

10th November, 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
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Sub: Q2FY21 Result Presentation

Dear Sirs,

Please find enclosed herewith a copy of the presentation with respect to the Un-audited Financial Results (Standalone and Consolidated) of the Company for the quarter and half year ended 30th September, 2020.

Thanking you

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



Manoj Contractor
Company Secretary and Compliance Officer



Encl: a/a



Re-aligning to the New Normal



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Q2 FY21 Results Highlights

Financial Performance Q2 / H1 FY21

Particulars (Rs crore)	Consolidated Financial Results						
	Q2 FY21	Q2 FY20	YoY Chg %	Q1 FY21	QoQ Chg %	H1FY21	H1FY20
Total Income	473	644	-26%	197	140%	671	1,311
EBITDA	25	62	-60%	-23	NA	2	112
<i>EBITDA Margin (%)</i>	<i>5.24%</i>	<i>9.64%</i>	<i>-440 bps</i>	<i>-11.48%</i>	<i>NA</i>	<i>0.32%</i>	<i>8.60%</i>
PBDT	16	51	-68%	-35	NA	-18	88
PAT	-5	17	NA	-38	-88%	-43	24

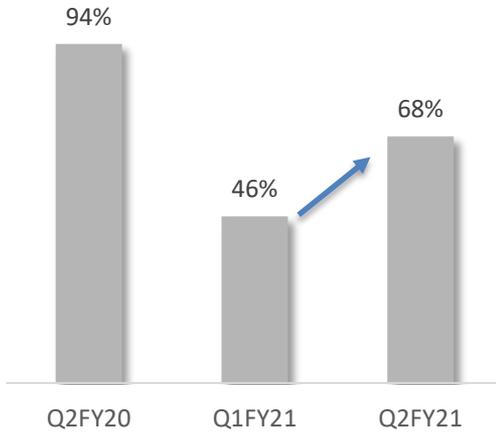
Note: As a result of lockdown period and subsequent restrictions on unlocking of the economy financial results have been impacted during H1FY21. Therefore, results for current quarter are not comparable to previous corresponding period financial results

Q2FY21 Performance

- ✓ As the economies open up, we are witnessing revival in demand in both domestic and export market, leading to improvement in performance compared to Q1FY21.

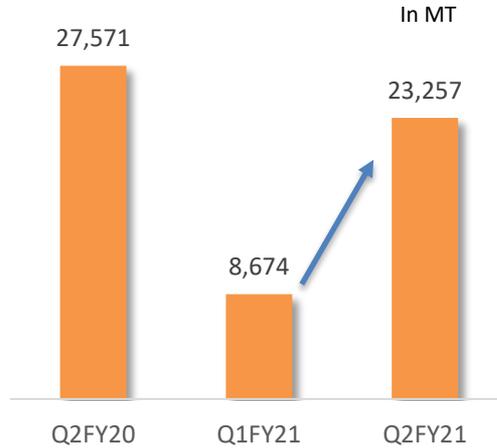
Experiencing gradual recovery post-Covid in Yarn business

Utilization levels gradually recovering to Pre-covid levels...



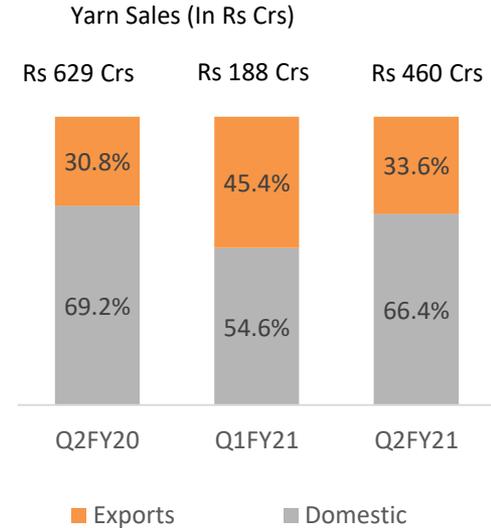
Yarn Capacity utilization

...with improving demand scenario...



