



RSWM/SECTT/2026  
May 13, 2026

<b>BSE Limited</b> Corporate Relationship Department, 1st Floor, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, Mumbai - 400 001. <b>Scrip Code: 500350</b>	<b>National Stock Exchange of India Limited</b> Listing Department, Exchange Plaza, C-1, Block - G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051. <b>Scrip Code: RSWM</b>
<b>CIN: L17115RJ1960PLC008216</b>	

**Subject: Transcript of Q4 & FY26 Earnings Conference Call held on Thursday, May 7, 2026.**

Dear Sir,

Please refer to our Earnings Conference Call, scheduled for Thursday, May 7, 2026, at 4:00 PM (IST), as intimated in our letter dated April 30, 2026.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Q4 & FY26 Earnings Conference Call transcript. The transcript is also available on the company's website: [www.rswm.in](http://www.rswm.in)

You are requested to take the same on record.

Thank you.

Yours faithfully,  
**For RSWM LIMITED**

**SURENDER GUPTA**  
**SR. VICE PRESIDENT - LEGAL & COMPANY SECRETARY**  
**FCS-2615**

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**RSWM Limited**  
**Q4 & FY26 Earnings Conference Call Transcript**  
**Thursday, May 7, 2026**

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**Management Team**

- ◆ **Mr. Rajeev Gupta, JMD**
  - ◆ **Mr. Manoj Bansal, CTO & CRO**
  - ◆ **Mr. Nitin Tulyani, President & CFO**
  - ◆ **Mr. Surender Gupta, Chief Compliance Officer & CS**
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**Moderator:**

Ladies and gentlemen, good day and welcome to the RSWM Limited Q4 and FY26 Earnings Conference Call hosted by Rik Capital.

As a reminder, all participant lines will be in the 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 touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Richa Singh for the management introduction. Thank you, and over to you, ma'am.

**Richa Singh:**

Thank you, Yusuf. Good evening, and welcome everyone to the RSWM Limited Q4 and FY26 Earnings Conference Call.

Today, from the Management, we have Mr. Rajeev Gupta – Joint Managing Director, Mr. Manoj Bansal – Chief Transformation and Chief Risk Officer, Mr. Nitin Tulyani – President and CFO, Mr. Surender Gupta – Chief Compliance Officer and Company Secretary.

Before we proceed with this call today, 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 current beliefs and expectations of management. It must be viewed in conjunction with the risk that the business faces that could cause or differ from future results and performance, which is expressed or implied by such forward-looking statements.

I now hand over the conference to Mr. Rajeev Gupta for 'Industry Outlook', followed by Mr. Nitin Tulyani to take over for the 'Financial Overview'. Thank you, and over to you, sir.

**Rajeev Gupta:**

Thank you, Richa. Good evening, everyone. I hope you and your families are doing well.

It is my pleasure to welcome you to the RSWM Q4 and FY26 Earnings Conference Call, and we sincerely appreciate your continued interest and participation.

The financial results of the RSWM Press Release and Investors' Presentations have been shared with the Stock Exchanges, and we trust you had an opportunity to review these.

Let me start by briefly setting the context for the global and Indian economy. As you all know, the past year, the year FY26, has been a period of strategic transformation and disciplined execution for RSWM. While the global textile landscape remains complex due to continuous challenges on account of geopolitical factors, I am pleased to share that we have navigated these headwinds with resilience and could turn around company performance, which is evident from the results shared yesterday for FY25-26. Our focus has been on improving the quality of earnings rather than chasing only volumes at a cost, and the approach is now beginning to reflect in our margins and overall profitability.

Looking at the global environment, the textile industry is currently going through a soft patch, with demand normalising rather than sharply recovering. Discretionary spending, especially in Western countries, continues to be cautious, which is impacting overall demand. At the same time, we remain mindful of the challenges facing the industry, including government regulations.

For example, RoDTEP was taken off for part of the year. Import duty on cotton was there for most part of this quarter. U.S. tariffs is a concern which all of us know. The recent impact of the Gulf War is also very significant. We have headed into global uncertainties, and these things have also disrupted the trade flows. The impact has been visible in terms of volatility in the key raw material costs and has also significantly increased the other cost components, like dyes and chemical costs, freight costs, impacting the overall cost structure of all textile products.

Another key concern has been energy availability, especially gas. Gas availability, due to restrictions on the route because of this Gulf War, along with the supply disruptions on the hubs like Surat, has affected a part of the industry value chain. RSWM is also impacted because of this disruption of gas, especially our denim division, which has suffered production for some days during the month of March.

Despite these near-term challenges, there are encouraging structural positive things. Now, progress on UK, EU, and New Zealand FTAs is expected to be open soon, and this will bring new opportunities for the entire textile sector. At the same time, we are increasing our focus on new geographies, adding new markets to offer all products to diversify our revenues and reduce dependence on a few markets.

