

16th June, 2020

BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001. Scrip Code: 532782	National Stock Exchange of India Ltd. Exchange Plaza, 5 th Floor, Plot No. C/1, G-Block, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051. Scrip Code: SUTLEJTEX
--	---

Dear Sirs,

Sub: Q4 and FY 2020 Results Presentation

Please find enclosed herewith a copy of the presentation with respect to the audited financial results of the Company for Q4 and FY 2020.

Thanking you

Yours faithfully
For **Sutlej Textiles and Industries Limited**



Manoj Contractor
Company Secretary and Compliance Officer

Encl: a/a





Sutlej Textiles and Industries Limited

The Bond of Trust...

Q4FY20 Result Presentation | June 2020

Safe Harbor

This presentation and the accompanying slides (the "Presentation"), which have been prepared by Sutlej Textiles and Industries Limited (the "Company"), solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. Unless otherwise stated in this document, the information contained herein is based on management information and estimates. The information contained is subject to change without notice and past performance is not indicative of future results. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company. This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded. Certain matters discussed in this Presentation may contain statements regarding the Company's market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and worldwide, competition, the company's ability to successfully implement its strategy, the Company's future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company's market preferences and its exposure to market risks, as well as other risks. You acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely and completely responsible for forming your own view of the potential future growth and performance of the Company. The Company will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update, amend, modify or revise these forward looking statements to reflect subsequent events or developments. The Company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statement/s and projection/s made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statement/s and projection/s. The contents of this presentation have not been reviewed by any regulatory authority in any jurisdiction where such presentation has been made or distributed.

The background features a collage of textures and handwritten notes. On the left, there is a white fabric with a subtle floral pattern. In the center, there are handwritten notes in cursive, including the words "Curriculum" and "Johanna". On the right, there is a circular inset showing a blue and white checkered fabric with a green and white striped fabric draped over it. The overall aesthetic is clean and professional, suggesting a focus on education or organizational efficiency.

Q4 FY20 Results Highlights

Improving efficiencies...

Covid-19 Impact

• Manufacturing Operations

- ✓ Manufacturing operations were shutdown from 4th week of March to 3rd week of April 2020.
- ✓ Plants operating inline with the Government norms and all precautionary measures
- ✓ Currently all 4 plants are operational, at around 50% utilization.
- ✓ The company is trying to further ramp up the capacity as early as possible.
- ✓ Witnessed limited labour impact since most of the plants have labour colonies.
- ✓ The dispatches have started and the Company is seeing inflow of orders and enquiries since May, currently receiving export orders from USA, Bangladesh, Turkey, Bangladesh, etc.
- ✓ Company is in continuous touch with all its vendors to bring the supply chain to normal. The supply chain will improve further once the effect of pandemic comes down

• Measures towards safety of workers and Employee

- ✓ First priority is to ensure safety of all its people from getting infected by Covid-19
- ✓ Regular temperature check of employees and workers
- ✓ Maintain social distancing at plants and offices
- ✓ Provided masks to everyone
- ✓ Provided hand wash and hand sanitiser facilities at plants and office
- ✓ Use of Facial recognition for attendance instead of finger scanner



Covid-19 Impact

•Financial Performance

- ✓ Profitability of Q4FY20 affected on account of fall in production, sales, MTM forex losses and one time provision amid lockdown

•Liquidity position

- ✓ Comfortable liquidity position to meet its commitments with adequate banking limits being in place
- ✓ Implemented stringent cost control measures across the organization to conserve cash to address any evolving situation resulting from the pandemic
- ✓ Not opted for moratorium on debt service obligation
- ✓ Working capital Utilisations have almost remained constant despite shutdown of units

•Outlook

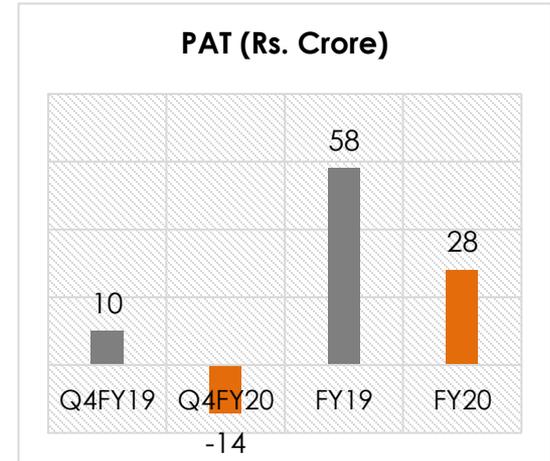
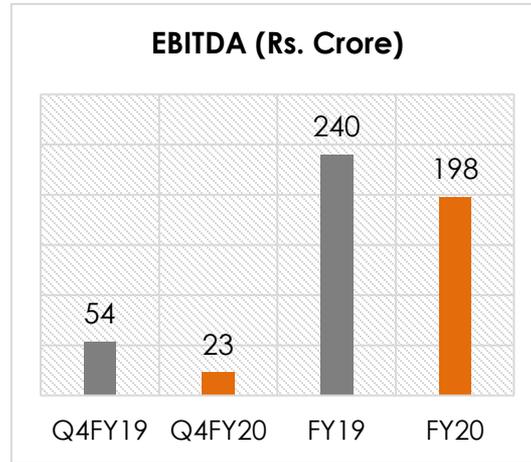
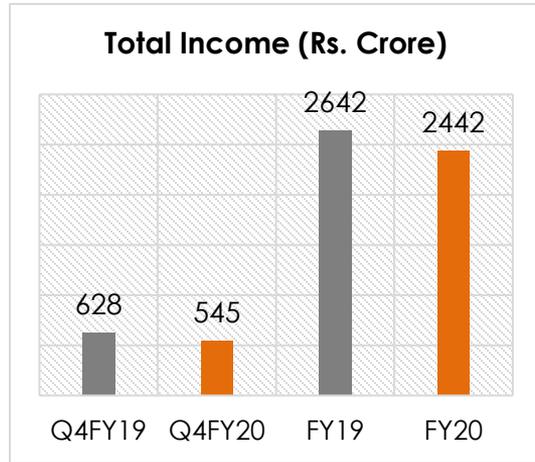
- ✓ Expecting gradual recovery of demand from domestic and international markets as economies world over are opened up by respective Governments and various restrictions on business activities are relaxed



