

02nd August, 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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Sub: Q1FY22 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 ended 30th June, 2021.

Thanking you

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



Manoj Contractor
Company Secretary and Compliance Officer



Encl: a/a



Reinvent & Rebound



Safe Harbor

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Q1 FY22 Result Updates



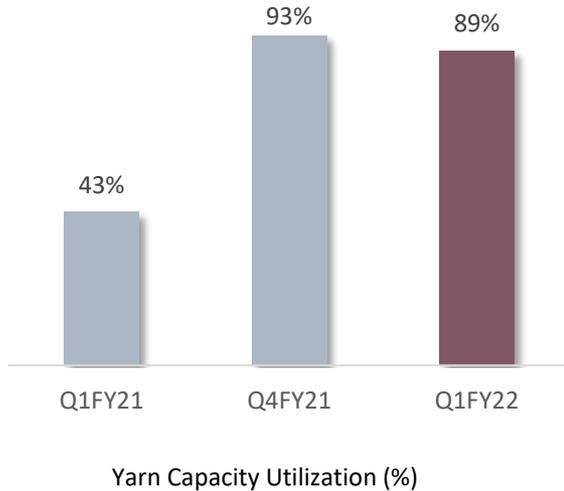
Financial Performance – Q1 FY22

Consolidated (Rs crore)	Q1FY22	Q4FY21	QoQ %	Q1FY21*	YoY %	FY21
Total Income	591	688	-14%	197	199%	1915
Raw material cost	278	374	-26%	108	157%	1062
Gross Profit	313	314	0%	89	251%	853
GP margin	53.01%	45.58%	743 bps	45.24%	777 bps	44.52%
Employee cost	95	89	7%	57	67%	302
Other expenses	142	143	-1%	55	158%	415
EBITDA	76	82	-7%	-23	NA	135
EBITDA margin	12.85%	11.89%	96 bps	-11.48%	NA	7.07%
Depreciation	30	27	10%	21	45%	96
Interest	12	10	23%	12	2%	38
Profit Before Tax	34	44	-24%	-55	NA	2
Tax	13	17	-20%	-17	NA	6
Profit After Tax	20	28	-27%	-38	NA	-4
PAT margin	3.45%	4.04%	-59 bps	-19.38%	NA	-0.19%

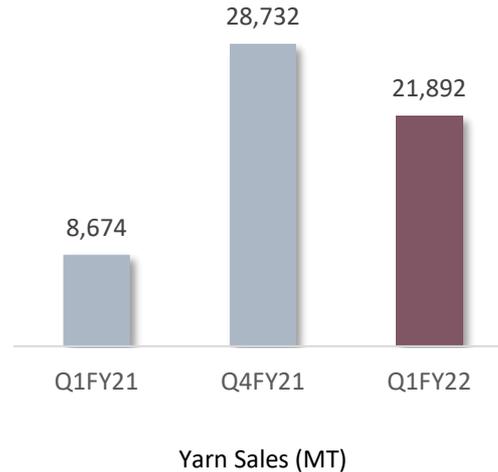
* The results for current quarter are not comparable to previous corresponding period financial results, as the Company's operations and financial results were adversely affected due to lockdown during the quarter ended June 30, 2020

Yarn Business- Highlights Q1FY22

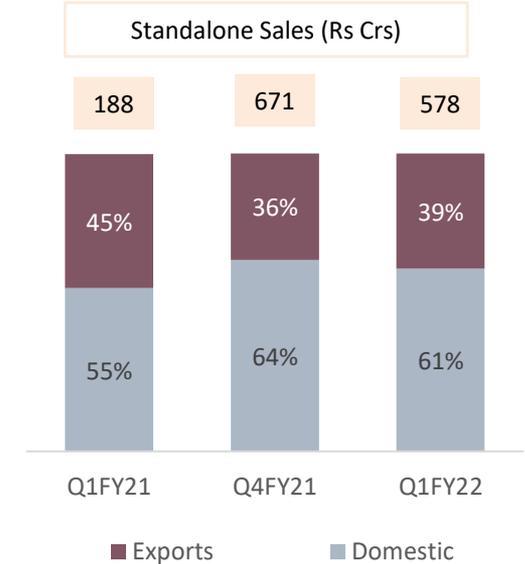
Continued better utilization levels & realisations...