Internally, we continue to drive value addition by improving internal processes and a review mechanism with a strong focus on execution,

discipline, and operational efficiencies. Our strategic direction remains clear, with more focus on value-added products, enabling us to enhance margins in the higher-up value chain. Our proactive shift towards renewable energy, which we shared in the last conference call, having a tie-up with Adani round-the-clock power, we are now having around 70% of our energy mix coming from sustainable sources like wind and solar, and this continues to be a key differentiator, helping us to mitigate the volatility and strengthen our long-term competitiveness.

While these external challenges persist, our strategic focus remains unchanged, strengthening our product mix, driving the value-added growth, improving operational efficiencies, and maintaining strict control over our costs. As we step into FY27, we do so with a cautious but confident outlook. We are prepared for a gradual cooling in the global markets by maintaining downside readiness and also upside opportunities that we are likely to have.

Our approach is that capital allocation would remain disciplined, with a strong focus on capital expenditure projects that offer shorter payback periods of one to three years, particularly in the area of modernisation and productivity improvement, which helps us in the management of cost and also creates more competitiveness for us.

Also, as you are aware, our Board of Directors in April approved a proposal for the infusion of equity through the preferential issue of 24.7 lakh Convertible Warrants, which are equivalent to almost 36 crore, to LNJ Textile Advisory, LLP, which is a Promoter Group company of LNJ Bhilwara Group. This shows the confidence of promoters in the company's performance, again a positive signal for all our investors.

As I mentioned earlier, FY26 has been a turnaround year for RSWM, where we could move from a negative PAT to a positive PAT. So this significant improvement, we are sure we will be able to carry this forward, and this will further strengthen our financial position for FY26-27, through our financial prudence, strong operational controls, and growth-oriented initiatives.

I would like to thank all the members of the RSWM family for their dedicated effort during this full year, FY25-26, the Board of Directors for the timely advice, the confidence of our valued shareholders, and the support of our chairman, which enabled us to turn around this Company in this year.

With visible margin improvements across quarterly and full-year periods, we believe RSWM is well-positioned to deliver profitable and sustainable growth in the coming quarters as well.

With this, I would now like to hand over this call to our CFO, Mr. Nitin Tulyani, to take you through the financial performance for more details. Over to you, Nitin.

**Nitin Tulyani:**

Thank you, sir. Good evening, everyone, and thank you for joining us on the Q4 and FY26 Earnings Call.

I will take you through the key financial and operational metrics for the quarter and full year period ended March 2026. I think the business environment during the quarter reflected gradual stabilisation across the textile value chain following a period of demand volatility. While recovery in the global market remains measured, we are seeing early signs of improvement driven by the normalisation of the inventory level and relatively better visibility in the select sector. From an industry perspective, there is a clear shift towards the value-added and the differentiated product category.

Coming to the financial performance for Q4 FY26, revenue from operations stood at ₹1,142 crores, registering quarter-over-quarter growth of 4.5%, while declining 9.1% year-over-year, primarily due to weaker export demand. Our exports showed a recovery of 11.4% quarter-over-quarter at ₹368 crores, indicating early signs of improvement. Our domestic sales remain relatively stable at ₹774 crores, reflecting resilience in the domestic market despite overall demand softness.

Power and fuel costs stood at ₹123.3 crores in Q4, reflecting a sequential decline of ₹4.6 crores from ₹127.9 crores in Q3 FY26, driven by the improved utilization for the renewable sources of energy. On a year-on-year basis, costs were marginally lower by ₹1.5 crores, compared to ₹124.7 crores in Q4 FY25, indicating a stable input cost management despite the external volatility.

EBITDA stood at ₹85 crores, up 4.3% quarter-over-quarter and 8.5% year-over-year, with margin being stable at 7.4% quarter-over-quarter, and improving by 115 basis points year-over-year, supported by operating leverage and cost efficiency.

Coming to the Full Year '26 financial performance, our revenue from operations was ₹4,554 crores, reflecting a year-on-year decline of 5.6%, primarily impacted by the weak demand conditions, particularly in the first half. Domestic revenue declined 4.5%, while exports were down 8% year-over-year.

Despite all these odds with respect to declining revenue, we have been able to sustain our margins. Our gross profit improved to ₹1,753 crores, up by 1.4% year-over-year, with the margin expanding to 38.1%, an increase of 246 basis points, primarily supported by better raw material cost management and improved spreads in the second half. The cost of raw material declined 9.5% year-over-year to ₹2,801 crores.

Our employee costs marginally increased by 1.8% year-over-year, while power and fuel costs reduced by 3.4% year-over-year, reflecting effective cost control.

