



Nitin Spinners Limited

Investors Presentation



Company Snapshot

- Nitin Spinners Ltd is one of the leading producers of 100% Cotton Yarn and Knitted Fabrics in India having plants located at Hamirgarh, District Bhilwara (Rajasthan).
- The company has an installed capacity of 223,056 Spindles and 2,936 Rotors, producing 50,000 tons of yarn per annum.
- To move up the value chain, the company has also established a Knit Fabric Division with 63 Knitting machines, having production capacity of 9,000 tons of fabric per annum.
- The company exports about 60% of its production to more than 50 countries across all the continents.

The company is one of leading players of cotton yarn and knitted fabrics in India



Milestones

Year	Milestone
1993	▪ Commenced operations with Open-end Spinning – installed 384 Rotors with an investment of Rs 3cr
1999	▪ Total installed Rotors reached 1,464
2002	▪ Ventured into Ring Spinning by installing 14,112 Spindles ▪ Forward integration into knitted fabric by installing 7 Knitting machines
2005	▪ Ring Spinning capacity doubled to 27,216 Spindles and Knitting machines to 15 nos
2006	▪ Maiden Public issue – listed on BSE & NSE – over-subscribed 22 times
2007	▪ Completed expansion program by installation of 50,400 Spindles, 12 Knitting machines & a 7.66 MW Fuel Oil based Power plant
2008	▪ Expansion of Open-end Spinning by installation of 2,000 Rotors and setting up of 10.5 MW captive Thermal Power plant
2014	▪ Declared maiden Dividend
2015	▪ Expansion of Spinning & Knitting capacity by installing 72,480 Spindles & 18 Knitting machines
2017	▪ Completed Spinning expansion by adding 72,960 Spindles and 14 Knitting machines taking total spindles to 223,056, 2936 Rotors and 63 Knitting machines.
2018	▪ Successfully raised additional Equity capital of Rs 108 crores through QIP in November 2017.



Products Portfolio

- The company produces a wide range of cotton yarns ranging from Ne 5 to Ne 24 in Open-end and Ne 10 to Ne 80 in Ring-spun yarns, with single and multi-fold types.
- It also produces value added yarns like Slub, Compact, Core Spun, Organic and BCI/TBC certified yarns and yarns manufactured from Supima and Giza cotton.
- In knitted fabric division is equipped to knit various type of structures to meet varied demands of customers for different end applications.

Product Applications:

- Company's products are used for multiple applications such as high value apparels, terry towels, all types of knitted garments, denims, furnishing fabric, sheetings, medical and industrial fabrics, mattress stickings, tea bags etc.
- The company's marketing strategy is based on product type and end user segment.
- The company interacts with end customers, understands their specific needs and accordingly prepares its production plans.

Company is has a diversified product range in cotton yarns and fabrics catering to wide range of textile applications



Quality Certifications/Awards

Certifications

- The company has all quality certifications as per International Standards.
- It has a comprehensive quality certification ISO 9001:2015, Environment and Energy Management System Certifications ISO 14000 & ISO 50001, OSHAS and SA 8000.
- It is also certified by OEKOTEX Class I, GOTS, OCS for Organic Cotton, BCI certification for Better Cotton Initiative, SUPIMA Certified, Cotton USA etc.

Awards

- TEXPROCIL Bronze trophy for the 3rd highest exports of Cotton Yarn counts 50s and below under Category II and Bronze Trophy in Grey Fabrics Category for the year 2015-16.
- TEXPROCIL Silver Trophy for Second Highest Exports in the category of Grey Fabrics for the years 2006-07 & 2007-08 and Bronze Trophy for the years 2010-11 & 2014-15.
- The Company has also been conferred State Award for “Excellence in Exports” for the years 2007-08, 2010-11 & 2013-14 by the Government of Rajasthan.
- Conferred with Rajasthan Energy Conservation Award and won first prize in large scale spinning for the years 2014-15 and 2015-16.

