

11th May, 2021

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
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Dear Sirs,

Sub: Q4 & FY21 Results Presentation

Please find enclosed herewith a copy of the presentation with respect to the audited financial results of the Company for Q4 & FY21.

Thanking you

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



Manoj Contractor
Company Secretary and Compliance Officer

Encl: a/a





Enhancing Capabilities



Safe Harbor

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Q4 & FY21 Result Updates



FY21 Highlights - Enhancing Capabilities



Backward Integration: *Commercialization of the Green Fiber Plant to aid Margin Expansion*



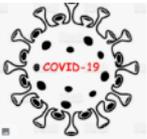
Strengthen Balance Sheet: *Debt to Equity continued to remain below 1x*



Efficient Finance cost management: *Finance cost reduced to Rs.38 crores in FY21 from Rs.46 crores in FY20*



Responsible Towards Stakeholders: *Dividend of Rs 0.30 per equity share for the year 2021*



Employees safety : *Maintaining Covid-19 protocol at all manufacturing units and offices*

Financial Performance - Q4 & FY21

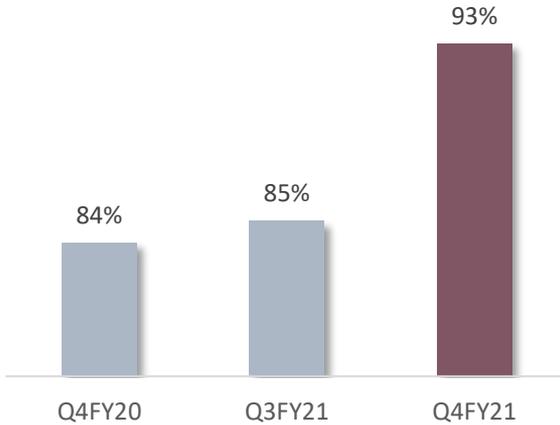
Consolidated (Rs crore)	Q4FY21	Q3FY21	QoQ %	Q4FY20	YoY %	FY21	FY20	YoY %
Total Income	688	557	24%	545	26%	1915	2442	-22%
Raw material cost	374	303	24%	296	26%	1062	1363	-22%
Gross Profit	314	254	24%	249	26%	853	1079	-21%
GP margin	45.58%	45.55%	3 bps	45.61%	-3 bps	44.52%	44.19%	33 bps
Employee cost	89	83	6%	91	-3%	302	356	-15%
Other expenses	143	119	21%	134	7%	415	525	-21%
EBITDA	82	52	59%	23	251%	135	198	-31%
EBITDA margin	11.89%	9.25%	263 bps	4.27%	761 bps	7.07%	8.09%	-101 bps
Depreciation	27	26	5%	26	4%	96	101	-5%
Interest	10	7	36%	11	-11%	38	46	-17%
Profit Before Tax	44	18	144%	-14	NA	2	51	-96%
Tax	17	7	148%	-5	NA	6	19	-69%
Profit After Tax	28	12	141%	-14	NA	-4	28	NA
PAT margin	4.04%	2.07%	197 bps	-2.53%	657bps	-0.19%	1.13%	-132 bps

Note: Q4FY20 and FY20 figures include Exceptional Item of Rs 4.36 Crs

✓ During the Q4FY21 the company has witnessed Sales growth along with margin improvement on a YoY as well as QoQ basis

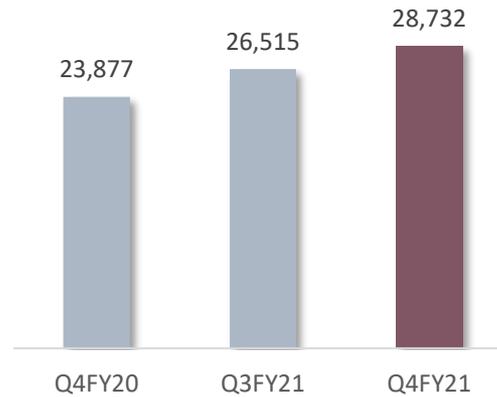
Continued Recovery in Yarn Business, Post Covid-19

Capacity utilization at pre-Covid levels...