For the full year, there has been a reduction of ₹17.6 crores in the overall power and fuel expenses. The consistent reduction underscores the company's focus initiative on energy optimization, operational efficiency, and cost realisation, contributing positively to the overall margin performance.

Our other income increased significantly to ₹51 crores in FY26, from ₹29 crores in FY25. Registering a strong growth of ₹22 crores, a year-over-year growth of 74.5%, primarily driven from the gain from the sale of non-value assets. The full-year finance cost for FY26 was ₹123 crores, down from ₹135 crores in FY25. A steep decrease of ₹12.5 crores, or you can say 9.2%, compared to the last year.

Following the enactment of the Income Tax Act 2025, which got implemented from April 1, 2026, which provided an option to move to a concessional corporate tax overall at a rate of 25.17%, including surcharges and carry forward of MAT credits, we have reassessed our deferred tax liability at 25.17% as of March 31<sup>st</sup>, compared to ₹35% earlier. The company has decided to opt for this new tax regime from FY27, resulting in the overall reduction in the deferred tax liability by ₹22.66 crores.

Other expenses declined 8.3% year-over-year to ₹441 crores, highlighting the continued focus on operational efficiency. The EBITDA stood at ₹327 crores, from ₹233 crores, registering a strong growth of 40.5% year-over-year, with margins improving to 7.1% from 4.8%, an expansion of 231 basis points.

Our PAT stood at ₹52 crores, compared to the loss of ₹41 crores last year, with margins improving to 1.1% from being (-0.9%), which clearly reflects a strong turnaround in profitability.

From the balance sheet perspective, our net worth increased to ₹1,372 crores in FY26, from ₹1,308 crores in FY25. Total borrowing reduced to

₹1,510 crores from ₹1,621 crores year-over-year, reflecting continued deleveraging and a stable capital structure. The capital deployed remained steady at ₹3,468 crores.

On the asset side, we saw improved working capital efficiency, with inventory reducing to ₹620 crores from ₹730 crores, and trade receivables declining to ₹631 crores from ₹696 crores. Our financial assets have increased to ₹387 crores from ₹299 crores, primarily on account of the investment the company has done in Adani Power, and strengthening overall liquidity, indicating ongoing investment in the growth initiative.

Overall, these movements reflect disciplined capital allocation, improved working capital management, and a stronger balance sheet position. Now, with a stronger balance sheet, improved cash flows, and continued investment in the modernisation of our plants, we believe the company is well-positioned to deliver steady revenue growth and margin expansion in FY27.

Thank you. We will now be happy to take your questions.

**Moderator:** Thank you very much, sir. We will now begin the question-and-answer session. The first question is from the line of Saket Kapoor from Kapoor & Co. Please go ahead.

**Saket Kapoor:** Namaskar, Sir. Thank you, sir, firstly for the opportunity. And as you mentioned, we have laid the foundation for improving our return ratios going ahead. So, in context to that, sir, if you could give us some colour on what will bring that rate of change in terms of improved profitability and in terms of how the utilisation levels are currently, and what we are anticipating going ahead, firstly.

**Rajeev Gupta:** So if I could gather you right, you are talking about the utilisation of the plant operations.

**Saket Kapoor:** And what exactly are we expecting when we are alluding to the fact that our visibility will be improving on our profitability going ahead?

**Rajeev Gupta:** Ok, so the year under discussion, particularly Quarter 4, has been really, really challenging for the entire textile industry. Needless to mention, this U.S. tariff was already creating a lot of issues. And then this disturbance in the Gulf between Iran and Israel put many things for challenge, particularly the availability of gas, and then transportation period for export, freight cost

for export to these countries, dyes and chemical costs. So, all these things have actually impacted majorly in the quarters under discussion.

Now, when we say that we are better hopeful or we expect things to be better off in the coming quarter, one reason is that we expect things to be normalising and normalcy to prevail in this period. But at the same time, we are also looking at for better utilisation of assets, particularly denim and knit. These are the two businesses which were impacted largely because of this geopolitical situation. Our other businesses, synthetic yarn and sustainable textile business, which is a recycled blister, are more domestic businesses, and the challenges are comparatively less. Denim and knit are the most affected, and then mélange were particularly impacted because most of the sales are deemed export. We supply to the garmenters who are exporting in turn. That was also disturbed. So, we expect utilisation in these three businesses to be slightly better, and the cost also to be controlled in the current quarters and the quarters now onwards. So, this probably will help us get better margins. Otherwise, focus on internal efficiencies, internal operational controls will continue to be the same, and we are likely to get benefit from whatever steps we took in the last four quarters for the same.

**Saket Kapoor:**

Sir, in terms of utilisation of the assets, or if you could just give category-wise what has been the utilisation in percentage terms?