The Company's philosophy has always been to employ world class technology and quality procedures to ensure International Quality Products



Strengths

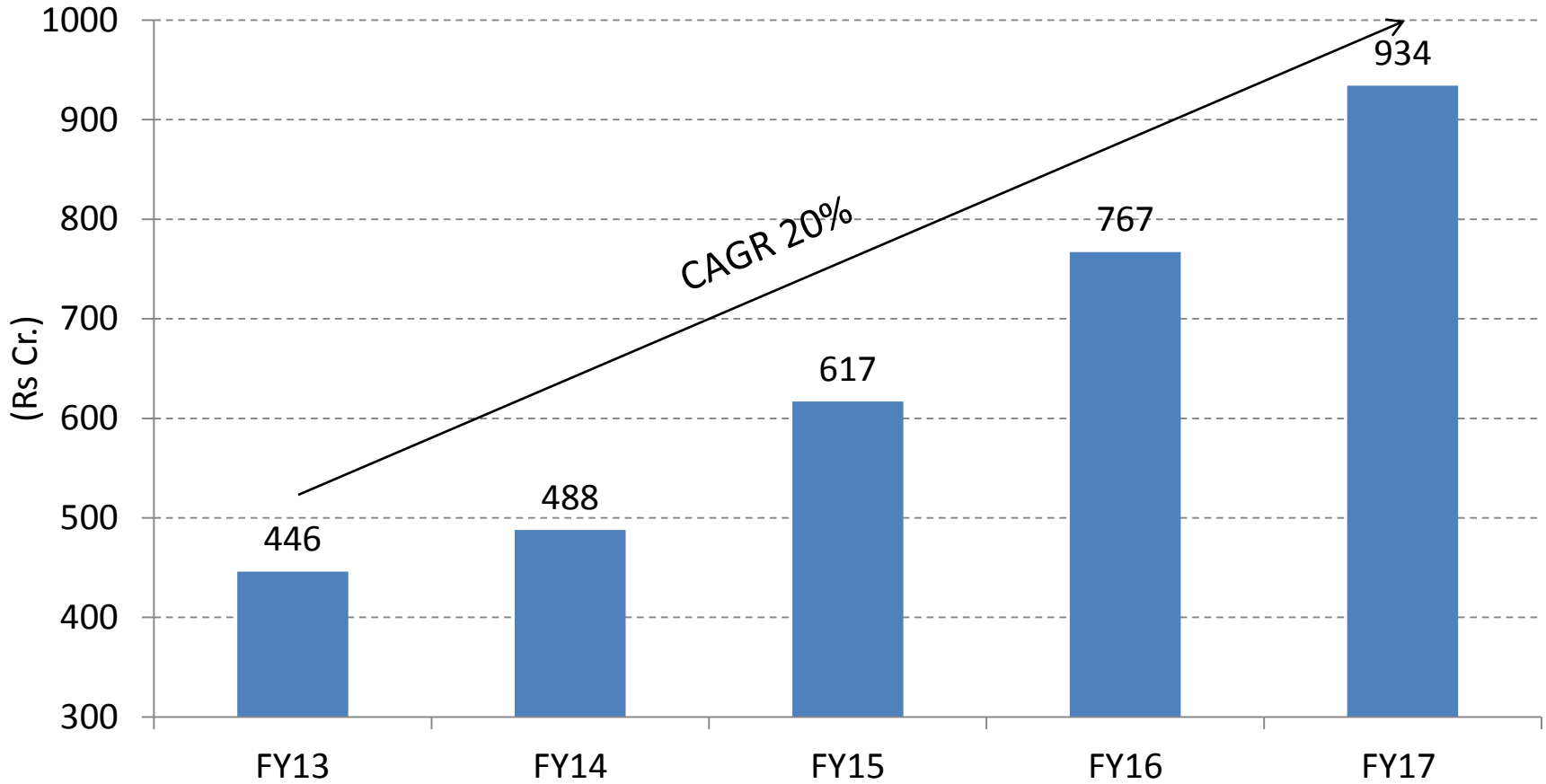
- Experienced and highly qualified promoters ably supported by experienced professionals.
- Enjoying economies of scale by having one of the largest spinning capacities at a single location.
- State of the art latest technology from world renowned machinery manufacturers. All plants are updated with latest technological developments, whether it is production monitoring, energy monitoring or machinery components from time to time. Our oldest mills have latest monitoring and quality control system to keep pace with latest technology.
- Well equipped lab to monitor quality and develop new product for our customers. The QC lab continuously monitors quality at all stages of production from raw materials to final yarns and fabrics
- Large and diversified product range catering to varied customer needs.
- Strategically located in the cotton growing belt giving logistics and cost advantages.
- Company's facilities are well connected and are in close proximity with Mundra & Pipavav ports and major Textile centres of North & Western India to ensure lower delivery time.
- Excellence in successful implementation of large expansion projects.
- Existing projects enjoy benefits of interest Subsidy under TUFS and interest subsidy & electricity duty benefits under RIPS.
- Future projects will also be eligible for benefits under RIPS.