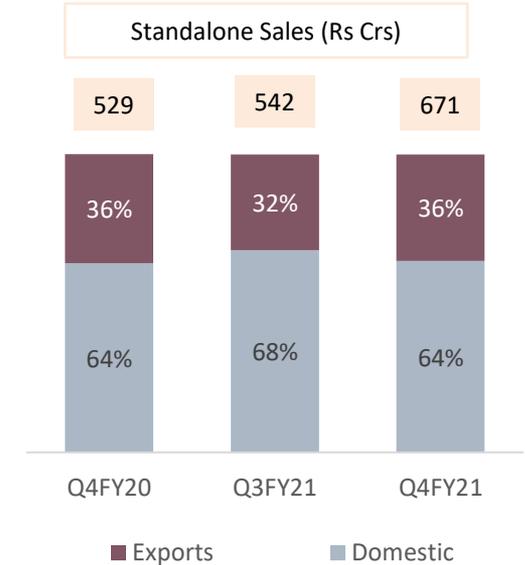
Yarn Capacity Utilization (%)

...with improving Demand Scenario...



Yarn Sales (MT)

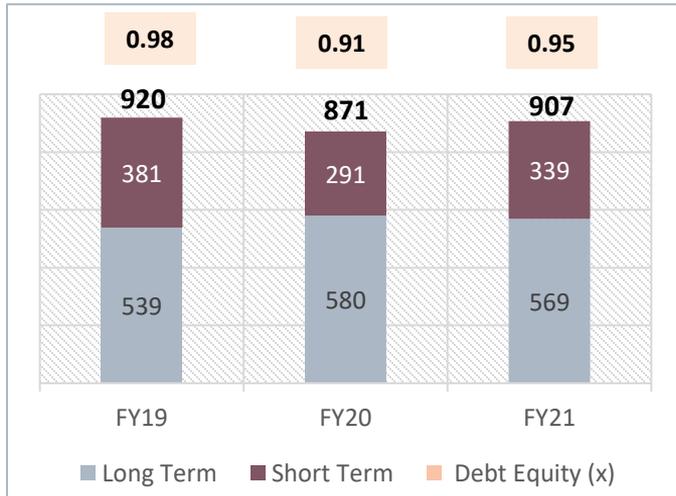
...both in Domestic and Export markets



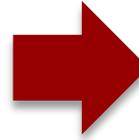
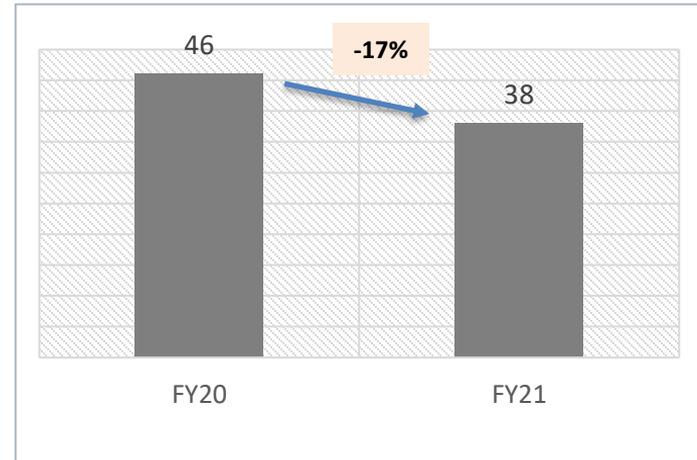
✓ With opening of various geographies, we are witnessing a gradual improvement in demand from customers, leading to improving utilizations levels

Strengthening the Balance Sheet

Consistently keeping the Debt to Equity below 1x...



....Lower Finance cost despite increase in Total Debt (Rs Cr.)



- ✓ The Debt to Equity ratio has continued to remain below 1 even during such a challenging year.
- ✓ The company has not availed moratorium offered by the RBI and met all its debt obligations.
- ✓ The Finance cost has reduced by 17% despite increase in Total Debt by Rs 36 Crs during the year.
- ✓ The company has sufficient liquidity in the form of unutilised working capital lines .Currently more than 40% of the lines are not utilised.



