grey to value added dyed yarns at capital cost of around Rs.20 Cr.
- In order to arrest losses due to volatility of polyester fibre, Company has decided to increase captive RCF manufacturing capacity from 50 MTs per day to 110 MTs per day at capital cost of Rs.69 Cr.
- Modernisation of obsolete technology of Reengus unit (35 year old spinning facility) with addition of around 5000 spindles at capital cost of Rs.43 Cr.
- Steps already taken to increase volume of grey/dyed yarns for upholstery application and customization of yarns for home textile brands.
- Serious efforts are made to save operational costs like power, stores and reduction in wastage.

LNJ Bhilwara Group – At a glance



Set up in 1961 by Mr. L.N.Jhunhunwala, today LNJ Bhilwara Group has grown into a conglomerate with a strong global presence and turnover of over Rs.6000 Crore.



- 5 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 – At a glance



- Flagship company of LNJ Bhilwara Group
- Established in 1961
- One of the largest textile manufacturers of Synthetic, Blended, Mélange, Cotton, Specialty and Value added yarns. Also manufacturing Fabrics, Denim and Green Polyester Fiber.
- Exports to over 70 countries
- ‘Golden Trading House’ status
- Sales Office and Distribution Network across the country

Installed Capacity

- 18000 MTs p.a. Green Polyester Fiber manufacturing capacity
- 504704 Spindles and 4800 Rotors Spinning
- 116 Looms for PV Fabric, 21.6 million meter p.a. Fabric Processing
- 24 million mtrs p.a. Denim Fabric manufacturing capacity -Composite Facility (Spinning+Weaving+Processing+Dyeing)
- 46 MW Thermal Power, 3.3 MW Solar Power

Recycled Fiber



Spinning



Weaving



Processing



Branding



- 1961 - Established with 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 Textile & Processing
- 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.

- 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 Kanyakhery, Bhilwara.
- 2017 – Installation of Sheet Dyeing facility at Denim
- 2017 - Comissioned 3.3 MW Rooftop Solar Power Plant at Mandpam and Kanyakhery.

- ISO 9001:2008 : Quality System Certification
- ISO EMS - 14001:2004 : Environment Management Certification
- OHSAS - 18001: 2007,
- SA- 8000:2008 (certified by BSI) : Social Accountability
- 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.

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	-	Kanyakhery, Bhilwara, Rajasthan
8. Spinning Unit	-	Bagalur, Dist. Hosur, Tamilnadu
9. Fabric Unit	-	Village Mordi, Banswara, Rajasthan
10. Denim Unit	-	Village Mordi, Banswara, Rajasthan

Captive Power Plants

1. 46MW Thermal Power Unit	-	Village Mordi, Banswara, Rajasthan
2. 3.3 MW Solar Power	-	Mandpam, Kanyakhery, Bhilwara