Financial Performance



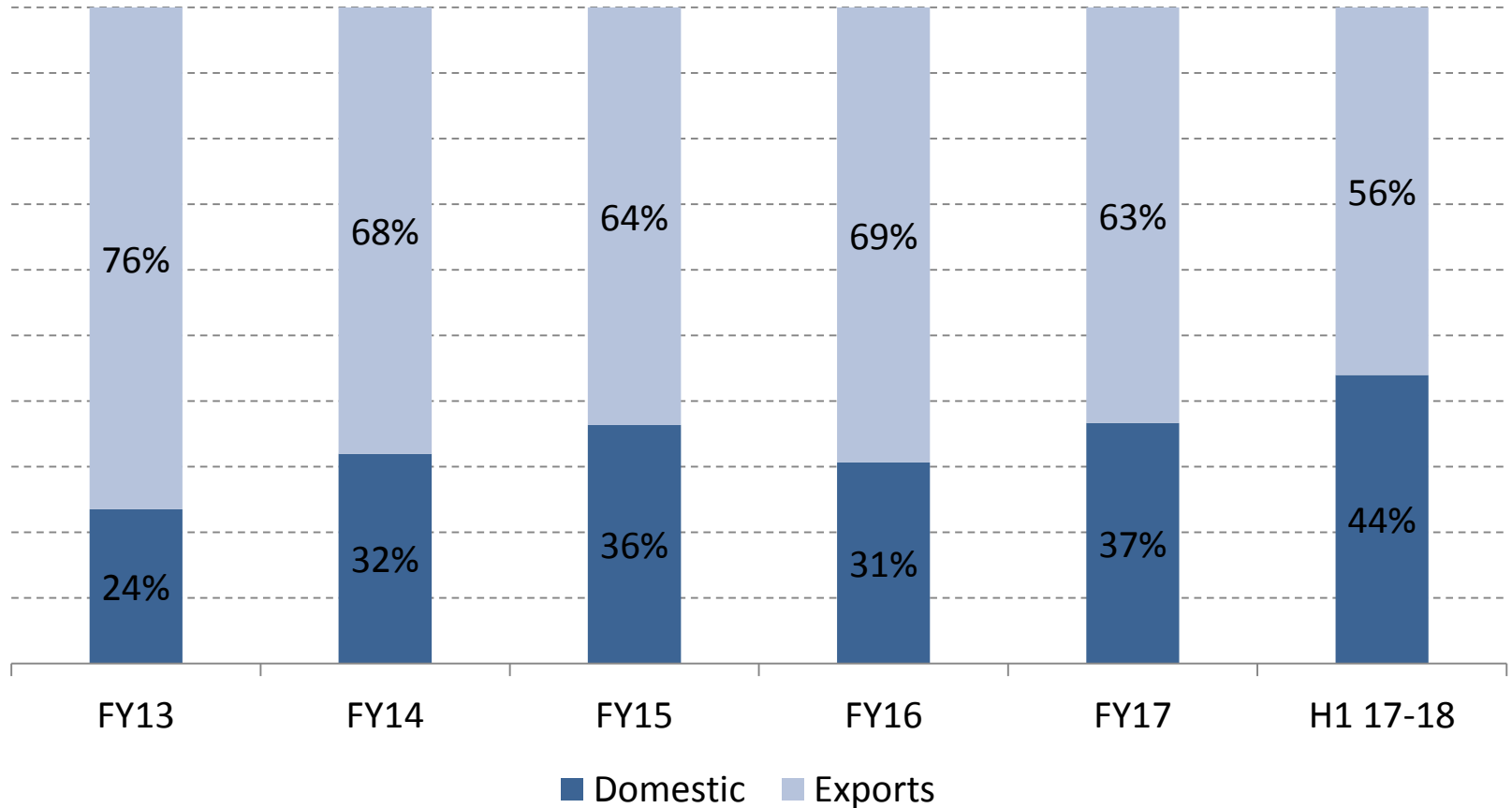
Revenue Performance



Revenues reached new highs with a YoY growth of 22% in FY17 and has been growing at a CAGR of 20% from FY13-FY17



Geographical Distribution of Revenue



The company exports about 60% of its production to over 50 countries across the globe. However, the company has started to focus on domestic market, so as to increase domestic consumption and per capita spend on clothing in India



Financial Highlights

Rs in Crores**	FY13	FY14	FY15	FY16	FY17	CAGR
Turnover	446.1	488.3	616.5	766.9	933.3	20 %
EBIDTA	87.5	94.3	104.3	137.8	133.9	11%
EBIDTA %	19.6%	19.3%	16.9%	17.9%	14.35%	
PBDT	45.5	76.8	81.7	104.8	111.7	25%
PBT	35.7*	52.0	53.8	65.2	70.0	18%
PAT	28.9*	34.8	41.0	44.2	57.1	19%
EPS (Rs Per Share)	3.1	7.6	8.9	9.6	12.5	