Covid-19: Measures



Results Highlights (Consolidated) – Q4 & FY20



Q4 & FY20 Performance

- ✓ Q4FY20 performance impacted due to nation wide Lockdown resulting in loss of Sales and profitability in March 2020.
- ✓ Major reasons for drop in Profitability for FY20

- On account of lock down, loss of contribution, wages and salary, FG devaluation etc : Rs 21.25 Crs
- MTM Loss on Forward Contract: Rs 11.31 Crs
- One time Provision for Doubtful Debts, devaluation of old inventory : Rs 9.44 Crs



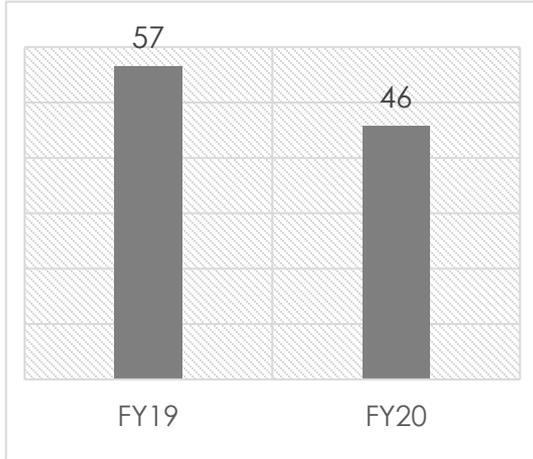
Profitability Highlights

Particulars (Rs crore)	Consolidated							
	Q4	Q4	YoY	Q3	QoQ			YoY
	FY20	FY19	Chg %	FY20	Chg %	FY20	FY19	Chg %
Total Income	545	628	-13%	586	-7%	2442	2642	-8%
RM cost	296	363	-18%	306	-3%	1363	1541	-12%
Gross Profit	249	265	-6%	280	-11%	1079	1101	-2%
<i>Gross Profit Margin (%)</i>	<i>45.61%</i>	<i>42.22%</i>	<i>340 bps</i>	<i>47.73%</i>	<i>-240 bps</i>	<i>44.19%</i>	<i>41.68%</i>	<i>250 bps</i>
EBITDA	23	54	-57%	62	-63%	198	240	-18%
<i>EBITDA Margin (%)</i>	<i>4.27%</i>	<i>8.57%</i>	<i>-429 bps</i>	<i>10.59%</i>	<i>-632 bps</i>	<i>8.09%</i>	<i>9.08%</i>	<i>-99 bps</i>
PBT (before Excep items)	-14	16	NA	27	NA	51	83	-39%
PAT	-14	10	NA	27	NA	28	58	-52%
<i>PAT %</i>	<i>-2.53%</i>	<i>1.66%</i>	<i>NA</i>	<i>4.58%</i>	<i>NA</i>	<i>1.13%</i>	<i>2.21%</i>	<i>-107 bps</i>

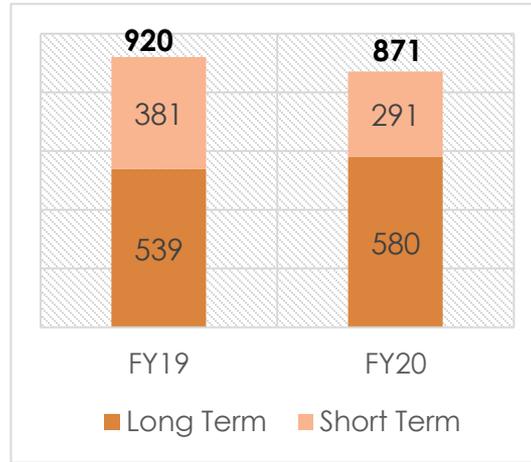
- ✓ Gross Margins witnessed improvement of 340 bps & 250 bps on quarterly and yearly basis respectively backed by fall in raw material costs.
- ✓ Sales and profitability impacted in Q4FY20 due to lockdown of manufacturing units due to covid-19, loss in home textiles operations and MTM impact on Forex exposure due to forward contracts against export orders.