Segment-wise Turnover

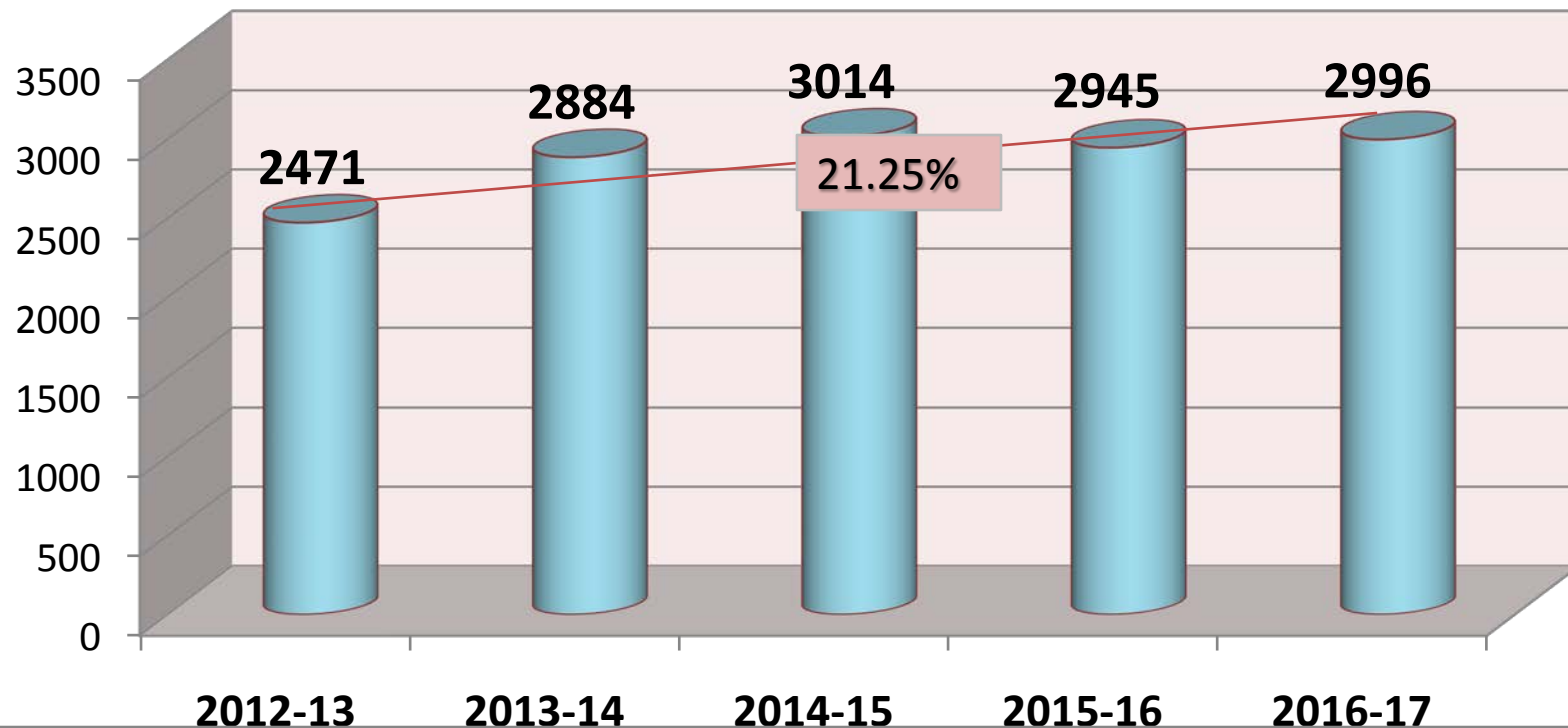


Qty – Yarn: Lac Kg.
 Fabric/Denim Lac Mtr.
Amt. - Rs. in Crore

Segment	2012-13		2013-14		2014-15		2015-16		2016-17	
	Qty	Amt	Qty	Amt	Qty	Amt	Qty	Amt	Qty	Amt
Yarn	1145	2051	1264	2422	1345	2564	1392	2497	1420	2513
Denim	146	238	143	250	157	286	163	297	191	324
Fabric	128	182	197	212	152	165	138	151	127	160
Total		2471		2884		3014		2945		2996