Yarn Sales

...supported by mix of Domestic & Exports.



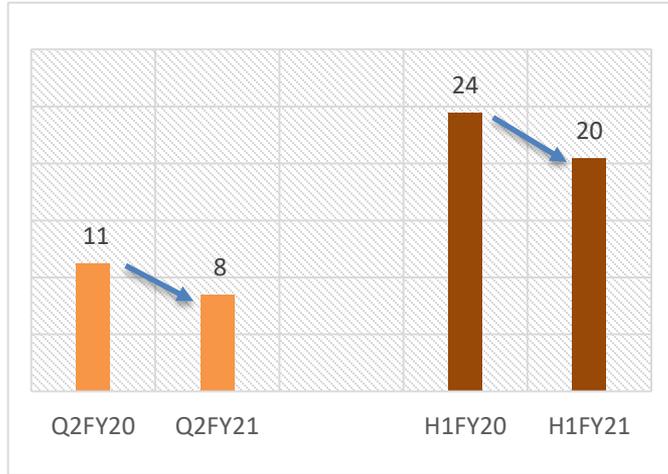
Exports

Domestic

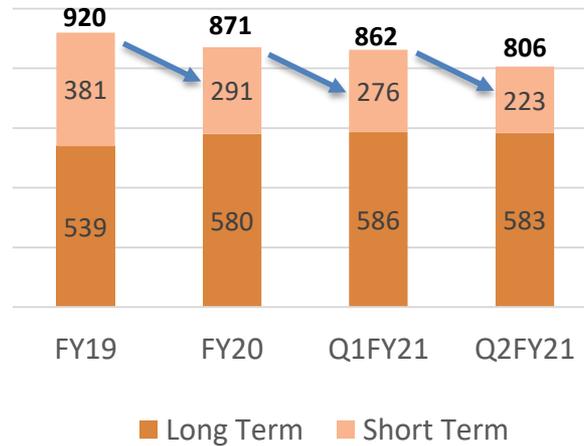
With opening of various geographies, we are witnessing gradual improvement in demand from customers.. leading to improving utilizations levels

Strengthening Balance Sheet

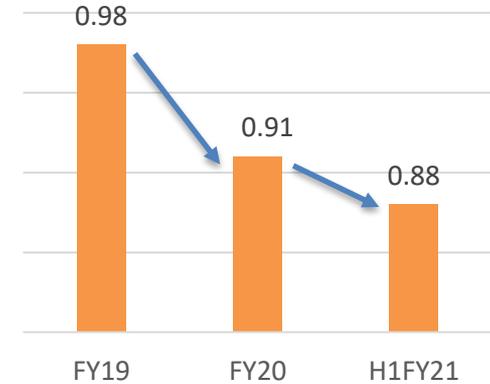
Finance Cost (Rs. Cr)



Total Debt (Rs. Cr)



Debt to Equity (x)



- ✓ Total Debt has witnessed a reduction of Rs. 56 Crs (net) during the quarter, led by efficient working capital management
- ✓ The company has not availed moratorium offered by the RBI and met all its Debt obligations.
- ✓ In the last 18 months, Total Debt has reduced by Rs 114 Crs from Rs 920 Crs to Rs 806 Crs
- ✓ The Total Debt to Equity Ratio continues to be below 1 despite these challenging times.



Executive Chairman - Mr. C. S. Nopany

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

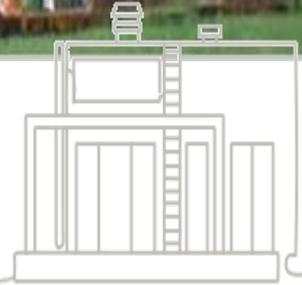
“Gradual climbing back of economy out of depths to which it had plummeted is reflected on our quarterly performance also. A steady contraction of active Covid-19 cases and a low fatality rate instills measured optimism that worst is behind us. While, we are geared to scale back to pre-covid levels on the back of our financial, operational and marketing strength, uncertainty continues till confidence is fully restored amongst society and economy.”