Strengthen Balance Sheet

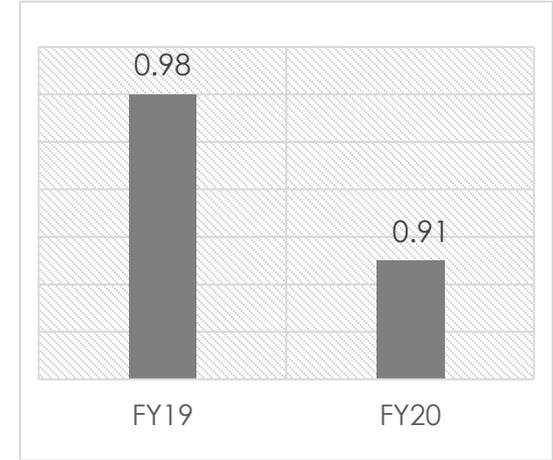
Finance Cost (Rs. Cr)



Total Debt (Rs. Cr)



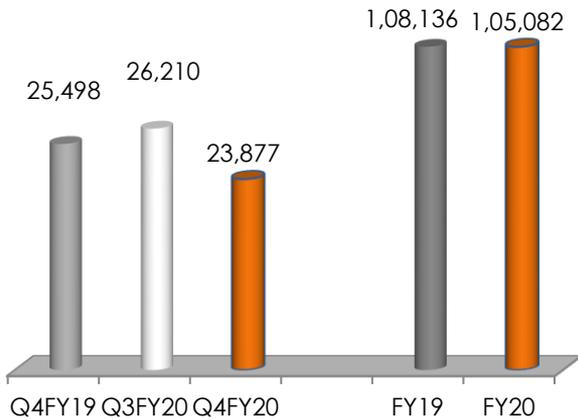
Debt to Equity (x)



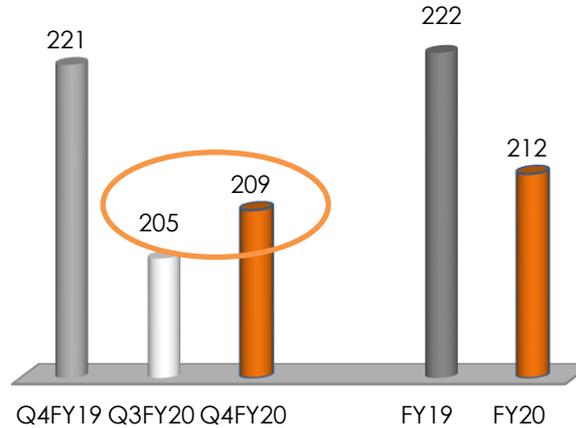
- ✓ Total Debt has witnessed a reduction of Rs 49 Crs (net) over the last 1 year, led by efficient working capital management, as a result Short Term Debt has reduced by Rs 89 Crs during the period.
- ✓ The reduction in Total Debt is albeit ongoing major capex plans of Green Fibre, Modernisation and at one at Home textile division.
- ✓ Even during the current challenging times with the outbreak of Covid-19, the company is efficiently managing its working capital which has remained around Rs 300 Crs which is around 50% of Working capital Sanctioned limits.
- ✓ The Debt to Equity Ratio has further improved to 0.91 times which is the best in the previous 5 years.

Key Performance Highlights – Q4FY20 & FY20

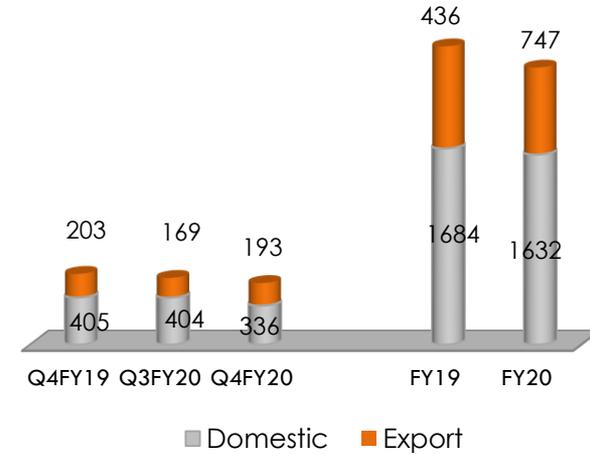
Yarn Sales (in MT)



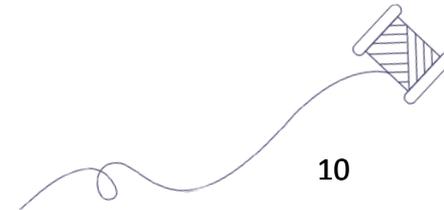
Avg. Yarn Realization (Rs/kg)



Domestic & Export Revenues (Rs Crs)



- Avg. Yarn realization improved in Q4FY20 compared to Q3FY20.