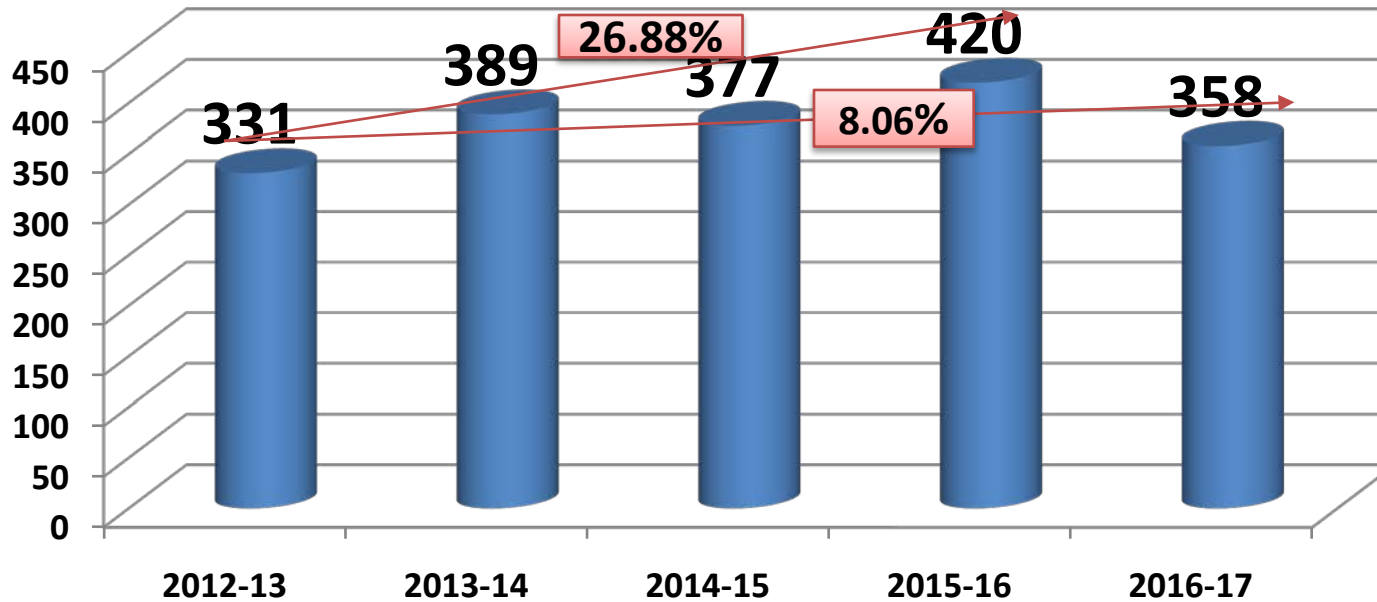
Turnover

Rs. in Crore



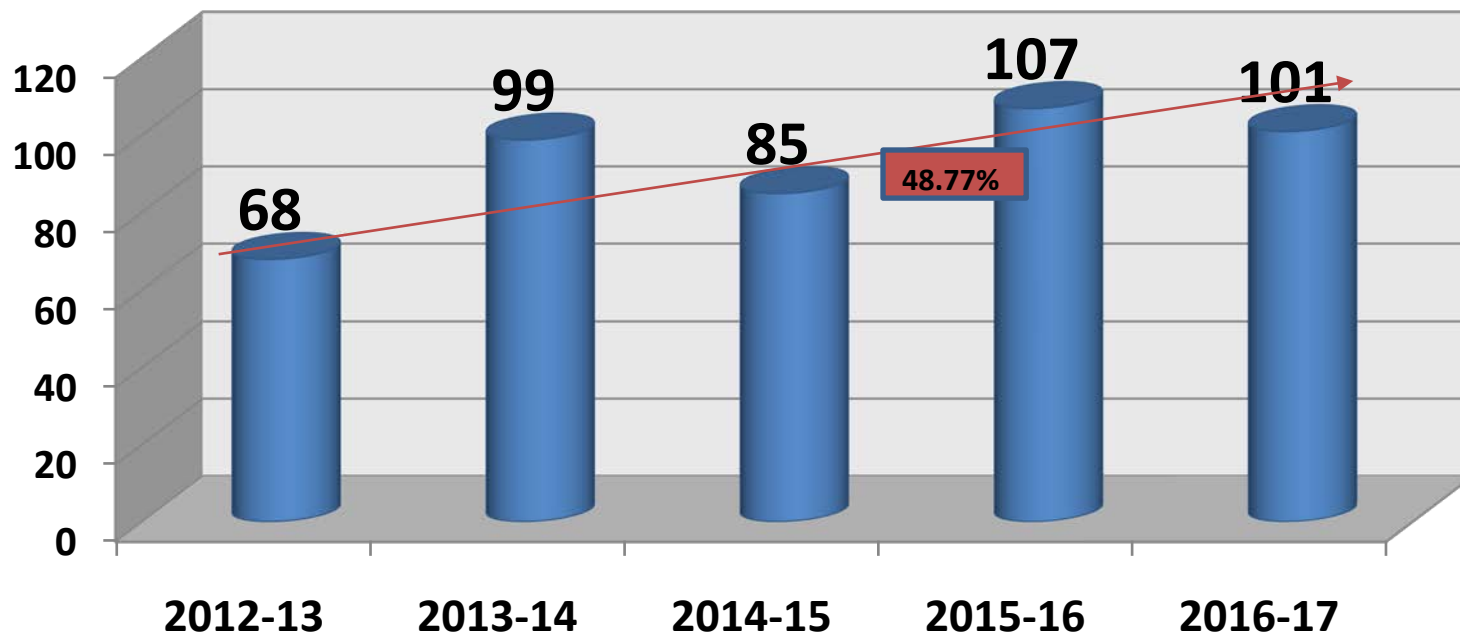
EBIDTA

■ Rs. in Crore