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

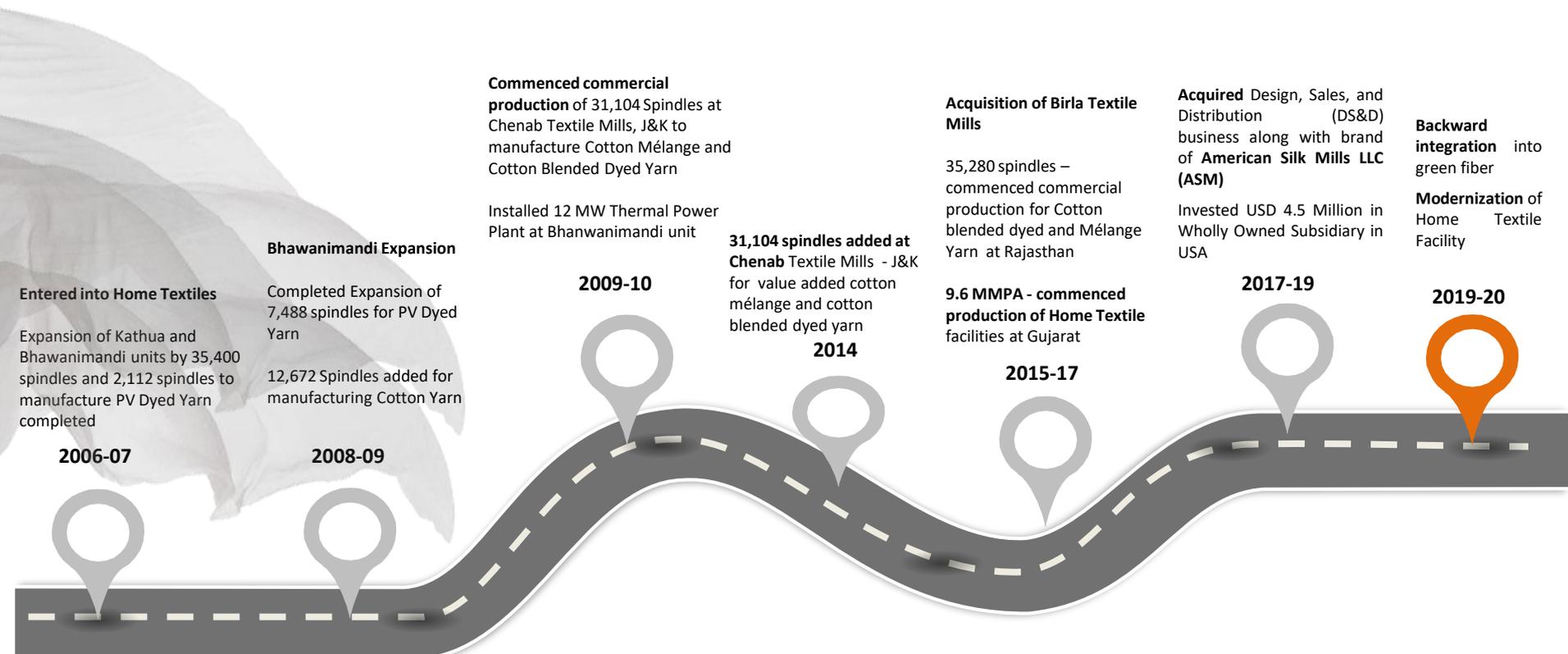
Reputed Cliental

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

Successfully started trial run of first line of 30 MT/day of the Green Fibre
unit. Overall capacity is 120 MT/day.