Executive Chairman's comments



Executive Chairman - Mr. C. S. Nopany

Commenting on the results, Mr. C.S. Nopany, Executive Chairman, Sutlej Textiles and Industries Limited said:

"The sudden outbreak of COVID 19 Pandemic and the resultant global lockdown has had a significant impact on the textile sector. Being a discretionary spend, the demand for textile products has contracted sharply. As various countries, including India, have started unlocking their economies, several new challenges of reduced demand, underutilised capacities, dislocation of work force and cash crunch is likely to affect this industry. Fortunately, Sutlej has the financial and operational strength to withstand this crisis to take on these challenges. We are constantly engaging constructively with all our stakeholders such as suppliers, customers, bankers and employees to reduce costs and optimize efficiencies"





Sutlej

Creation of a Strong Foundation over the years



Sutlej Textiles - Overview

Largest Spun Dyed Capacity

India's largest spun dyed Yarn Manufacturer
One of the leading manufacturer of Melange Yarn

Patronage of Renowned K.K.Birla group

Part of a reputed group with excellent corporate governance and
Experienced Management

Niche Presence

Presence in all value added yarns and high end Melange yarn
Presence in curtains and upholstery in Home Textile segment

Exports to + 65 countries

Exports across Europe, North America, South-East Asia, USA, Asia

Well Diversified Capacities

4,19,640 spindles capacity of Yarn
9.6 Million Meters Per Annum capacity of Home Textiles

Reputed Cliental

Marquee clients like Page Inds (Jockey), Westside, Marks & Spencer, Arvind, Raymond, Donear NXG, Siyaram's, Arrow, Grasim, Digjam, JC Penney, Monte Carlo Pantaloons etc

Backward integration

Project under implementation to produce Raw white and black recycled fibre with a capacity of 120 MT per day

Key Milestones

Entered into Home Textiles

Expansion of Kathua and Bhanwanimandi units by 35,400 spindles and 2,112 spindles to manufacture PV Dyed Yarn completed

Bhanwanimandi Expansion

Completed Expansion of 7,488 spindles for PV Dyed Yarn

12,672 Spindles added for manufacturing Cotton Yarn

Commenced commercial production of 31,104 Spindles at Chenab Textile Mills, J&K to manufacture Cotton Mélange and Cotton Blended Dyed Yarn

Installed 12 MW Thermal Power Plant at Bhanwanimandi unit

Acquisition of Birla Textile Mills

35,280 spindles – commenced commercial production for Cotton blended dyed and Mélange Yarn at Rajasthan

9.6 MMPA - commenced production of Home Textile facilities at Gujarat

Acquired Design, Sales, and Distribution (DS&D) business along with brand of **American Silk Mills LLC (ASM)**

Invested USD 4.5 Million in Wholly Owned Subsidiary in USA

Backward integration into green fiber

Modernization of Home Textile Facility

2006-07

2008-09

2009-10

31,104 spindles added at Chenab Textile Mills - J&K for value added cotton mélange and cotton blended dyed yarn

2014

2015-17

2017-19

2019-20

Business Verticals

Value Added Yarns

Dyed Yarns

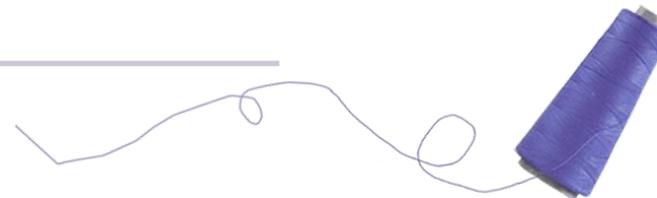
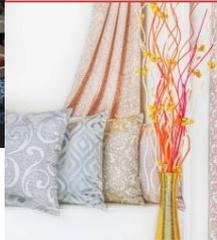
Melange Yarns

Home Textiles

Curtains

Upholstery

Made Ups



Sutlej – Charged to grow higher

Focussed on Value Added Dyed yarns

Leading spun dyed & Melange
Yarn Manufacturer in India

sutlej
textiles and industries limited



Improving Operating Efficiencies

One of the best Capacity
Utilization in Industry
Better RM & Power cost through
Green Fibre and Solar Energy