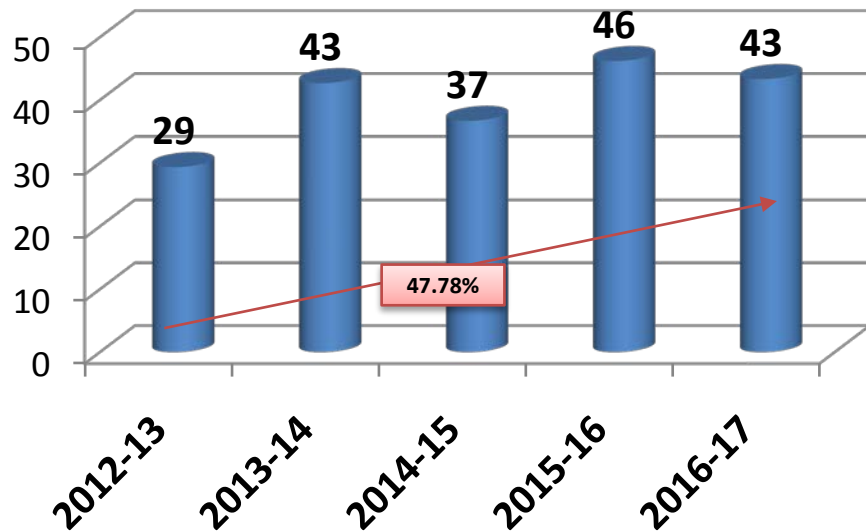
PAT

■ Rs. in Crore



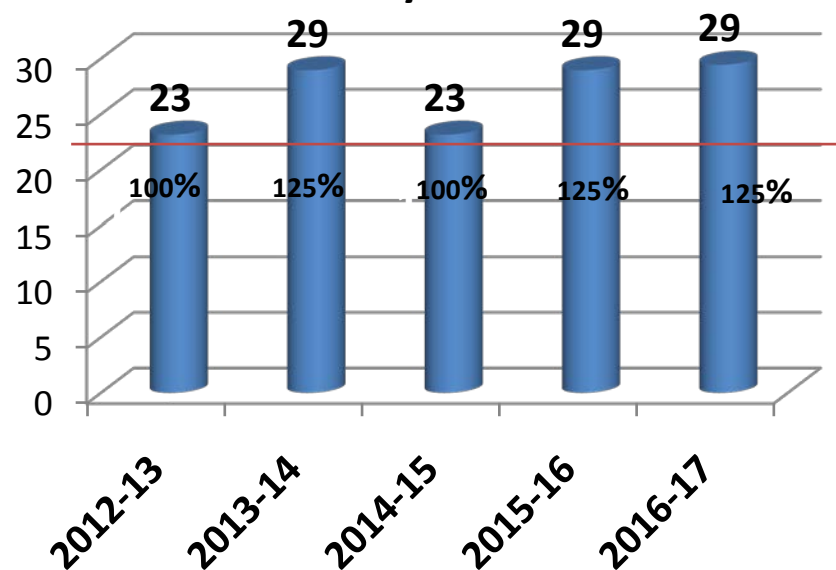
EPS

Rs.