**Rajeev Gupta:**

So, if you look at the synthetic and fibre business, we are more or less utilising this optimally. In mélange yarn, the utilisation is to the tune of 65% to 70%, which we expect to go back to 85% to 90% level, maybe within this quarter or early next quarter. Denim utilisation has been comparatively better.

We currently are able to utilise +80%, and we can improve it further to 85% to 90% to optimise our operations. Knit operations were affected more. We were having the utilisation below 80%, which can go to the +85% level.

So, I think in all three businesses, there is a potential to improve utilisation between 7% to 10% in the coming quarters against the utilisation level in Quarter 4.

**Saket Kapoor:**

Okay. And in terms of disturbances, which we faced particularly with the availability of gas, that things have been corrected, and post March exit, are things back to normal, or the cost and all have gone up the cost of procurement of gas?

**Rajeev Gupta:** So, Saket, you are updated on these issues, probably. Though the availability is better, we had a disturbance in mid-March for two to three days, and then on and off disturbance because of availability throughout March. But now in April, availability of gas is there, but the cost has significantly gone for upward revision. So, that is a challenge, and we expect this to resolve. That is only the hope. Till the time things normalise in the Gulf, so this cost may still continue to be an issue with us. But availability for sure is okay now.

**Saket Kapoor:** So, can you give some more on the spread part then? How, although there has been a cost increase, so that should have been passed on to your customer, and how are currently the spread in our yarn business?

**Rajeev Gupta:** So, the spread in business-to-business are different, and they are maintained in business. It is improving. But the business under discussion is Denim, where this gas increased prices has impacted. And as you know, you have already booked orders in hand. Passing on the cost or trying to increase the prices happens for future orders. So, there is a lag between the cost increase and the price increase. To that extent, you always suffer, and sometimes it is not possible to increase all costs to the final product. Now, particularly if I talk about Denim, there have been four or five fronts where cost has increased. One is gas, the second is dyes and chemicals, the third is freight, and the fourth and biggest is yarn prices. So, though as a company, we have an advantage if the yarn prices go increase for our yarn business. But for the denim business, the increase in the yarn prices, both in cotton and in polyester cotton, has impacted increase in the price of denim per meter. But passing on it to the customer always takes time, and there is a lag. So, to that extent, our margins and the spreads are impacted in denim. To some extent, this also impacted our knitting business. But for other businesses, normally the round-year stockage and the sales are more or less similar days, and the spread is kind of maintained. But passing on the increase in cost to the customer normally takes some time.

**Moderator:** Right. Last two points. Sorry to interrupt, Mr. Kapoor. May we please request that you reach out? Yes, yes. Thank you, sir. Before we move to the next question, a reminder to the participants. To ask a question, you may press star and one. The next question is from the line of Ruben from Equity Intelligence. Please go ahead.

**Ruben:** Yes. Hi. Good evening. First, congrats, Mr. Rajeev and the entire RSWM team, on delivering a very good set of numbers, even though it was a very challenging period. So, I just wanted to say kudos to you all. So, my first question, I just want to know, in your spinning division, what percentage is currently structurally not viable at the current yarn and cotton spread? And

what are the plans for those divisions? Are you looking at shutting it down, or are you looking to continue to operate it, but maybe at lower levels? Can you help me understand that?

**Rajeev Gupta:**

So, I appreciate your continued discussions from the last investor's call we had. Last time, we discussed that we'll cut down certain operations, spindles or the products where we are not able to have the right margins. So, we did that as we discussed in the last conference call, also. Operations of Chhata spinning were curtailed, which was having inefficient production, and we were not able to clock the required margins there. A few other products within the businesses were changed for the better products where the margins were there. A lot of work has been done on product mix and elevating the product from low-contributing to better-contributing products. So, at the same time, we are not envisaging any closure of spindles or looms or other operations in this quarter and next quarter for a lot of those challenges. Probably, that journey is largely done, and we will keep on evaluating as and when it is required.

**Ruben:**

Okay. So, at the current spread, your EBITDA margins are around 7.6%. So, it has been steadily increasing, but where do you see the spread going to be? In order for RSWM to hit a double-digit EBITDA, is it dependent on maybe demand, or is it going to be an internal change, or is it a customer mix? What changes would be required to hit that double-digit EBITDA margin?

**Rajeev Gupta:**

So, first of all, as you wanted to reach double-digit, more than that, I want to see it in double-digits as early as possible, so that we are aligned fully there. Now, how this will happen, it cannot be because of one particular thing. It has to be a combination of many things.

All internal operations have to be at the right level of performance. We have to closely participate with the customer in terms of product development, creating value for them, and partner with them in their product development. And also, we have to be efficient in our supply chain in terms of sourcing our raw materials and ensuring that we sweat our assets right, utilise them right, and work on the inefficiencies continuously.