Executive Chairman - Mr. C. S. Nopany

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

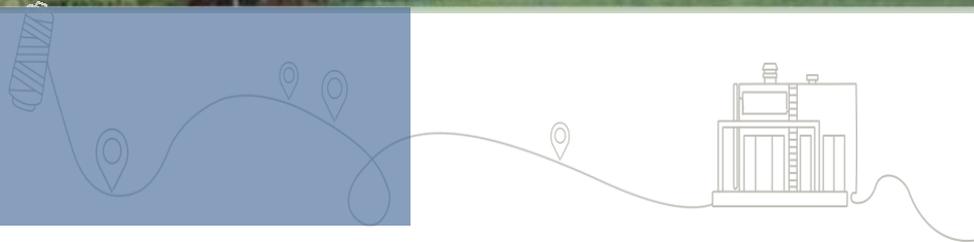
“The Company has successfully navigated the challenging market dynamics that prevailed in the fiscal 2020-21 due to Covid19 pandemic. The successful commissioning of the green-fibre plant in March 2021 will further help in our cost optimization efforts through backward integration and margin enhancement. Our operations continue to run normally so far, in the midst of the second wave of Covid-19 which has disrupted economic activities in India and globally. However, the Company is cautious about the future demand outlook in near term and continue to focus on cost optimization and its diversified product portfolio”.





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

- ✓ 4,20,384 spindles capacity of Yarn
- ✓ 9.6 million meters per annum capacity of Home Textiles

Reputed Cliental

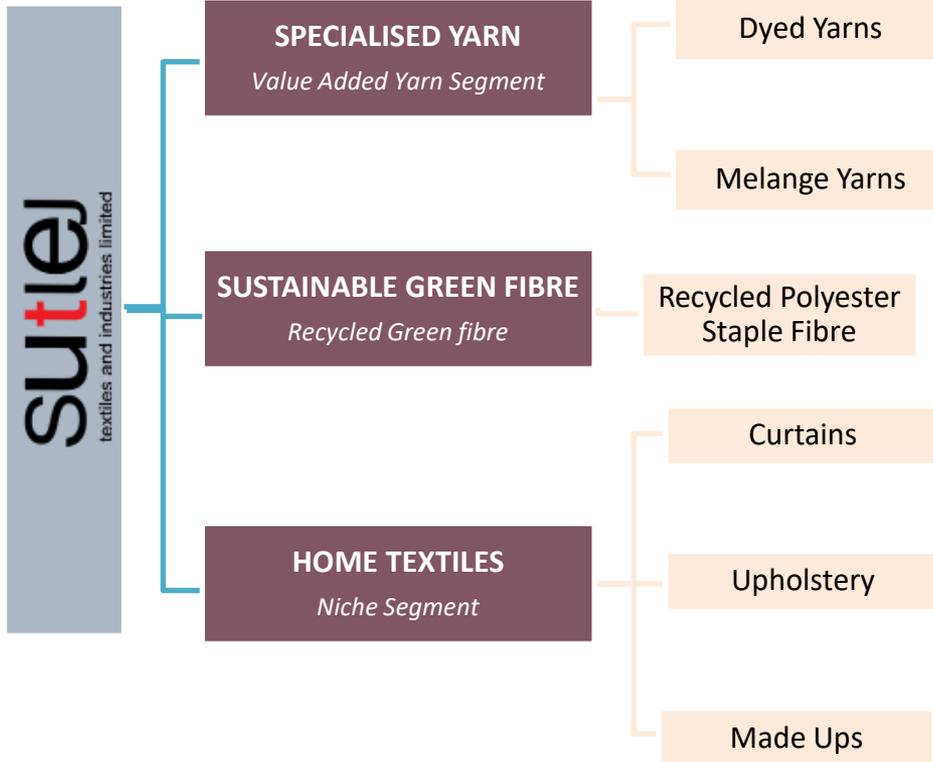
- ✓ Marquee clients like Page Inds (Jockey), Westside, Marks & Spencer, Arvind, Raymond, Donear NXG, Siyaram's, Arrow, Grasim, Digjam, JC Penney, Monte Carlo, Pantaloons and such others

Backward integration

- ✓ Commenced commercial production of the Green Fibre plant, having a total capacity of 120 MT/day