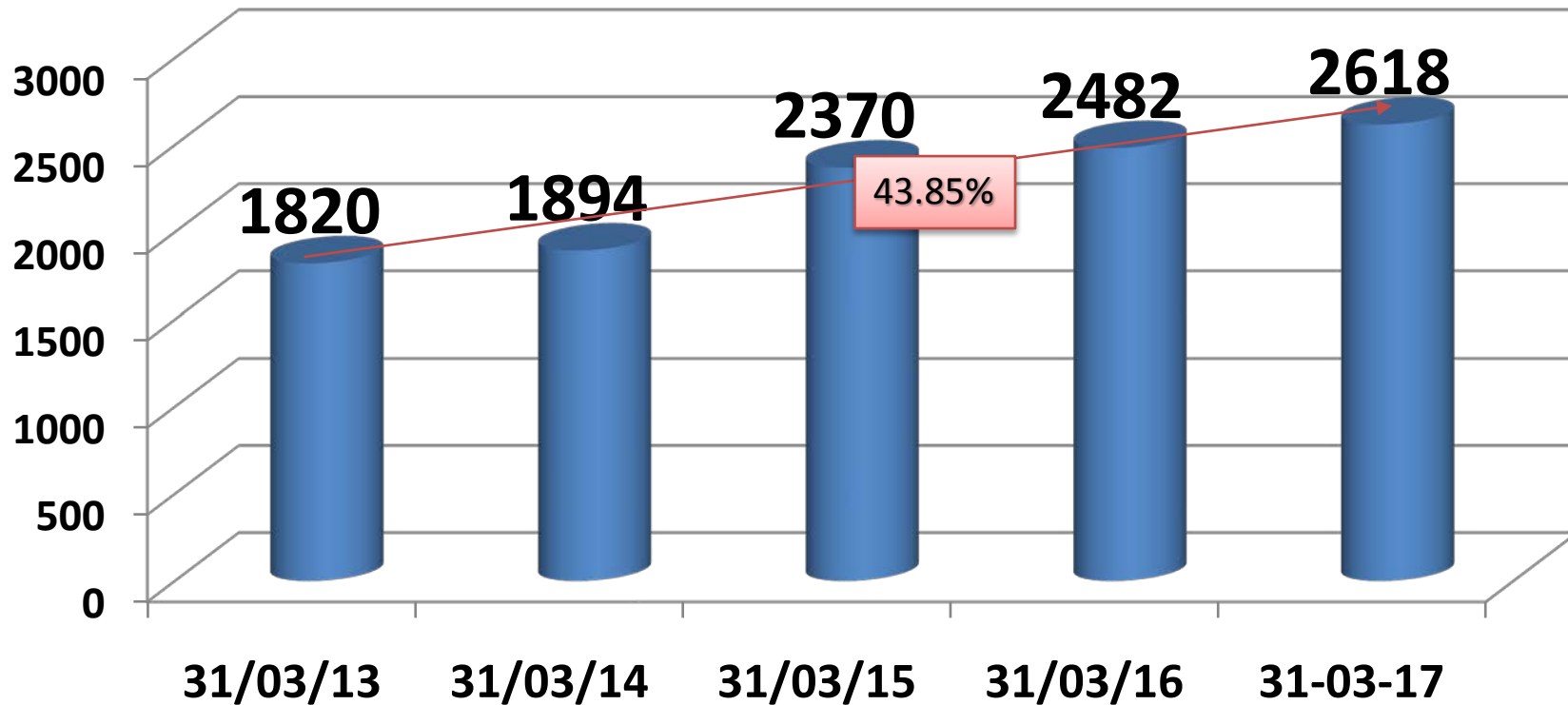
Dividend Payout

Rs. in Crore



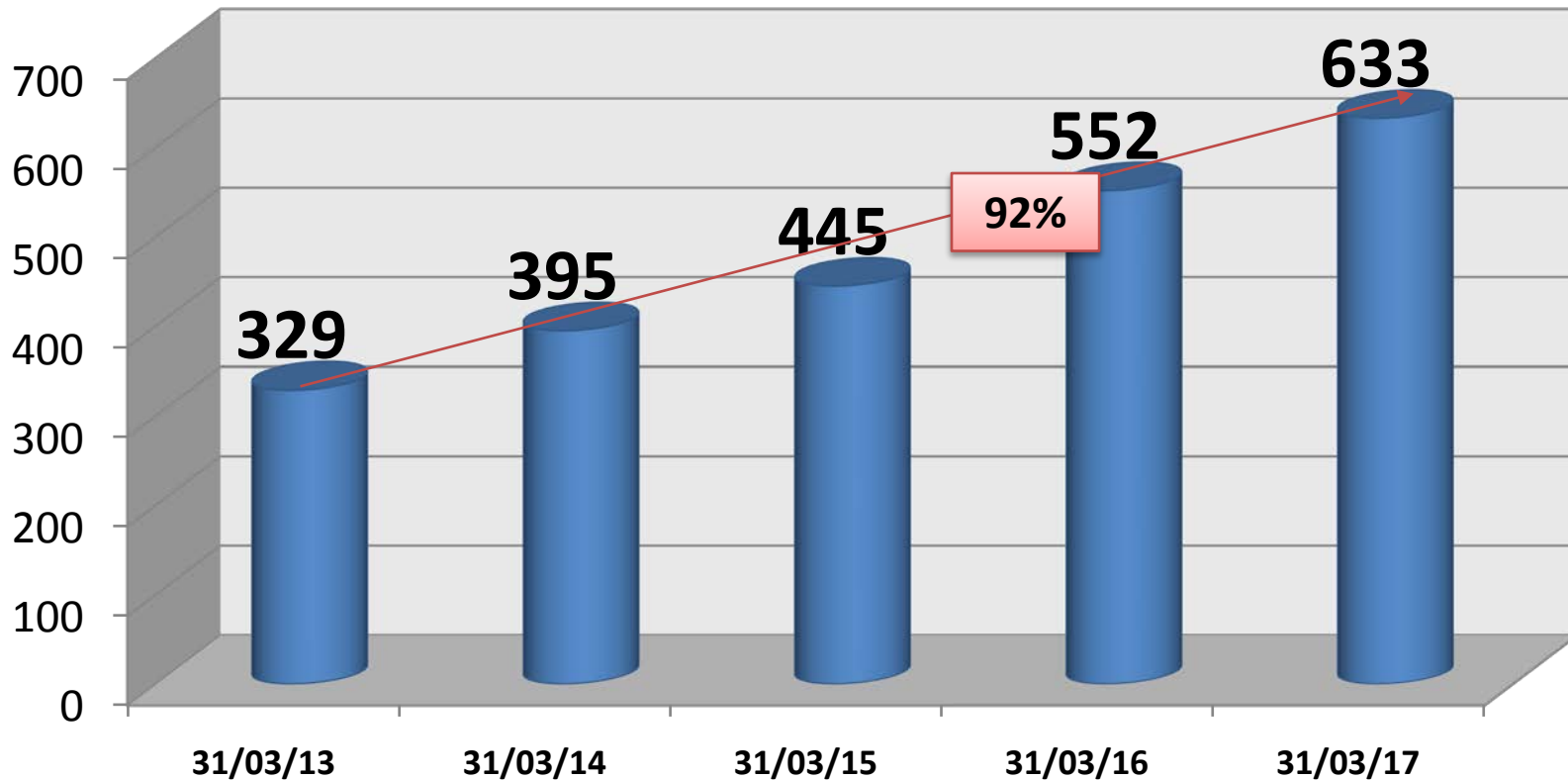
Gross Block