Key Milestones



Business Verticals

Value Added Yarns

Dyed Yarns

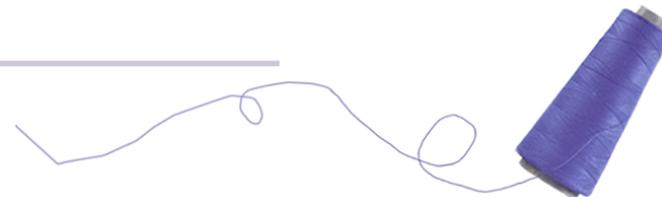
Melange Yarns

Curtains

Home Textiles

Upholstery

Made Ups



Sutlej – Charged to grow higher

Focussed on Value Added Dyed yarns

Leading spun dyed & Melange Yarn
Manufacturer in India



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

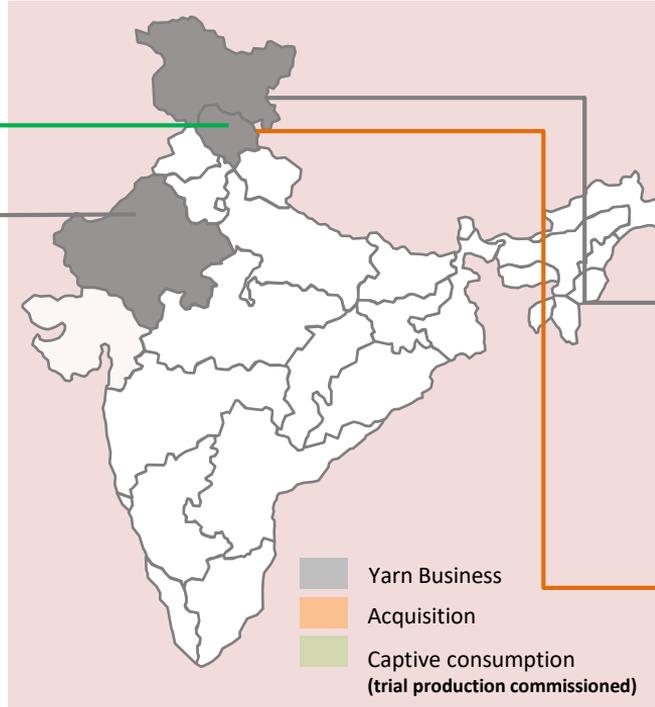
Yarn Capacities

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 (Cotton & Blended)



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 Siyarams, Donear, Raymond, Page Inds, 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





Niche Home Textile Presence

One of the few listed Curtains & Upholstery players

▪ Focus on Curtains, Upholstery & Made ups

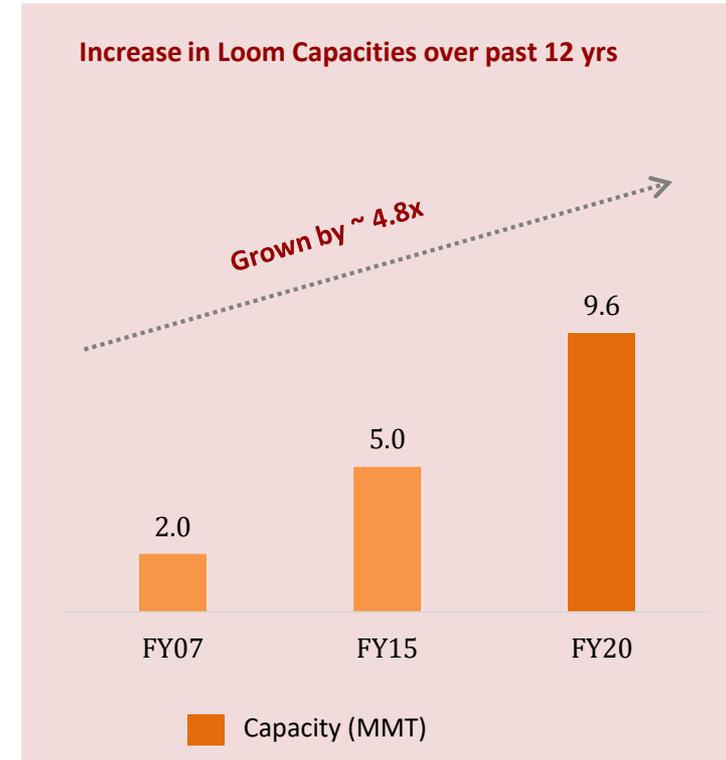
- ✓ One of the leading producer & exporter of Home Decor
- ✓ Acquisition of American Silk Mills (ASM), leading Design & Distribution in USA

▪ 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





Strengthening Distribution

- ✓ Developing new distribution model for domestic market.
- ✓ Appointment of local independent sales agents in key export market.