So, the direction that we have started in FY26, we would like to continue in the coming quarters as well. And as the markets start looking slightly better, we are more than you are looking forward to seeing double-digit EBITDA at the earliest.

**Ruben:** And one last question before I head back into the queue. So, I am also following your turnaround series. I think that's also very nice. I follow it every week that you put out.

**Rajeev Gupta:** Thank you so much.

**Ruben:** I think it's really good. So, see, the thing is, when we compare your working capital to your peers, it still seems to be slightly higher. And you were talking about cash flows last time. So, is there a targeted working capital to sales ratio you are looking at? Is that something you have in mind?

**Rajeev Gupta:** So, I agree with you. But when you compare with the yarn people, maybe our working capital ratios are slightly higher. But please be aware that we are a combination of five businesses. Our working capital in cotton yarn, mélange yarn, and synthetic yarn is more or less in line with the peers in the same industry. And now, Denim has a different set of working capital, where outstanding has a different thing. But we are continuously working in this area. And Nitin wants to add something to this. Let me hand over to him.

**Nitin Tulyani:** So, just adding to what Rajeev Ji said, if you come to the working capital, which is visible in the balance sheet, it consists of two portions. One is in the form of the structured term loan, which we have taken in the recent past for the expansion of our Denim business, knit business, as well as the Kapas unit, which exists in Banswara. So, as the balance sheet says, we have roughly ₹700 crores of term loan, which forms a part of the total borrowing.

But if you talk about the working capital, it's close to around ₹800 crores, which is structured across all the different businesses which we have. So, I hope this answers to your curiosity of the working capital. And the loans which are there, we are repaying them year-over-year, and hopefully in the next 3 to 4 years, our current loan outstanding will be minimised.

**Ruben:** Okay. Thank you. I will get back in the queue. I have a few more questions. I will get back in the queue.

**Moderator:** Thank you. The next question is from the line of Rishabh Sharma from VT Capital. Please go ahead.

**Rishabh Sharma:** Hello. Thank you for the opportunity. Sir, could you quantify the PAT impact of the deferred tax reversal in Quarter 4 and help us understand the normalised earnings trend rate going forward?

**Nitin Tulyani:** So, if you want to understand the PAT, overall, there is an impact of ₹23 crores for the deferred tax liability, which we reversed. If we had opted for the existing income tax rates, we would have closed the PAT at ₹29 crores. And this is clearly given in the notes to accounts, also if you have gone through the same.

**Rishabh Sharma:** Okay. Got it. And the revenue decline has been sharper than the industry expectations over the last few quarters. So, are we losing market share in any categories, or is it a weakness entirely in demand?

**Rajeev Gupta:** Okay. So, good that you observed that. I was expecting this question. So, this revenue decrease is on two fronts. One is that we closed Chhata operations. So, for the year, we had approximately ₹250 crore of revenue from Chhata spinning. So, which has impacted this revenue degrowth. And second has been a tough marketing environment, particularly because of the U.S. tariff, which we have witnessed in Quarter 3 that impacted our major exports. So, I think these are the two major causes which has impacted this revenue. And as I mentioned earlier, we focused more on the profitability than pure revenue. So, wherever it made more sense for us, we worked on the operations in a way that we may have less volume, but it should be profitable revenue.

**Rishabh Sharma:** Okay. So, got it. Sir, under RSWM 2.0, we are seeing a turnaround in the company's profitability. Can you share the current year KPIs or the target under which this initiative, particularly around margins and ROCE?

**Rajeev Gupta:** So, I am happy that you want to know the current year targets and everything. I can share with you that we will continue to work in a similar fashion. And the outlook at this part of time is that the current quarter is going to be slightly better or equivalent to last quarter. And our KPI remains EBITDA, revenue and positive cash flow. So, working capital control, EBITDA enhancement, and revenue maintenance are the major key KPIs that the entire organisation is working on. Then you have each department have operational KPIs. But broadly, as an organisation, we are focused on sustainable growth.

**Rishabh Sharma:** So, sir, in the EBITDA, which factor would be the most positive step which will be giving the outcome positive?

**Rajeev Gupta:** So, there has been you improve where you lack. So, we have been having a lot of challenges in our knitting business in the FY26. And with the new FTAs UK and EU happening, and this US tariff now being settled, this business of knit is likely to improve, and an EBITDA enhancement will happen from there.

Secondly, as we discussed in our last and call prior to that, that we are having ₹92 crores of expansion in our knitting business. We are adding printing as one of the segments. So, as a result of this new CAPEX, we may also add EBITDA in the 3rd and 4<sup>th</sup> quarters in our knitting business accordingly.