Subdued volume offtake due to Covid 2nd wave

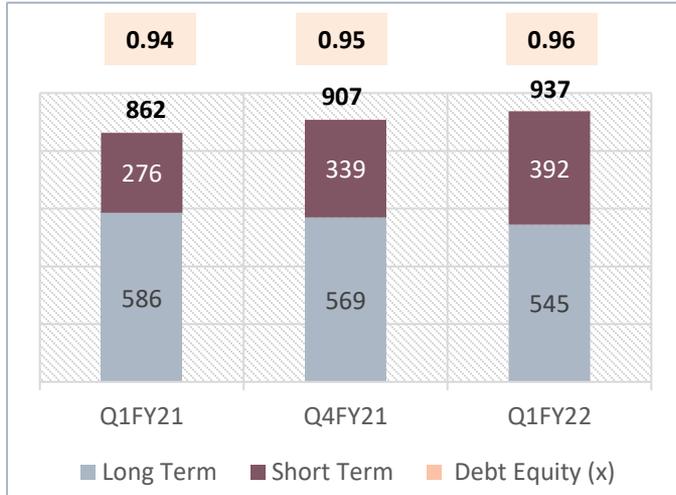


Continue to focus on Export market



Balance Sheet (Consolidated)- Highlights

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

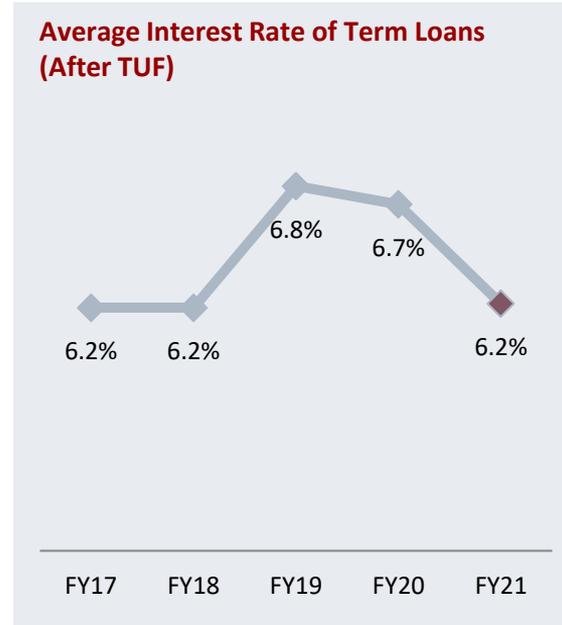
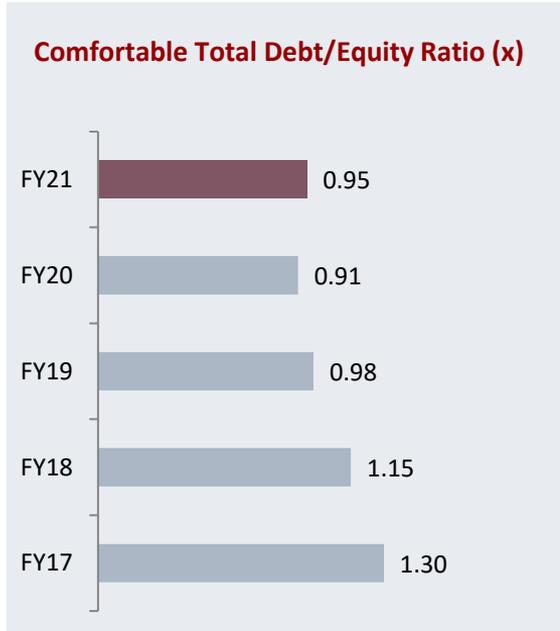


....Marginal increase in Finance cost



- ✓ The Debt to Equity ratio continues to remain below 1, despite marginal increase in Total Debt during the quarter.
- ✓ Long Term Debt has reduced by Rs 24 Crs, Short Term Debt increased by Rs 53 Crs on account of low offtake during Q1FY22 due to Covid-19 second wave.
- ✓ Finance cost increased by only 2% despite increase in Total Debt by Rs 77 Crs from Rs 862 Crs in Q1FY21 to Rs 937 Crs in Q1FY22.
- ✓ Currently, more than 35% of the Working capital limits are unutilized, thus the Company has sufficient liquidity.