Key Business Verticals



Board of Directors

Mr. C.S. Nopany

Executive Chairman

Mr. U.K. Khaitan

Independent
Non-Executive Director

Mr. Amit Dalal

Independent
Non-Executive Director

Mr. Rajan Dalal

Independent
Non-Executive Director

Ms. Sonu Bhasin

Independent
Non-Executive Director

Mr. Rajiv K. Podar

Independent
Non-Executive Director

Mr. Rohit Dhoot

Non-Executive Director

Mr. Ashok Mittal

Non-Executive Director

Key Executives

Mr. Updeep Singh

President and CEO

Mr. Bipeen Valame

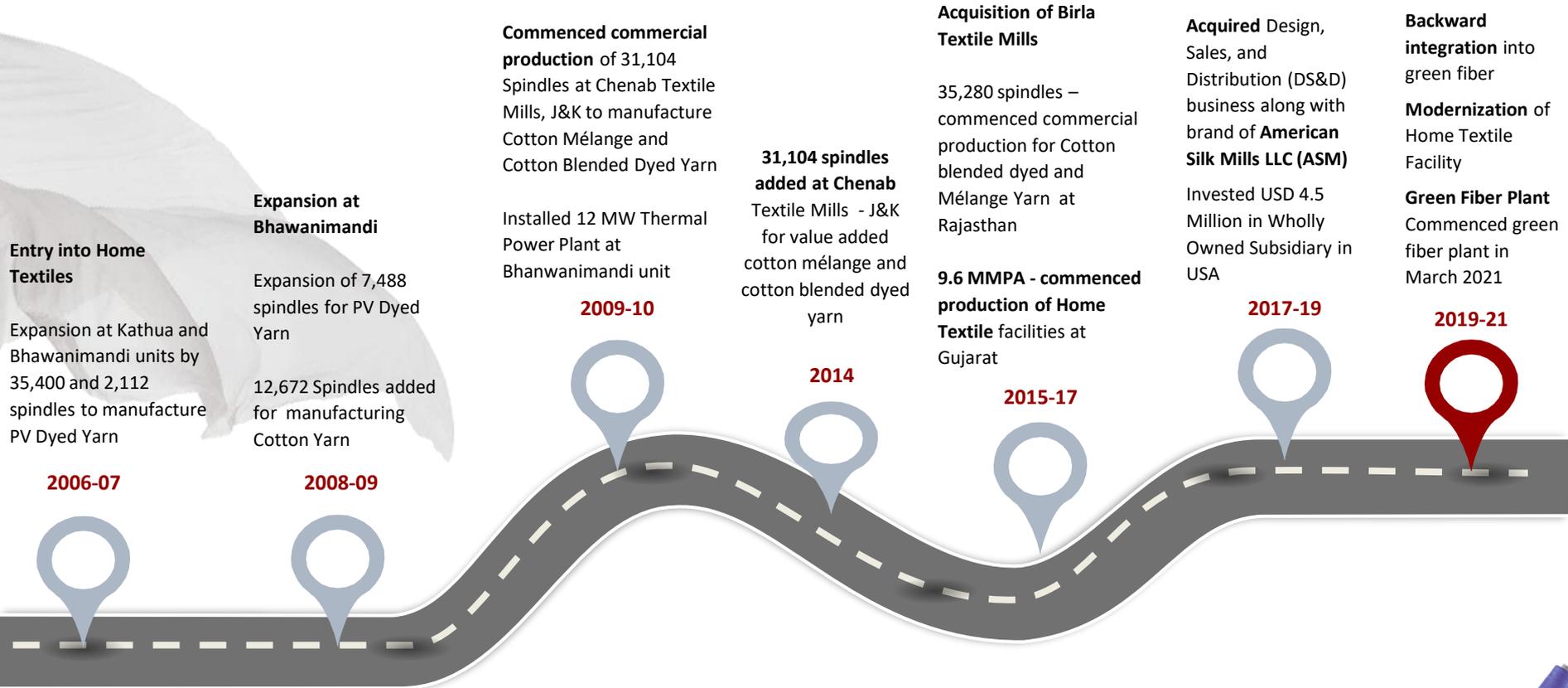
WTD and CFO

Mr. Manoj Contractor

CS & Compliance Officer



Consistently Expanding Capacities and Product Portfolio...