**Rishabh Sharma:** So, sir, any CAPEX plan in the future?

**Rajeev Gupta:** So, currently, we are not having any major CAPEX. There are two things which are happening. One is this knitting expansion, which is under execution, and we are implementing that. Then we have certain modernisation CAPEX for all the plants, where we want assets which are old, that we will be replaced. And these are the two major things we are doing in RSWM.

**Rishabh Sharma:** Thank you, sir. Hope we are doing better results in the future. And thank you.

**Rajeev Gupta:** Thank you very much. Thank you so much for your wishes.

**Moderator:** Thank you. The next question is from the line of Rohit Ohri from Progressive Shares. Please go ahead.

**Rohit Ohri:** Hi, team. Rajeev ji, Nitin ji, many congrats on this genuine operational turnaround that the company is showing. I hope it is not some cyclical optical recovery, but I think that all the efforts that you are putting in since the last two years or so they tend to be showing fruits right now.

**Nitin Tulyani:** Thank you, Rohit.

**Rohit Ohri:** So, I have some questions. Very quickly, I will go through them. The first one being that we see this good growth, but in terms of the recovery that is coming through, how much percent would you attribute to maybe product mix or maybe the discounting, which you must be giving lower to the clients or customers? In addition to that, the energy optimisation or inventory discipline, or is it because of the exit of some low-margin businesses? How much percent would you give to each of these entities?

**Rajeev Gupta:** Okay. So, Rohit, first of all, thank you very much. And I will assure you that this is not a cyclical thing. The year under consideration has been really very tough for us as well as for the entire textile industry. Whatever could have been uncertainties prevailed in the world have prevailed in this year as a whole. So, the year was tough, and the turnaround which we are seeing is more because of internal operations than market-led. Now, coming to what

led to this turnaround, or what are the bases of this recovery? So, largely, as you mentioned, this is optimisation of product mix. Now, we have five businesses, and in each business, we try to optimise product mix, essentially reducing our volumes of the low-contributing products. And enhancing or developing new products which give you competitively better volumes. And then, optimally utilising your value-added product lines, wherever attachments or competencies are built, how to utilise them for the better. And then try to focus on your working capital. If you look at the same, around ₹12.5 crore of interest. So, that more has been in terms of optimising our working capital, both in debtors as well as in stocks. So, the team has been trying to work on the lower availability of stocks and try to work more closely with the customers for better collection. So, everything has contributed in this recovery, and there is still a margin which we have to continuously keep on improving.

**Rohit Ohri:** Rajeev Ji, how much percentage would be the value-added products or value-added volumes, if you can, if you have that number handy with you?

**Rajeev Gupta:** So, it will vary from business to business, but still, we have very less products which are really value-added. Now, what happened is that whatever value-added products we developed in the last two to three years, they turn into commodities very soon. Value-added is only till the time you are not they are with most of the spinners or most of the other products. You have to continuously keep on working. So, as on today, we are not mapping this exactly the way you are saying, but I would accept that it is not high in numbers. It is less than maybe one-fifth of our sales.

**Rohit Ohri:** My next question is, you did mention a bit about the customer additions or geographic additions in your opening remarks, but if you can take us through that, how many of these customer addition or deletions have happened, maybe in the domestic or the international market, and which are the global customers which have actually started procuring from us when we talk about UK FTA or maybe New Zealand FTA or the other FTAs that are coming through from Australia?

**Rajeev Gupta:** So, these FTAs are yet to be reality. These are more in terms of expectancy, and we will have a real implementation of this early next year or maybe towards the end of this year. Now, what we did was optimise within our own markets and see which market is comparatively better for products. So, we vetted a couple of countries. For example, in Milan, we were exporting more to, say, Korea and Bangladesh. So, we added two more markets in Europe and a few customers from Sri Lanka. And the focus on developing the niche markets where the competition is more in the quality of the product rather

than the suppliers. So, similarly, in Denim, we tried to work on a few domestic as well as international brands. U.S., we added two more customers during this year. And within India, our volume to brand has increased over a period of time. Nomination business and these specialised cotton or fibres are another thing which we focus on. So, I think it is a combination of many things, not exactly only the addition of markets, the paying markets or the rewarding markets, or the rewarding customers have been something which we try to deal.

**Rohit Ohri:**

Okay. That's encouraging. So, you mentioned about this investment made in the knitting business, which is around 92. So, can you take us through what sort of asset turns or maybe the EBITDA margins that you expect from this business going forward, maybe in the next one and a half to two years or so?

**Rajeev Gupta:**

Okay. So, Manoj Bansal ji is with me. He is leading this project. I will request Manoj to update.