Key Ratios- Last 5 years



✓ Both the key ratios have been improving over the years

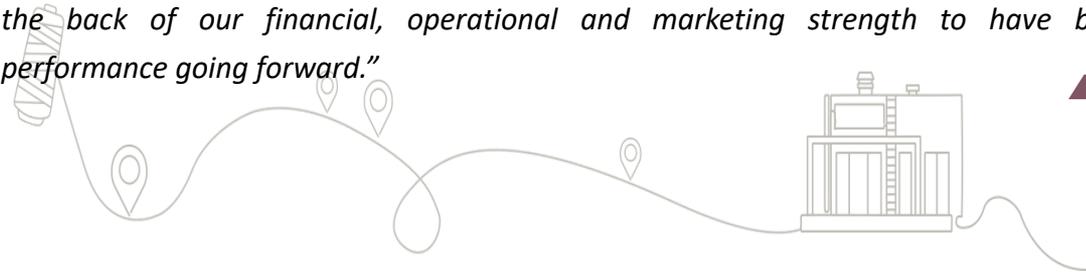




Executive Chairman - Mr. C. S. Nopany

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

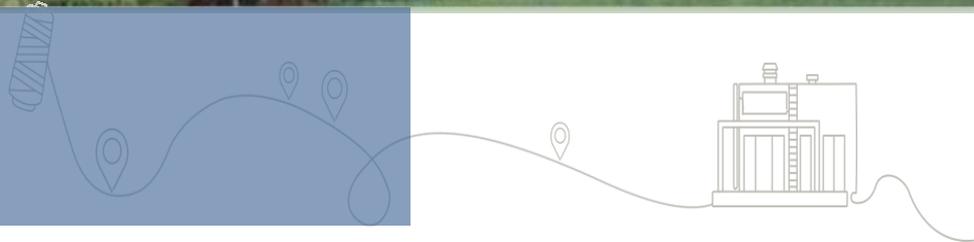
“The textile sector witnessed sharp recovery with improved demand in domestic as well as export markets particularly in grey yarn segment with gradual opening up of economies. Recently, the GOI has announced various policy measures aimed at providing thrust to textile industry. As the economies further open up with drop in Covid cases and ramp up of vaccination drive, we expect demand to revive as we approach festive season. However, sustainability of growth trajectory will depend upon impact of third wave of Covid-19 and opening of consumer discretionary sectors. At Sutlej, we continue to focus on our well diversified value added product portfolio and are fully geared up on the back of our financial, operational and marketing strength to have better performance going forward.”