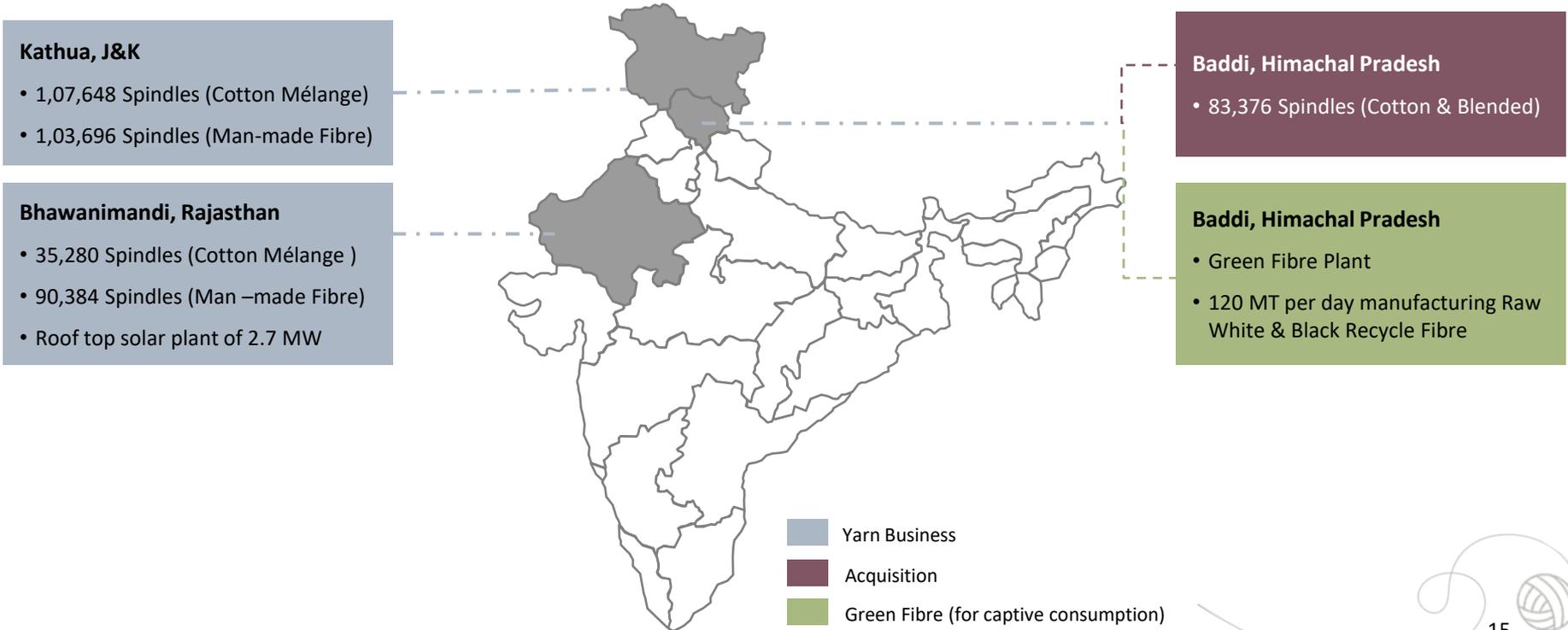


Focused on Value Added Specialty Yarn

Always Opted for Expansion into High Value Specialty Yarn

Among the Leading Yarn Capacities in India

- ✓ Our manufacturing facilities are capable to handle a variety of Raw Material, having different Counts
- ✓ We work very closely with our Customers to fulfil requirements and on the ethos, 'Manufacture to Sale and Not to Stock'



Speciality Dyed Yarns – Backbone of Our Business

▪ **Leading Yarn manufacturer in India**

- ✓ 4,20,384 Dyed Yarn Spindles
 - ~35% dedicated to Melange Yarn
 - ~65% dedicated to various blends

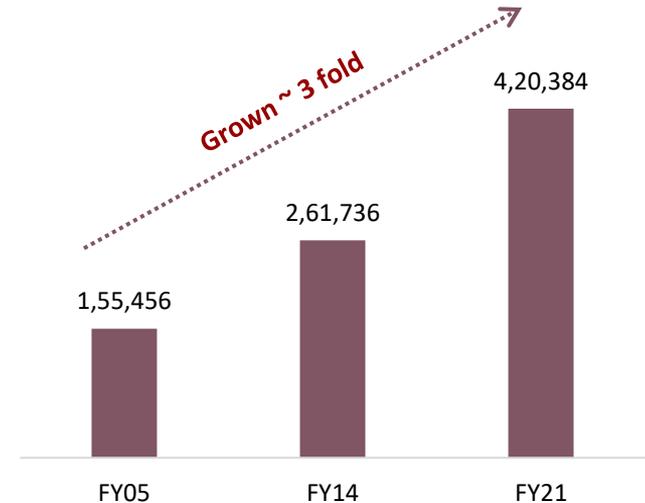
▪ **Well Diversified Product Portfolio**