Rs. in Cr.

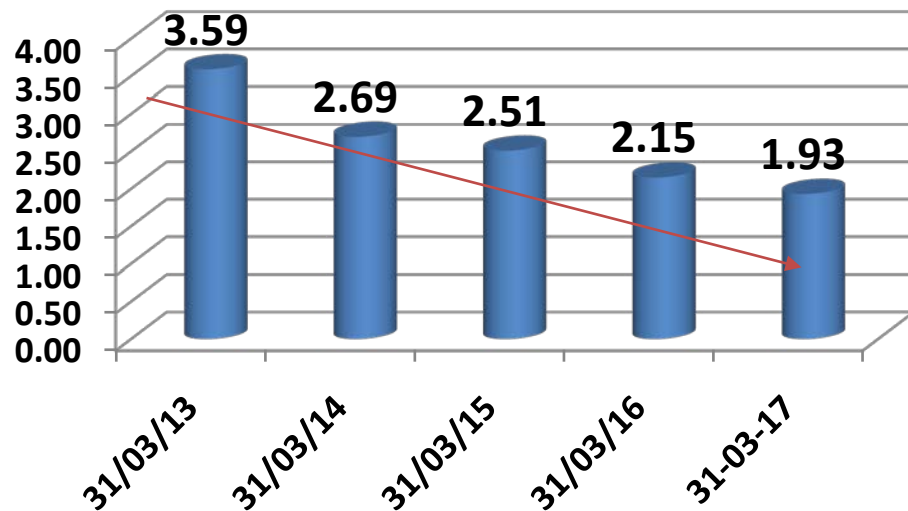


Networth

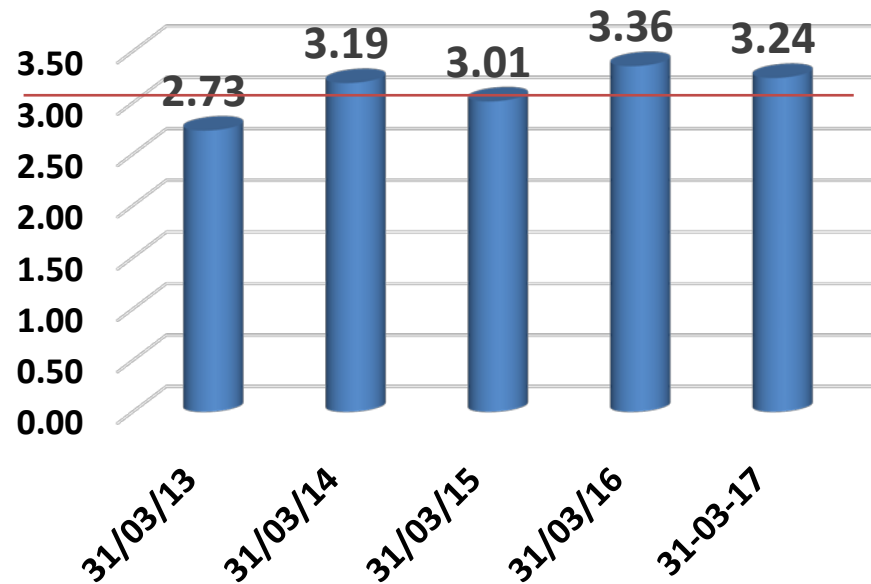
Rs. in Cr.