**Manoj Bansal:**

Hi. Currently, we have around 600 tons of knit capacity, which we are taking to 900 tons. So, one of the additions we are doing is printing. So, out of 900, 120 tons would be knitting. So, this actually adds a new product segment. With this 900 tons of expansion, probably our product mix will be better than what we are displaying today. That is number one. Currently, EBITDA, we intend to implement the entire product in the 3rd Quarter of this year. So, once this is in place, we are definitely expecting EBITDA improvement by 3% to 4% in the current levels. So, that is what our outlook is. And obviously, with this improved product mix, as Rajeev ji mentioned, we are targeting the number of new markets, both in India and outside. So, this will actually strengthen the entire business.

**Rohit Ohri:**

Okay. Sir, anything you would like to share on the GreenPET project? Anything on the CAPEX guidance, or maybe that's what the threshold is that you are targeting for this R PET?

**Manoj Bansal:**

Yes. See, this B2B project has a total CAPEX of ₹427 crore, which you already shared with the public domain. So, in this project, we have already started working. This project is coming in Ratlam, in the state of Madhya Pradesh. So, we intend to start the construction in the middle of May, per se. Land is already acquired, and everything is there. We already got the consent to establish certificate from the government.

So, we intend to start towards the middle of May, and we want to make it operational next year, the 1<sup>st</sup> Quarter of the financial year. That is the overall

plan. And we are very exciting about this project and machines that have been finalized for this project. So, that is about the B2B project. In case you have any specific question of B2B, I can give answer on that. But as of now, this is the plan on the ground.

**Rohit Ohri:** Okay. Rajeev Ji, if the last question, if you can take us through that, how do you see India positioning against Bangladesh, Vietnam or China? And what are the things that you look at maybe in the next three years or five years or so? Do you think that we can probably grow at maybe 15% CAGR growth for the next maybe four years or so?

**Rajeev Gupta:** So, Government of India has worked out a very clear growth plan and Ministry of Textile along with all other ministries including Ministry of Commerce and Finance Ministry is supporting. We are getting the required tools. And with the FTAs of UK and EU coming in, we will have an excellent opportunity as a country for textile industry to make an impact. Now, India has abundance of cotton. Government is also encouraging man-made fibers to create. Now, if you talk about Bangladesh and Vietnam, Bangladesh has a huge garmenting capacity. And India still is predominantly a spinner which is catching up in downstream like knitting, weaving and processing. But in garmenting, we still have a major gap. So, next three years, if you look at India as a country has to focus creating more garmenting facilities and then try to see that we build on and we come up with a story of Indian Government's target of going to \$100 billion export from \$39 billion of current and \$250 billion in domestic current of \$147 billion. So, I think with all the things falling in place, whatever we missed in last three, four quarters, next two, three years are going to be good period for the Indian textile industry if geopolitical situation settled down.

**Rohit Ohri:** And, sir, in terms of RSWM maybe reaching to ₹6,200 to ₹6,500 crore kind of top line in the next three, four years, do you think it is possible?

**Rajeev Gupta:** Yes, it is possible. The way India is growing, RSWM will not miss out this opportunity. Only thing is let's keep our fingers crossed and we need the well-wishers like you.

**Rohit Ohri:** Thank you, sir. Thank you for answering my question. Thanks a lot.

**Moderator:** Ladies and gentlemen, in order to ensure that the management is able to address questions from all the participants in the question queue, please restrict yourself to two questions only. Should you have a follow-up question, please rejoin the queue. Next question is from the line of Nihar from Millennium Money Finance. Please proceed.

**Nihar:** Hello. Thank you very much for the opportunity, sir. And congratulations on wonderful recovery of the company. So, sir, I have two questions. As you stated that US tariffs impacted the company, so would you say that the US order book has fully recovered after the tariff settlement?

**Rajeev Gupta:** So, I will say that it is under recovery. Normally, the garmenting is a long cycle. Once you miss a cycle sampling and the product orders are done to maybe the alternate countries, it takes time to come back to the supplier. And wherever we stuck to those customers to offer discounts, so those volumes are coming back. But product development, which we suffered during this period of three to six months, that is still impacting. And if everything goes well, I think another two quarters, things should be back to normalcy.

**Nihar:** Okay. And the second question is that what percentage of total exports are from US currently, and how much do you think it will grow in the future?

**Rajeev Gupta:** So, if you talk about India, India has a good share of exports to US, particularly the market, the products like home textile. Now, if you talk about RSWM, our direct sales to US are limited. You know, most of the products that we supply are going to the garmenters or if I talk about yarn to the weavers and knitters, where in turn convert into garments and then they get exported. So, our exposure to US market is not direct. It is indirect and we are impacted indirectly and also recovering indirectly.