- ✓ Marquee clients like Aditya Birla Fashion, Alok Inds, Siyaram, Donear, Raymond, Page Inds, Westside, Arvind, Shai Exports, Monte Carlo, Marks & Spencer, H&M, Primark, Matalan, Kiabi etc.
- ✓ B2B business model with around 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 (MT)



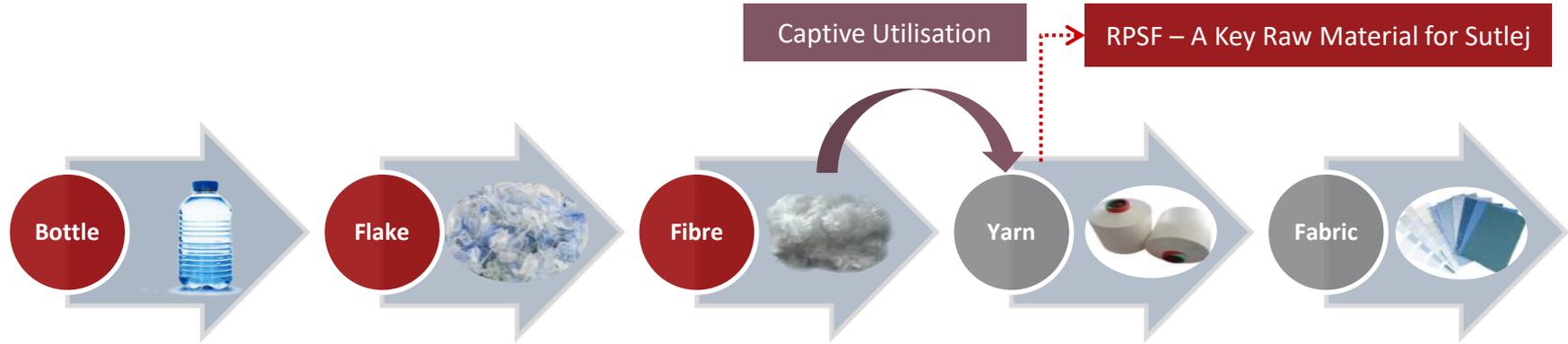


Sustainable Green Fibre Unit

Backward integration into recycle fibre to meet captive demand

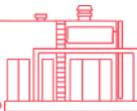


Improving Operating Efficiency by Backward Integration...



Building a Sustainable Green Fibre Plant for captive use	Details
Capacity to produce raw white and black recycled fibre from PET bottles / flakes	120 MT / Day
Location (adjacent to our existing yarn manufacturing unit)	Baddi, Himachal Pradesh
Current Status: Commenced commercial production in March 2021	

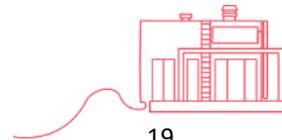
- Likely to fulfil ~65% of the captive requirement of key raw material – PSF
- Exploring possibility of branding Green Fibre

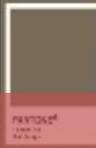


...With Commercialization of the Green Fibre Plant – Mar'21



*The Green Fibre Unit
having a capacity of
120 MT/day,
commenced
Commercial Production
in March 2021*





Home Textile Business
One of the Few Listed Curtains & Upholstery Players



Home Textile Business



Focus on Curtains, Upholstery & Made ups

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

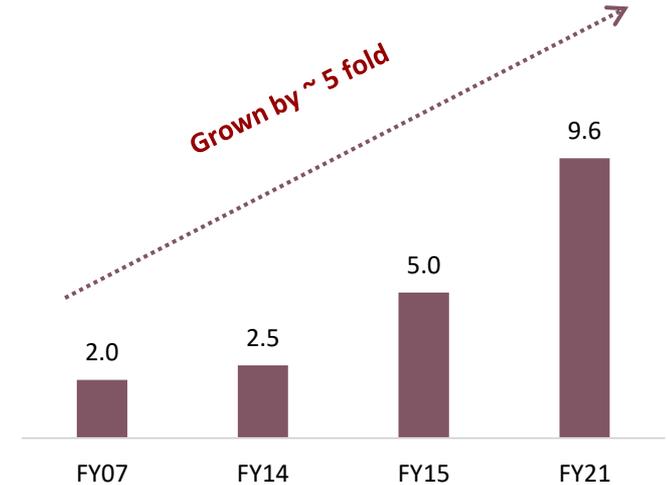
Latest Technology in design & manufacturing