*Before exceptional items

**Figures as reported under Ind GAAP



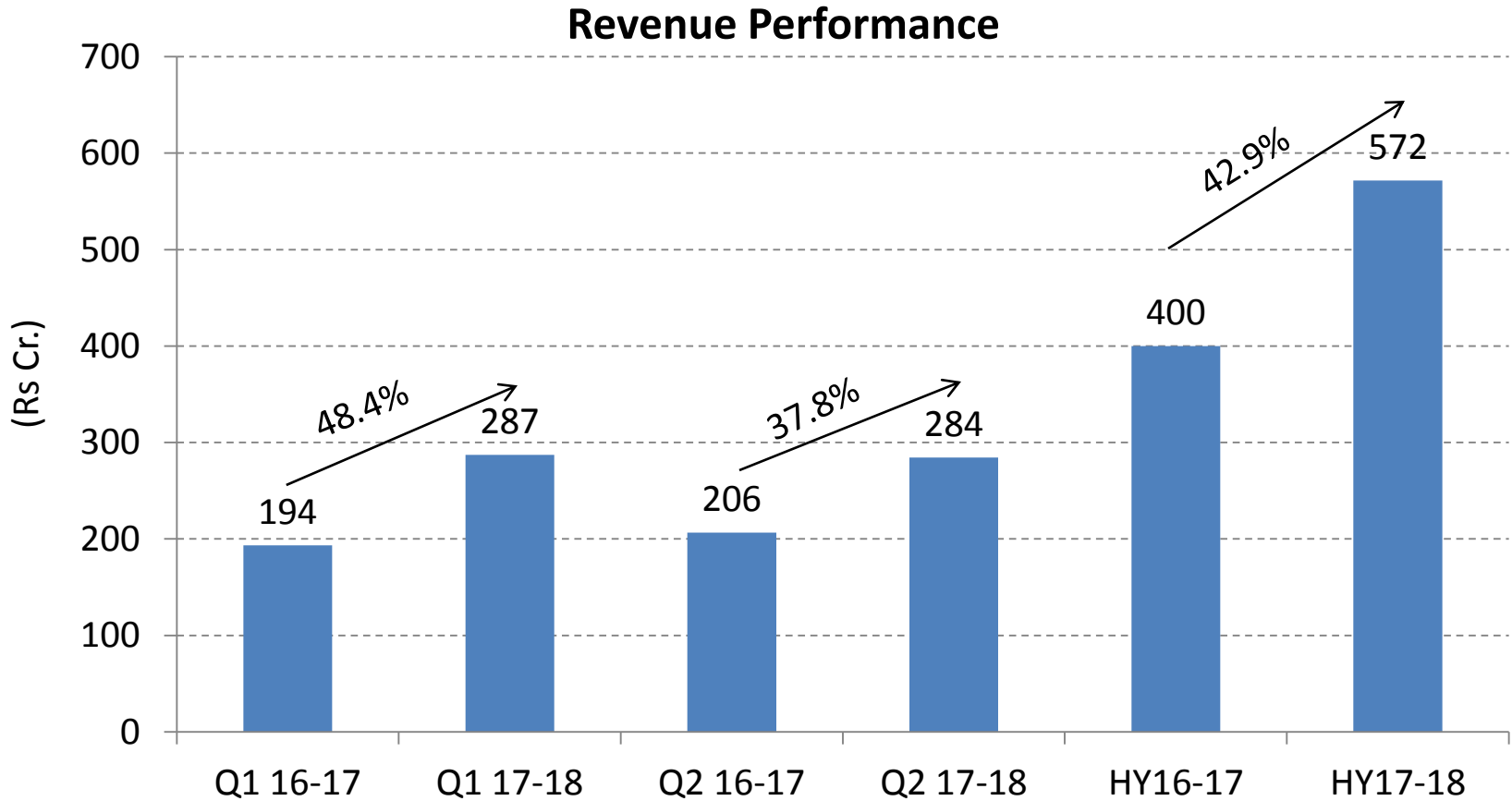
Balance Sheet Position

Rs in Crores*	FY13	FY14	FY15	FY16	FY17
Equity Capital	45.8	45.8	45.8	45.8	45.8
Reserves & Surplus	55.0	85.8	121.2	159.9	210.4
Net Worth	100.8	131.6	167.0	205.7	256.2
Deferred Tax Liabilities	6.6	21.2	33.9	43.3	53.9
Long Term Loans	162.3	130.7	294.3	240.9	389.4
Bank Borrowing	16.8	13.4	53.4	57.7	107.5
Current Maturities of LT Loan	27.5	31.9	30.6	53.5	66.6
Other Liabilities	31.7	25.2	30.7	34.0	50.5
Total Liabilities	345.7	354.0	609.9	635.1	924.1
Gross Fixed assets incl. WIP	377.2	399.9	621.1	642.3	898.4
Net Fixed assets incl. WIP	213.0	212.4	416.7	399.2	614.3
Current assets	132.7	141.6	193.2	235.9	309.8
Total Assets	345.7	354.0	609.9	635.1	924.1

*Figures as reported under Ind GAAP



Quarterly and Half Yearly Performance



HY revenue increased by 43% as compared to corresponding HY in last year due to addition of capacities in March 17 quarter.



Quarterly and Half Yearly Profitability

Rs in Crores**	Q1 17-18	Q1 16-17	Q2 17-18	Q2 16-17	H1 17-18	H1 16-17
Turnover	287.25	193.53	284.44	206.48	571.69	400.01
EBIDTA	41.51	31.02	34.27	32.11	75.79	63.13
EBIDTA %	14.45%	16.03%	12.05%	15.55%	13.26%	15.78%
PBDT	33.43	25.19	26.87	27.10	60.30	52.29
PBT	19.30	15.34	12.63	17.13	31.93	32.47
PAT (Before OCI*)	12.73	12.29	8.31	14.12	21.04	26.41

*Other Comprehensive Income

**Figures as reported under Ind AS

Operating profits of 2QFY18 was lower due to lowering of duty drawback on exports after GST implementation and GST related price increase leading to disruption in textile trade. Further net profit was lower due to higher depreciation related to capacity expansion last year and higher tax rate. With stabilizing of textile trade and reduction in cotton prices, outlook for second half is appealing.



Future Plans

- The company has reached at a reasonable capacity strength in Grey Cotton Yarns and Knitted Fabrics with a wide range of product offerings.
- Looking at a promising long-term growth prospects of Apparel sector, the company is planning to enter into Finished Fabrics segment, so that it can cater to the growing needs of the sector.
- The Indian Apparel market is expected to grow at a CAGR of 10%, on back of various growth drivers viz Increase in per capita income, Large youth population, Increase in aspirational buying, Increase in urbanisation, Increased standards of living in the rural areas and Increased penetration of online retailers.