Niche Home Textile

Curtains, Upholstery and Made ups

Growth Drivers

Home Textile
New Adjacent Segments
Inorganic Growth

Experienced Team

Board of Directors

Mr. C.S. Nopany

Executive Chairman

Mr. U.K. Khaitan

Independent

Non Exec Director

Mr. Amit Dalal

Independent

Non Exec Director

Mr. Rajan Dalal

Independent

Non Exec Director

Ms. Sonu Bhasin

Independent

Non Exec Director

Mr. Rajiv K. Podar

Independent

Non Exec Director

Mr. Rohit Dhoot

Non Exec Director

Mr. Ashok Mittal

Non Exec Director

Key Executives

Mr. S.K. Khandelia

President & CEO

Mr. Updeep Singh

Deputy CEO

Mr. Bipeen Valame

WTD and CFO

Mr. Manoj Contractor

CS & Compliance Officer



Focused on Value Added Specialty Yarns

Always opted for expansion into high value specialty yarns

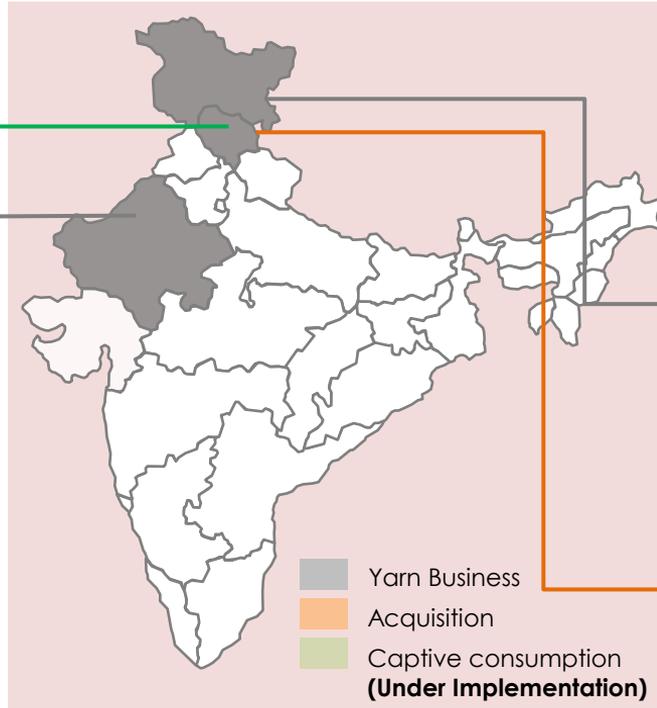
Yarn Capacities

Bhawanimandi, Rajasthan

- 35,280 Spindles (Cotton Mélange)
- 90,384 Spindles (Man –made Fibre)
- Roof top solar plant of 2.7 MW

Baddi, Himachal Pradesh (Under Implementation)

- Green Fibre Plant
- 120 MT per day manufacturing
Raw White & Black Recycle Fibre



- Ability to handle variety of RM with different counts
- Work very closely with customer to fulfil requirements
- Manufacture to Sale and not to Stock

Kathua, J&K

- 1,09,154 Spindles (Cotton Mélange)
- 1,01,446 Spindles (Man-made Fibre)

Baddi, Himachal Pradesh

- 83,376 Spindles (Man-made Fibre)



Speciality Dyed Yarns – Backbone of our business

▪ Leading Yarn manufacturer in India

- ✓ 4,19,640 Dyed Yarn Spindles
 - ~35% dedicated to Melange Yarn
 - ~65% dedicated to various blends

▪ Well Diversified Product Portfolio

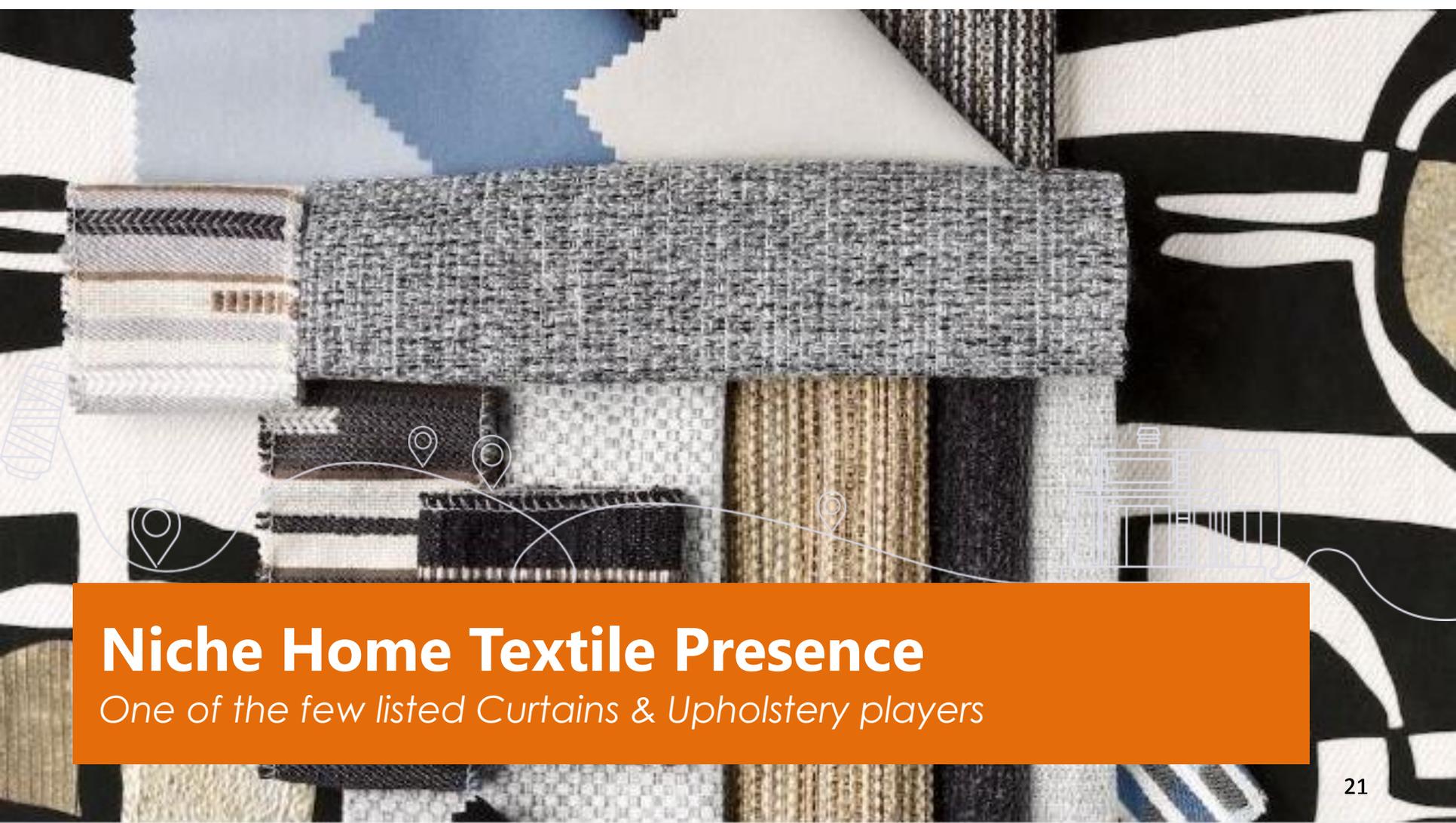
- ✓ Marquee clients like Page Inds (Jockey), Westside, Marks & Spencer, Arvind, JC Penney, Monte Carlo Pantaloons etc,
- ✓ B2B business model with over 60% revenue from organized sector
- ✓ Robust Business Model with low concentration and diversified geographical spread
- ✓ Strong Brand Recall in Yarn Segment