- ✓ 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 (MMT) over past 12 yrs



Home Textile Business – Key Initiatives



Encouraging response for the Cut length service

- ✓ Our brand '*Nesterra*' has been well received in the Domestic market and there is continuous demand for new collections.
- ✓ Launched "*Nesterra*" Website- www.nesterra.com

Market Penetration

- ✓ Despite travel restrictions during most part of the year, have been successful in on boarding local agents through Virtual meetings. Have on boarded 16 new customer accounts and through agents, shipped their first collections as well.
- ✓ Have on boarded few large format retail stores as part initiative to diversify into different segments to help manufacturing with a healthy product mix.
- ✓ Have been focusing on neighboring markets, which has achieved good success. Customers are looking for more strategic partnerships with wider product offerings.



Home Textile Business – Key Initiatives

Widening the product portfolio

- ✓ One of the sought players in the flat woven category and getting recognition from domestic and international players.
- ✓ Consistent efforts are being taken to utilize strengths in mélange and dyed yarns and sustainable yarns into home furnishing product portfolio
- ✓ See good traction in wide width collections and Sheers, and taking all steps to address these demand

Digital Initiatives

- ✓ All the digital initiatives have been a boon and will continue to be of advantage in the coming times for customer engagement & relationship building.
- ✓ Digital initiatives taken -Digital Look Books and Digital Sample Library, Brand website, 3D visualization tools and sales assist app



NESTERRA – Home Textile Brand



About the Brand

Through 'Nesterra' creating exclusive collections with differentiated unique product offering with 180 SKUs

✓ *Nesterra*' introduced three new collections viz.

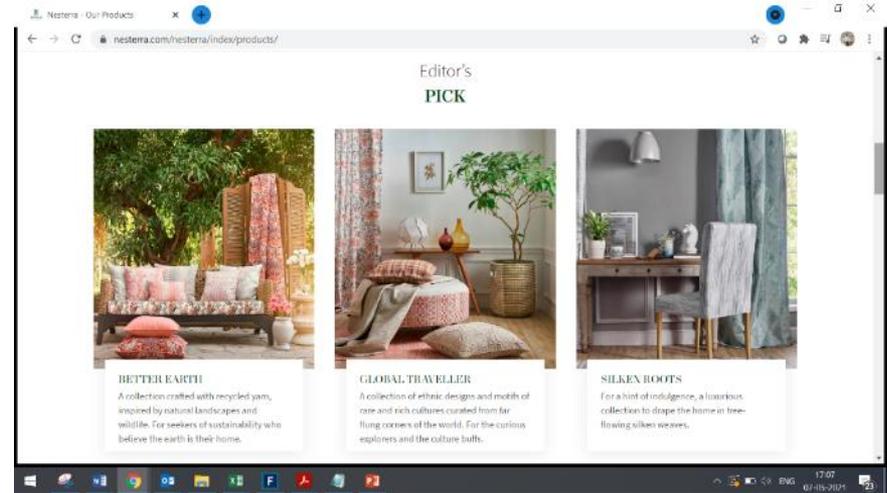
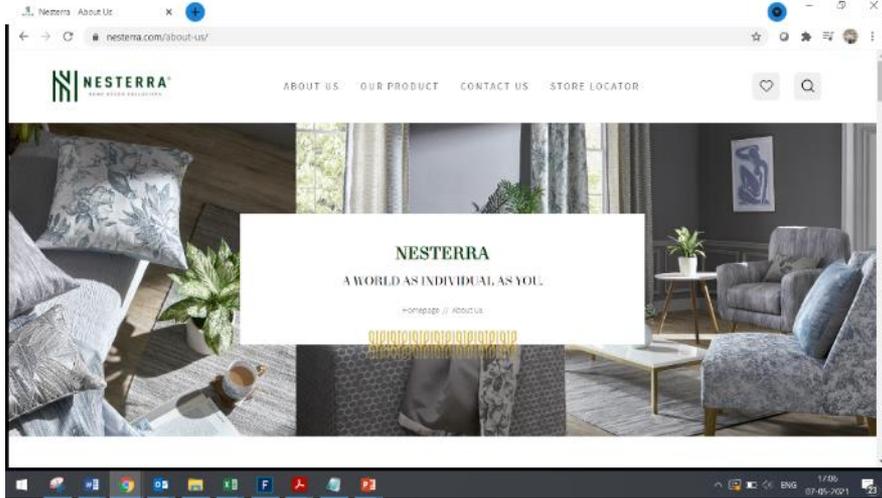
- The Global Traveller: Captures the essence of traditions around the world.
- Silken Roots : Luxurious collection to drape the home in free-flowing silken weaves.
- A Better Earth: A collection crafted with recycled yarn, inspired by natural landscapes and wildlife

Market Penetration

- ✓ On boarded 100+ retailers through in past 3-4 months.
- ✓ Products have been well received and there is continuous demand for new collections.
- ✓ Plan to introduce Wide width collections and Sheers under the "*Nesterra*" offerings
- ✓ A brand from the house of Birlas resonates very well with the trade channels.