- The growing size of apparel trade will need reliable fabric suppliers having economies of scale and be able to fulfil large orders. At present the fabric processing in India is an unorganised and decentralised sector, with very few players operating at large scale.
- With GST implementation it will be more competitive to operate under composite mill structure, so that multiple stage taxes are eliminated.
- Keeping the above factors in mind, Nitin plans to put up Integrated Textiles Units with facilities from spinning to processing as a greenfield project. The company has already purchased about 50 acres of land around 70 Kms from existing site and the same has been converted for Industrial use.
- The unit will have the capability to manufacture all types of processed fabrics to meet complete requirements of apparel manufacturers. The company envisages a total investment of about Rs 1000 Crores for the same.
- In the first phase it is planning an estimated capex of about Rs 600-625 Crores and having capacities to manufacture 18,000 Tons of Yarn per annum, 36 mn metres of Woven Fabrics/Denims and Dying/processing capacity of about 50 mln metres per annum for Shirtings, Suitings and Denims. In the subsequent phase, the company will invest in knit fabric processing and Printing.



Project Highlights

- The proposed project shall be eligible for benefits under RIPS entitling interest subsidy of 6% and 50% concession in Electricity Duty.etc
- The company will be able to supply all types of Finished Fabrics and Denim Fabrics to all leading apparel manufacturers in India. The company is also targeting international fashion brands to cater to their fabrics requirements.
- The project will enjoy cost competitiveness due to large scale and will be able to cater to large orders of apparel manufacturers.
- The project site is located on national highway, well connected with ports and major consumption centers of Northern and Western India. Also, proximity to the existing facilities will give cost advantages.
- The project site has abundant availability of water.
- It will have state of art processing and dyeing machineries to ensure international quality supply.
- The facility will be fully compliant with pollution control norms by installing sophisticated effluent treatment plant to maintain zero liquid discharge. It will also be fully compliant with International Standards for social accountability.



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Thank you