Debt Equity Ratio



Interest Coverage



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.)



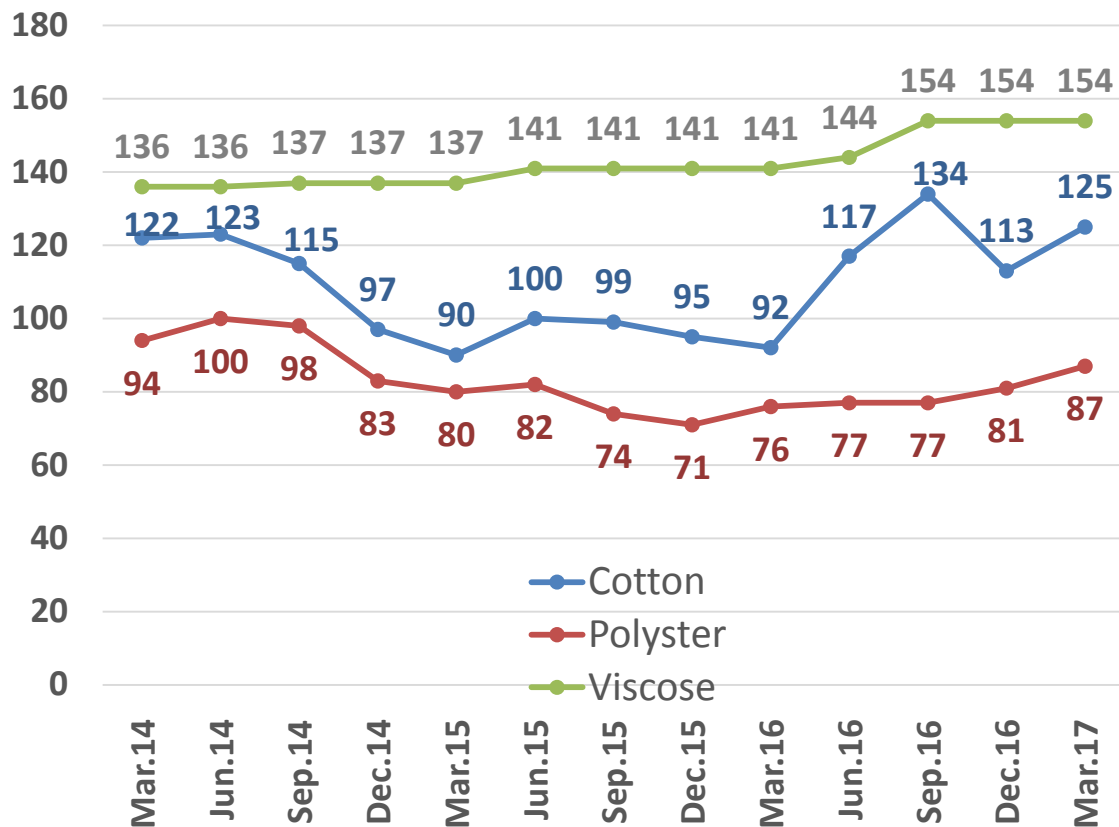
World's # 2 Producer of Cotton



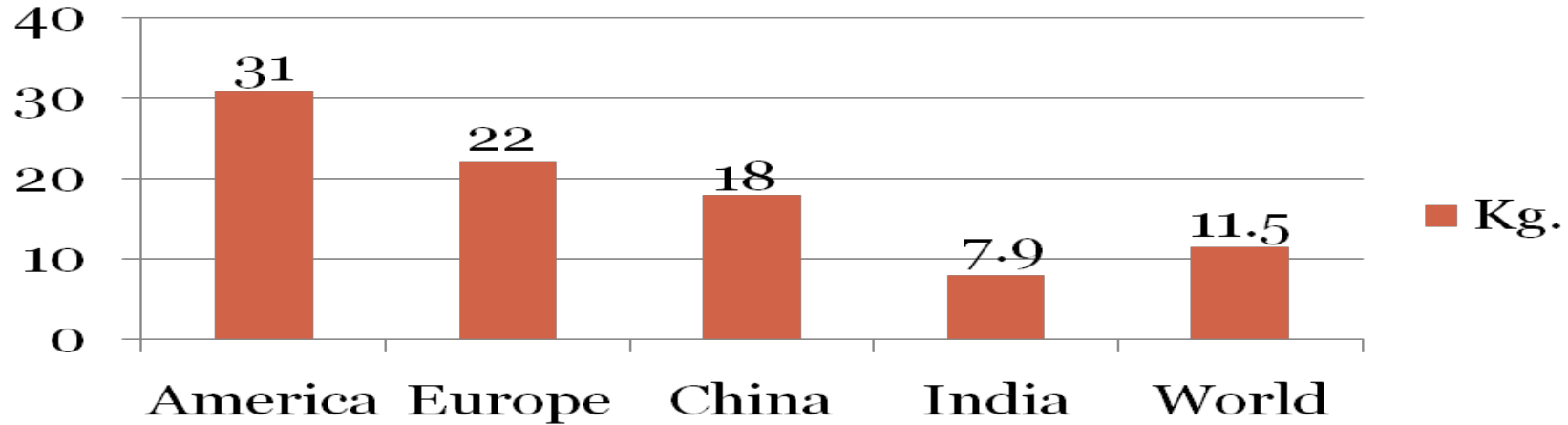
World's # 3 Sheep Population

Raw Material Price Trend (Rs./Kg)

Period	Cotton	Polyster	Viscose
Mar.14	122	94	136
Jun.14	123	100	136
Sep.14	115	98	137
Dec.14	97	83	137
Mar.15	90	80	137
Jun.15	100	82	141
Sep.15	99	74	141
Dec.15	95	71	141
Mar.16	92	76	141
Jun.16	117	77	144
Sep.16	134	77	154
Dec.16	113	81	154
Mar.17	125	87	154



Per Capita Fibre Consumption in Kg.



- Huge possibilities in domestic market. Increasing disposable income and increasing e-commerce.
- Per capita fibre consumption in India is 8Kg as against 18 kg of China and world avg. of 12 kg.
- Fast growing hotel, hospital and education industry will continue to drive demand for home textiles and clothing
- Increasing retail penetration
- Indian textile industry is growing at CAGR of 8% and expected to grow at CAGR of 10%

- Technology up-gradation of weaving.
- Capacity building in processing sector.
- Spending on R & D and product development.
- Competition from China, Pakistan, Bangladesh and Srilanka.
- Squeezing lead time and fast changing fashion trends
- Free trade agreements between US/Eu and other textile manufacturing countries like Vietnam and Indonesia.