▪ Strong Global Footprint

- ✓ Around 30-35% Revenue from Export to over 65 countries
- ✓ Export to all major countries in the world
- ✓ Three Star Export House Status holder

Continuous Increase in Spindle Capacities





Niche Home Textile Presence

One of the few listed Curtains & Upholstery players

Home Textile Business

▪ Focus on Curtains, Upholstery & Made ups

- ✓ One of the leading producer & exporter of Home Decor
- ✓ Acquisition of American Silk Mills (ASM), leading Design & Distribution in USA

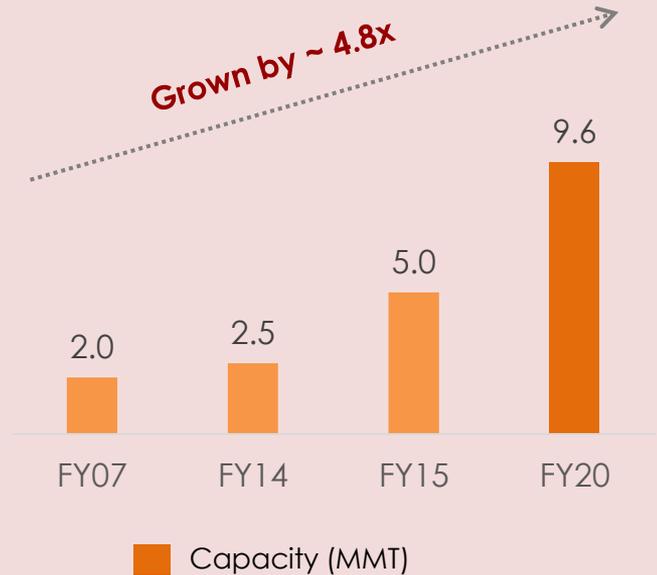
▪ Latest Technology in design & manufacturing

- ✓ State of Art manufacturing facility at Gujarat
- ✓ Capacity 9.6 Mn. metres/pa
- ✓ 126 dobby & jacquard looms including 36 looms with double width

▪ Strengthening Product Portfolio

- ✓ Leveraging ASM design expertise and US presence
- ✓ Focus on higher end markets in developed countries
- ✓ Building world class design capabilities
- ✓ Improving product mix and broadening product portfolio

Increase in Loom Capacities over past 12 yrs



Strengthening Capabilities in Home Textiles

Manufacturing Capabilities

- Home textile manufacturing plant at Damanganga is operational after the lockdown
- Current focus is on ensuring current orders are produced and shipped without any cancellations and timely realization of payments.
- Key machines have been installed and undergoing trial runs for processing, yarn dyeing, fancy yarn to broaden product portfolio.

New Product Categories

- The outbreak of Covid-19, has opened many new opportunity demand for masks, protective gears and other such adjacencies in the health & hygiene segments for both private label and brands.
- Planning to launch our product in branded and private label categories from brands, institutional and domestic use
- Looking to market through online platforms as well as exploring groups existing distribution set up
- Exploring the initiatives for certifications for manufacturing masks/medical devices.



Initiatives and Way forward for Home Textiles Business

▪ Digitalization of Product library

- ✓ In process of digitalizing of product library, will be very helpful considering the current constraints on travel and shall prepare a sophisticated virtual meeting platforms and exchange of new products & ideas.
- ✓ The project involves co-creation through exchange of high resolution images & look books.