Engagement with customers

- ✓ Conducted multiple virtual showings with excellent customer response
- ✓ Creation of high performance collections for outdoor use

Other Initiatives

- ✓ Warehousing infrastructure for the new distribution model is being set up
- ✓ Reduction in operating expenses
- ✓ Reduction in Finished good inventory



NESTERRA- Home Textile Division



Soon plan to launch 'Nesterra' Home Textile Brand in the upholstery and furnishings segment through Multi Brand outlets



AMERICAN SILK

TIMELESS DESIGN SINCE 1896

www.americansilk.com

Building Organization

American Silk Mills (ASM)



Covid-19 Preparedness

- ✓ Preserve liquidity.
- ✓ Keep our people safe and operate warehouse at reduced levels.
- ✓ Be ready to adapt to the inevitable societal and thought pattern changes once the new normalcy is restored.

Other initiatives

- ✓ Reduced operating expenses by over 15% compared to previous year

New Channels

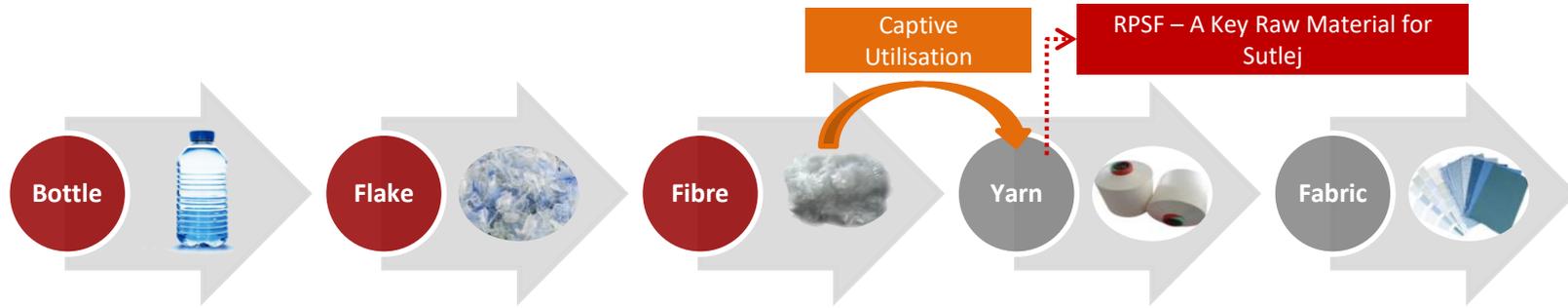
- ✓ Opened 144 new accounts during the year, most of which are Interior Designers also opened 4 large National Accounts
- ✓ Launched “Cutting Edge” website which has been well received
- ✓ Launched its Concierge Design Service which has been well received due to its extensive archives, search ability, and speed to market
- ✓ Conducted over 40 Virtual Showings during the quarter due to the cancelled Spring 2020 Showtime





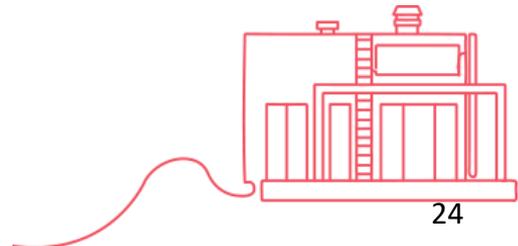
Improving Operating Efficiencies

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
<u>Current Status:</u> Commenced trial production of 30 MT/day line at the Facility	