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

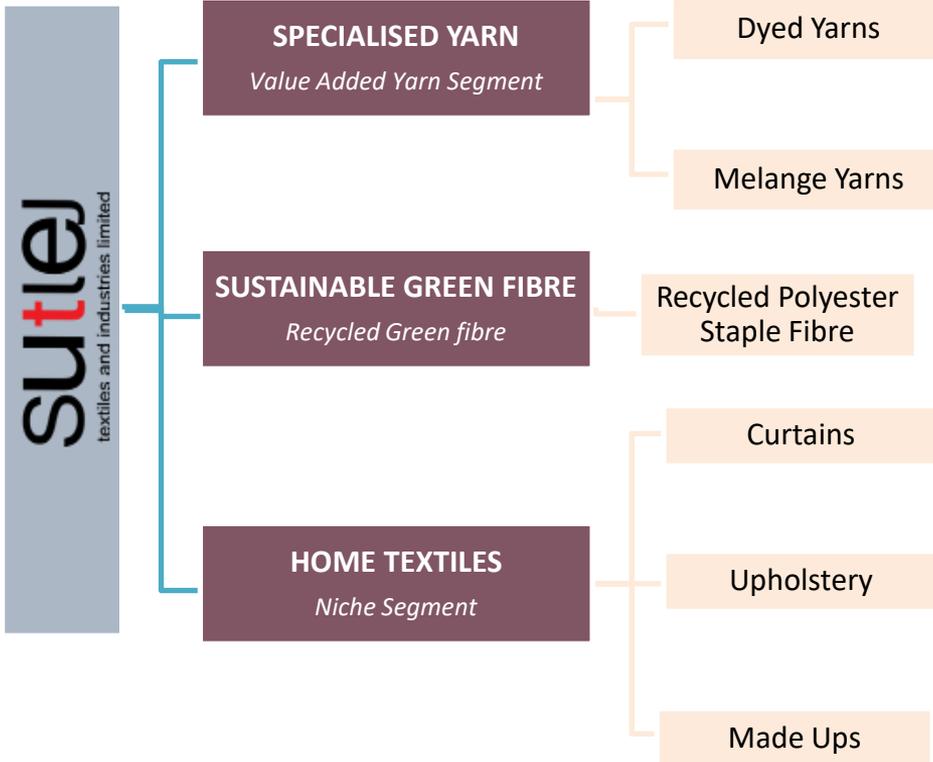
- ✓ Marquee clients like Page Inds (Jockey), Westside, Marks & Spencer, Arvind, Raymond, Donear NXG, Siyaram's, Arrow, Grasim, Digjam, JC Penney, Monte Carlo, Pantaloons and such others