▪ Engagement with customers

- ✓ Connecting with customers on social media platforms to follow the market trends their ongoing activities
- ✓ Conducting Virtual meetings with customers from most markets

▪ Product Basket enhancement

- ✓ Introduction of new products like masks, protective gears and other such adjacencies in the health & hygiene segments
- ✓ Drapery segment & introduction of silk for its therapeutic benefits is being explored with American Silk Mills
- ✓ Will introduce new products with new finishes such as antiviral
- ✓ Explore existing channels to offer protective gears once the exports become permissible

▪ Certification

- ✓ Exploring the initiatives for certification for manufacturing masks/medical devices

The background features a collage of various silk fabrics. On the left, there's a piece with a complex, multi-colored pattern in shades of brown, tan, and white. Below it is a roll of light-colored silk with a fine, repeating pattern. In the center, a handwritten note on aged paper is visible, with some text including 'Fail Rec.', '1 set', '2 set', and '3 set'. To the right, there's a piece of light-colored silk with small, colorful floral motifs. At the bottom, a piece of silk with a wide, diagonal striped pattern in shades of brown and white is visible.

AMERICAN SILK

TIMELESS DESIGN SINCE 1896

www.americansilk.com

Building Organization

American Silk Mills (ASM)



▪ Covid-19 Resilience plan

- ✓ Keep people safe and operate our Warehouse at reduced levels.
- ✓ Preserve liquidity.
- ✓ Ready to adapt to inevitable societal and thought pattern changes due to COVID-19
- ✓ Instantly resume and recapture business once the new normalcy is restored

▪ Funding

- ✓ Secured a forgivable loan of US\$290,000 under the Paycheck protection program

▪ Product offerings

- ✓ Intend to explore the furniture manufacturers, reupholsters
- ✓ Outdoor category- Wellness & Sustainability will be used as key driving areas in the product offerings

▪ New Channels

- ✓ Launched first online presence with sites like Wayfair & Perigold
- ✓ Launching a second e-commerce presence with FashionPillows.com and also launching virtual showroom in absence of Spring 2020 Showtime
- ✓ Obtained 56 new SKU placements with leading Furniture Manufacturers
- ✓ Launched and presold Residential Drapery Program

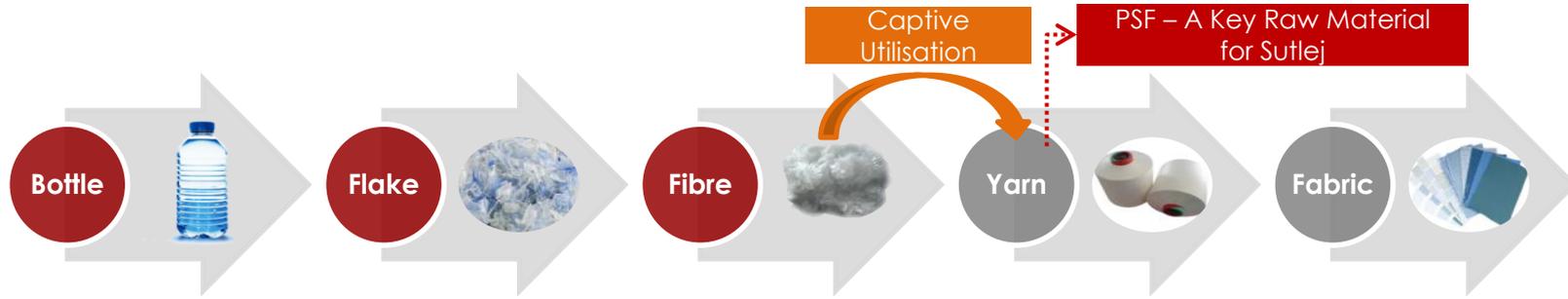




Improving Operating Efficiencies

Our disciplined approach towards growth have always helped us to achieve new heights

Backward Integration into Green Fiber



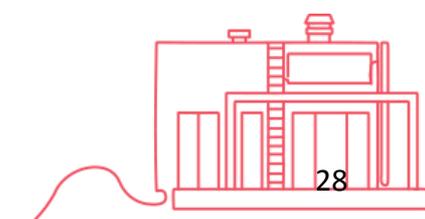
Description	Details
Capacity to produce Raw white and black recycled fibre	120 MT / Day
Location (adjacent to our existing yarn manufacturing unit)	Baddi, Himachal Pradesh
Spent up to date	~Rs.175 crores

**Fulfil 65%-75% of
Captive Requirement of
Key Raw Material PSF**

Current Status:

The outbreak of Covid-19 pandemic has impacted commissioning of the project due to travel ban by China in late January 2020 and subsequently by India, which has resulted in cost and time overrun.

The Company is actively pursuing with the Government for early grant of visa and travel permission to the foreign engineers in order to start up the project at the earliest.





Sutlej 2.0 – Growth Strategy

Charged to grow higher backed by a strong Foundation

Well Placed for next Growth Phase

- Effective control on key Raw material cost

Backward Integration



- Improving performance of ASM & integration with Sutlej
- Product Portfolio expansion to strengthen Home Textiles Business

Growth in Home Textile with better Margins



- Opportunities into Forward Integration
- Opportunities in new Speciality Yarns

Exploring New Segments



- Deleverage overall Debt to strengthen financing position
- Generate better Return Ratio's