Fulfil 65%-70% of Captive Requirement of Key Raw Material PSF



Green Fibre Facility-Commenced trial production



***Commenced
Trial
Production
of the first line
of 30 MT/day of
the Green Fibre
plant.***

Green Fiber Facility-Commenced trial production

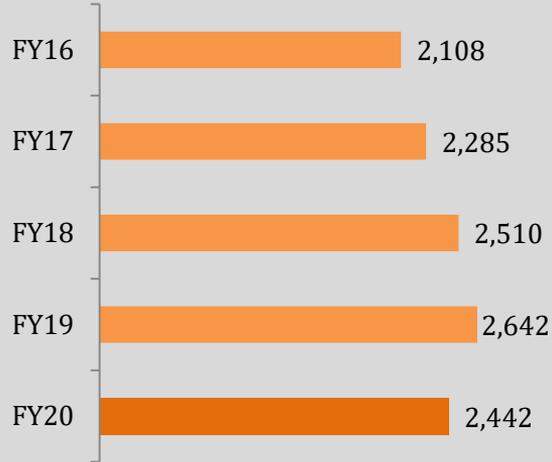


*To start trial run of
second line of
90 MT/day soon*

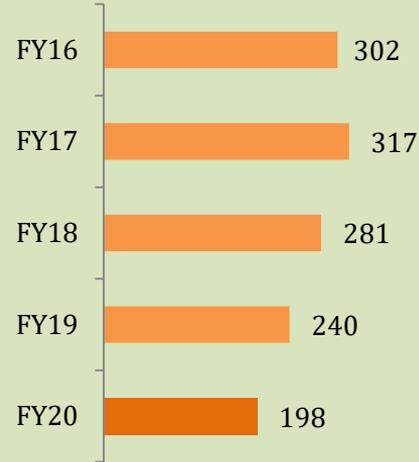
*Expect to start
commercial production
in Q4FY21*

5 year Performance Highlights

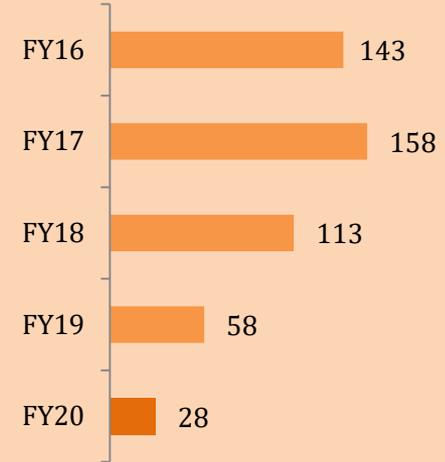
Revenue



EBITDA



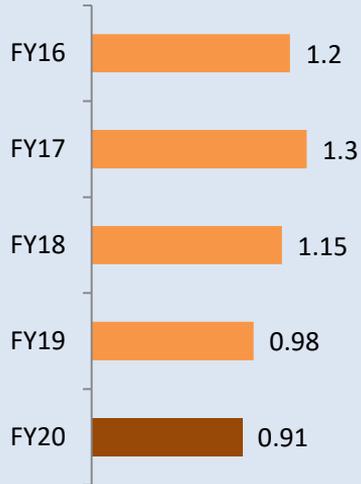
PAT



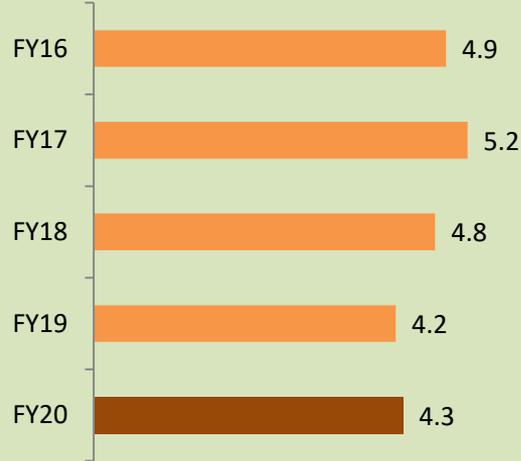
Performance of FY20 impacted due to lockdown of manufacturing units due to Covid-19

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



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