**Nihar:** Okay, sir. Got it. Thank you very much and all the very best.

**Rajeev Gupta:** Thank you Nihar, thank you so much.

**Moderator:** Thank you. Next question is from the line of Pramod from Interglobe Finance. Please go ahead.

**Pramod:** Sir, I wanted to understand the power cost. In the standalone, I can see ₹495 crores, while in consolidated it is ₹484 crores. So, first question is why the consolidated number is lower than the standalone number in terms of power and fuel? And second is the investment of ₹60 crores in the renewable energy. What is the power cost reduction that we are looking at?

**Nitin Tulyani:** So, coming to your first question with respect to the power cost, like in our consolidated financial, we have another entity called BG Wind Private Limited, which is primarily for the wind energy. So, maybe because of that you are finding the difference. And coming to the power cost impact which you are talking about, I would like Manoj ji to answer this question.

**Manoj Bansal:** See, regarding the Adani Power, we are anticipating the impact of almost ₹1 per unit in the overall reduction.

**Pramod:** And how many units would that be? Can you help me translate that in terms of amount, sir, for the next year?

**Manoj Bansal:** Around, we use currently around 40-50 lakh unit per day, so that would be that much. 40-50 lakh unit per day?

**Rajeev Gupta:** So, this impact is varying from season to season. You know, this is solar and wind power, and the availability of wind and your power generation of solar is something which varies from season to season. So, on an average, we are likely to get saving on, say, between 3-5 lakh units per day. And that's all the savings.

**Pramod:** So, 40-50 lakh units per day, right?

**Manoj Bansal:** No. See, what we are saying is, because of this project, the impact will be almost 3-4 lakhs unit per day, and the impact is ₹1 per unit. So, you can anticipate probably you can see the 3 lakhs, around 3-4 lakhs impact per day. So, monthly we see, it's almost a Crore.

**Moderator:** Thank you. The next question is from the line of Ruben, from Equity Intelligence. Please go ahead.

**Ruben:** Hi. Yes. So, it was good to see, like, you are doing this capital raise, even though you are just increasing your stake by 2.5%. I just wanted to understand that a little bit better, because earlier, in the news, it was saying that Bhilwara was looking at investing ₹700 crores for this green pet plan. But now, it seems to be largely done through RSWM, and we are raising debt for it. So, is there a possibility that maybe the promoter wouldn't be increasing more equity in this project? Did you just help me understand that?

**Rajeev Gupta:** So, we could not get your question. Can you rephrase it in a way that we can understand?

**Ruben:** Yes. So, before, it was like Bhilwara was looking at investing ₹700 crores. That's what I read in the news. Right?

**Rajeev Gupta:** Yes. Now, I got it. You are talking about a B2B project.

**Ruben:** Yes.

**Rajeev Gupta:** I agree with that. B2B project, earlier, as a Group, it was being explored by our Bhilwara Energy Group. But originally, this project was emphasized by RSWM, and we were exploring this project at a location other than the current location, which is Ratlam. And then, RSWM financials at that point of time, and overall fitment within RSWM was taking time. That is why this deferment was there. But now, since we already are in fiber manufacturing and we produce 130 metric tons of polyester fiber from recycled pet bottles every day, and we consume 60 lakh bottles per day. So, management per se thought that it makes more synergy to have this project in RSWM. And in order to ensure that we do not open a big capacity right in the beginning, the project envisaged originally was around ₹700 plus crore. And then, we scale it down almost to 60-65%. And the current project, which our subsidiary in RSWM is taking, it's around ₹427 crore.

**Ruben:** So, I am just, what I am trying to understand it isn't it the worry that it's going to be majority through debt, like ₹300 crores in the last call that was what was mentioned?

**Rajeev Gupta:** So, it is 70-30.

**Ruben:** Yes. So, wouldn't it be better to have raised funds and not use debt instead?

**Nitin Tulyani:** So, just to answer your query. So, the total project cost is ₹427 crores, out of which we have raised almost 70% of the amount by way of project financing. We have already got a loan approved for ₹300 crores. And the rest of the portion is being introduced by a mix of equity and a loan from holding companies. This is how the structure is for the entity. So, it will be ₹127 crores.

**Moderator:** Thank you. Ladies and gentlemen, that was the last question for the day. I now hand the conference over to the Management for the closing comments.

**Nitin Tulyani:** Thank you. So, in closing, I extend my sincere gratitude to our employees, stakeholders, and partners for their unwavering support. With collective effort and a shared vision, we are well positioned to drive innovation, strengthen our market presence, and deliver sustainable value. The road ahead holds great promise, and I am confident in our ability to grow and succeed in the years to come. Thanks.

**Moderator:** Thank you, sir. On behalf of RSWM Limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.

(This document has been edited for readability purposes.)

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