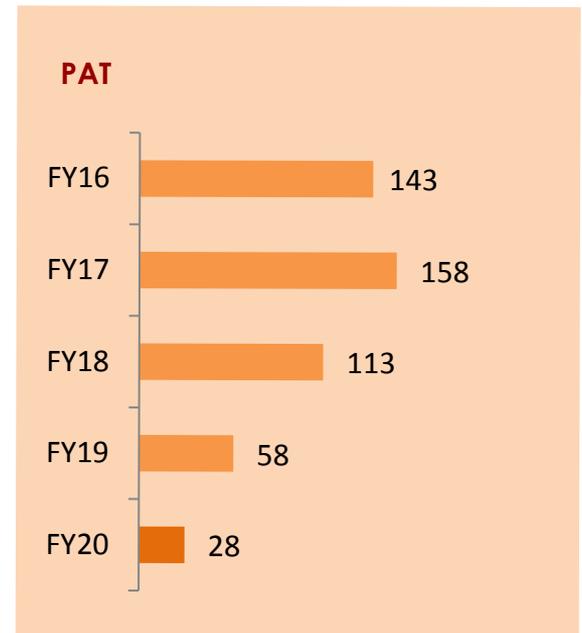
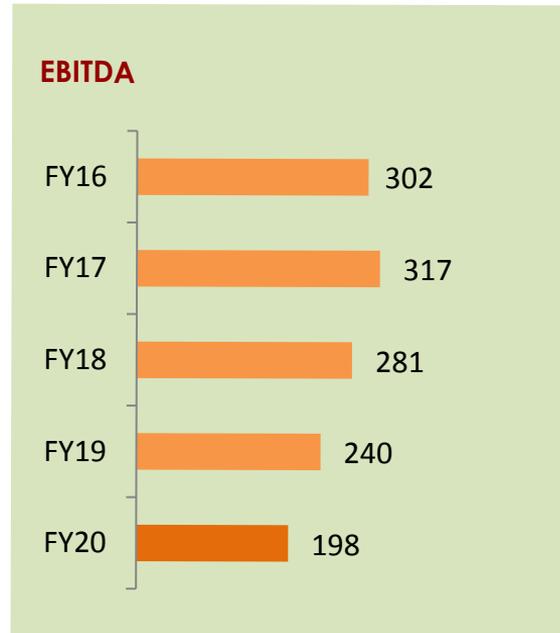
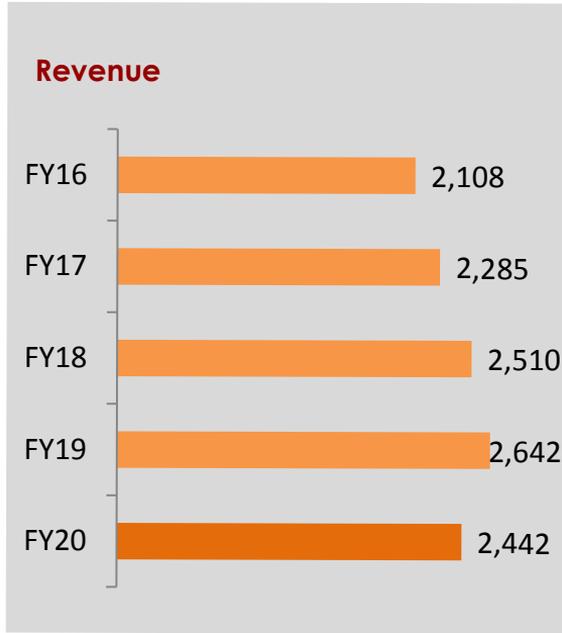
Inorganic Growth opportunity





Annexure - Financials

5 year Performance Highlights



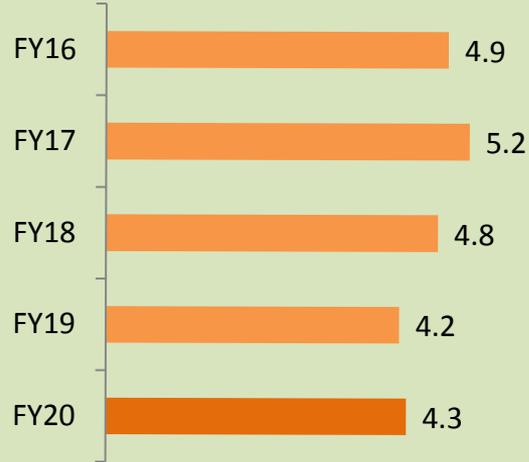
- The Company acquired American Silk Mills, LLC on 6th Nov 17 and hence FY 2017-18 is first year of consolidation and FY2018-19 was the first full year of Operation.
- Performance of FY20 impacted due to lockdown of manufacturing units due to Covid-19, loss in home textiles operations and MTM impact on Forex Transactions.

Balance sheet Ratios

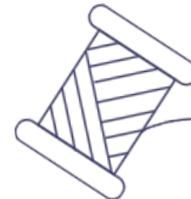
Comfortable Total Debt/Equity Ratio



Robust Interest Coverage



Average Interest Rate of Term Loans (After TUF)



**“WITHSTANDING FIRMLY DURING A STORM
HELP’S TO CHERISH THE SUNSHINE LATER”**

THANK YOU!

Let's Connect



Mr. Bipeen Valame

bipeenvalame@sutlejtextiles.com

Lotus Corporate Park, Goregaon (East), Mumbai 400063



Mr. Abhishek Bhatt

abhishek@stellar-ir.com

Kanakia Wall Street, Andheri (East), Mumbai 400 093