- Invested around Rs.1500 Cr under TUFS and Rs.400 Cr Non-TUFS in last 11 years
- Added 2.2 lac Spindles, 2400 Rotors, 64 Looms, 24 million meter p.a. capacity Denim unit, 46MW CPP, Yarn/Fibre Dyeing and 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.17.26 Cr on R & D during 2016-17.
Increase of more than 300% from Rs.5.43 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 Jhunjhunwala	-	Chairman
Mr. Shekhar Agarwal	-	Vice Chairman
Mr. Riju Jhunjhunwala	-	Managing Director & Chief Executive Officer
Mr. Arun Churiwal	-	Director
Mr. J. C. Laddha	-	Director
Dr. Kamal Gupta	-	Independent Director
Mr. D. N. Davar	-	Independent Director
Mr. Amar Nath Chaudhary	-	Independent Director
Mr. P.S. Dasgupta	-	Independent Director
Mrs. Geeta Mathur	-	Independent Director
Mr. Deepak Jain	-	Independent Director
Mr. Prakash Maheshwari	-	Executive Director

Corporate Information

Key Managerial Persons

Mr. Riju Jhunjunwala-	Managing Director & CEO
Mr. B. M. Sharma-	Chief Financial Officer
Mr. Surender Gupta-	Company Secretary

Business Heads and Key Executives

Mr. Prakash Maheshwari-	Chief Executive (Corporate Affairs & TPP)
Mr. S.C.Garg-	Chief Executive (Yarn Business)
Mr. P. Bandyopadhyay-	Chief Executive (Denim & Fabric)

Auditors

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

Office, Noida



Thank you

DISCLAIMER

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