NESTERRA Website launched- www.nesterra.com



✓ Developed fully integrated Web Site for rich consumer experience to look & feel and select latest collection and fitment online.



Home Textile Business – Market Penetration



Making inroads across the globe

- ✓ Have successfully placed more than 1000 SKUs in prominent markets despite the spread of Covid-19. This is 50% more SKUs compared to previous year.
- ✓ Some of the geographies targeted are Middle East, North America, United Kingdom, Sri Lanka, and South East Asia etc.
- ✓ Expect good Ramadan sale this year from Middle east market and expect huge repeat orders.
- ✓ Recently added 3 new accounts – Fryetts in UK, Unique fine fabrics in Canada, Durabella Furniture in UAE





AMERICAN SILK

TIMELESS DESIGN SINCE 1896

American Silk Mills (ASM)



New Channels

- ✓ Had placed nearly 90 new SKU with furniture manufacturers. Have received initial orders for market samples and swatches.
- ✓ Have launched 350 Designer Books and Mini Books to support sales force.
- ✓ Plan to launch additional mini books for distribution over the next 60 days.
- ✓ Opened 8 new accounts in the first 3 weeks of the fiscal year itself

Using Technology

Utilizing technology to bring in and engage with the customer base.

- ✓ Flipbook presentations and promotions
- ✓ Working to roll out the Web App to empower the salesforce in managing their book of business.
- ✓ Virtual meetings utilizing top platforms (Zoom, Skype, Google Teams, Go To Meetings)



American Silk Mills (ASM)



Operational Efficiencies

- ✓ Improved Gross Margins by over 300 bps during the year 2020.
- ✓ Have reduced expenses and focused on Inventory reduction.

Revamp of Sales force

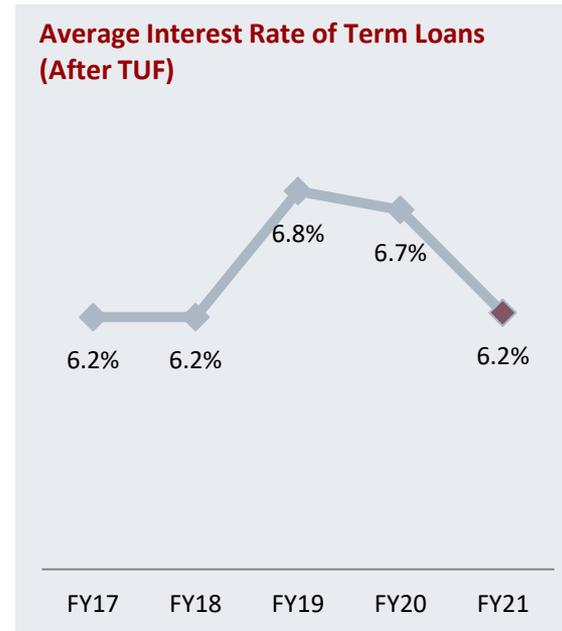
- ✓ Adding experienced sales force for more representation and more coverage

Synergy with Sutlej Home Textiles

- ✓ The new fall collections are being synergized with Sutlej Team
- ✓ Intend to hire product development/merchandiser to focus on the complete line with market, color & style trends to bring “on trend” products that are a compelling look and value to market channels.



Key Ratios



✓ Both the key ratios have been improving over the years



“Progress each day adds to up to big results.”

Let's Connect



sutlej
textiles and industries limited

Mr. Bipeen Valame

bipeenvalame@sutlejtextiles.com

Lotus Corporate Park, Goregaon (East), Mumbai 400063

 **STELLAR**
INVESTOR RELATIONS

Ms. Pooja Sharma / Ms. Hina Agarwal

pooja.sharma@stellar-ir.com / hina@stellar-ir.com

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

For more information visit: www.sutlejtextiles.com