Backward integration

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



Key Business Verticals



Guided by Industry Veterans and Experienced Management

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

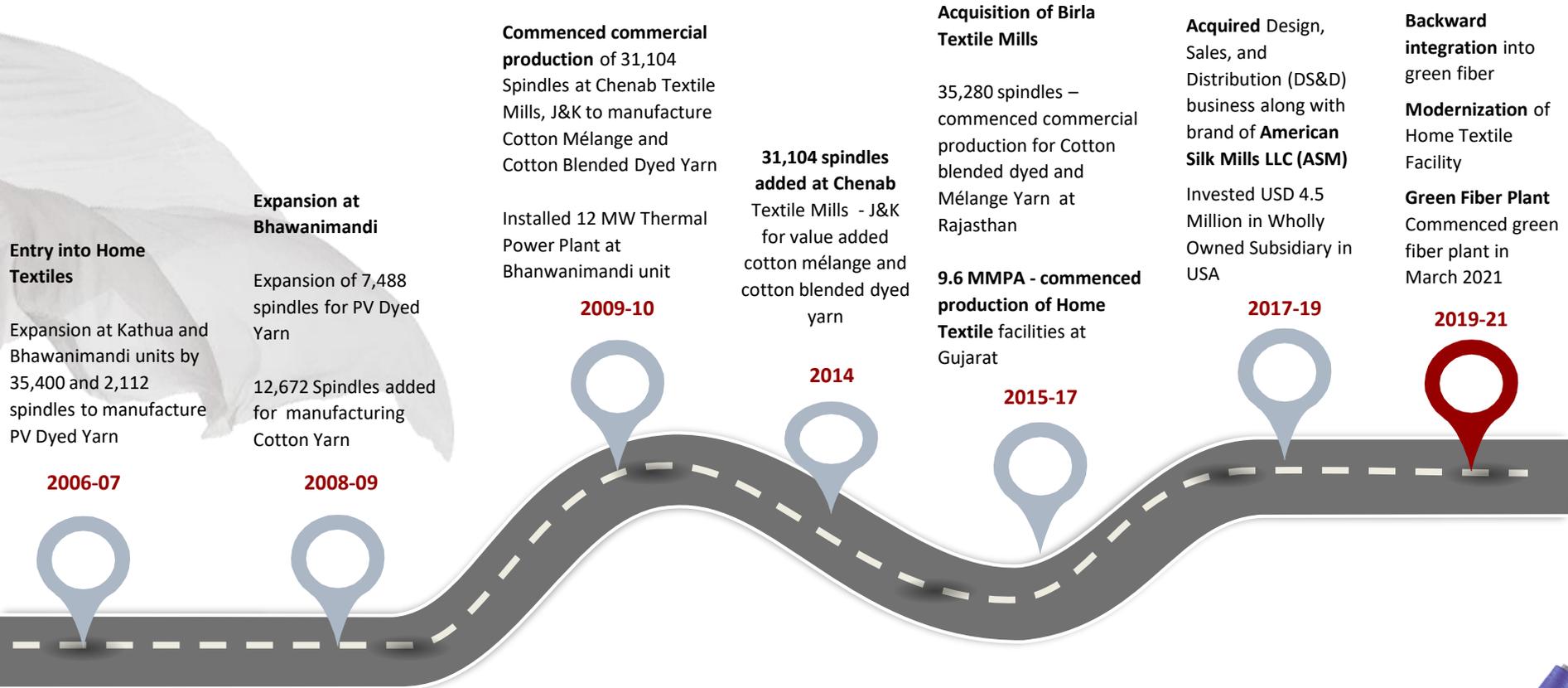
WTD and CFO

Mr. Manoj Contractor

CS & Compliance Officer



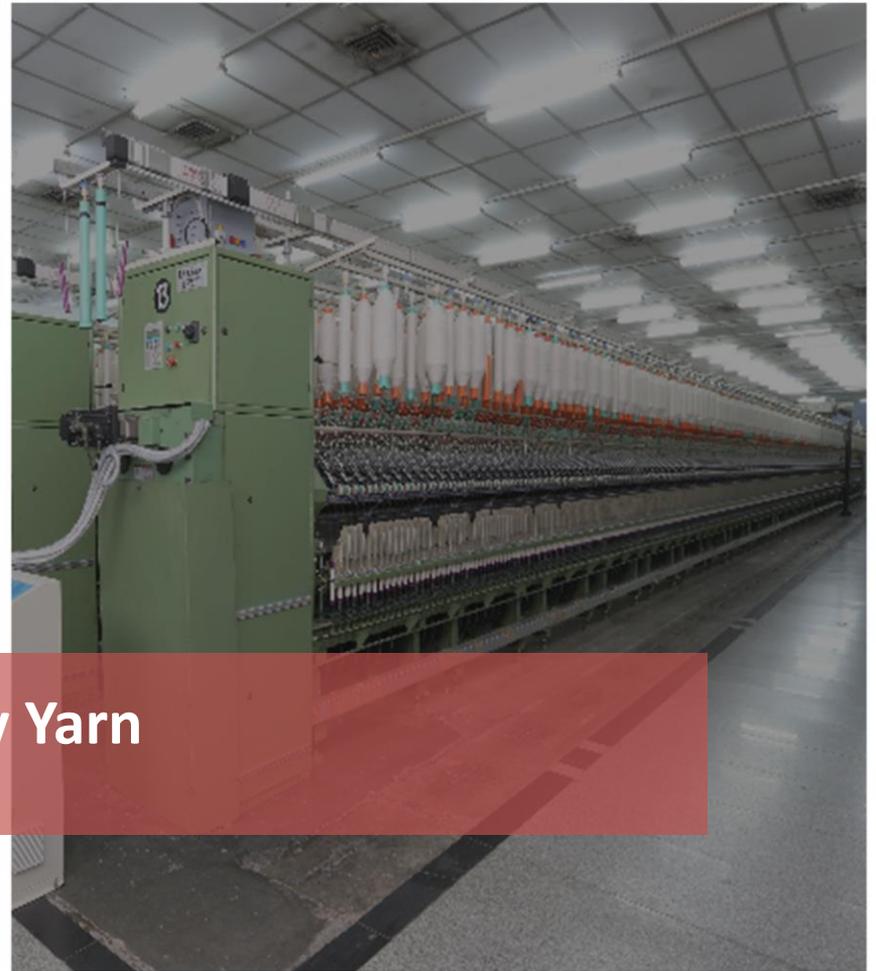
Consistently Expanding Capacities and Product Portfolio...





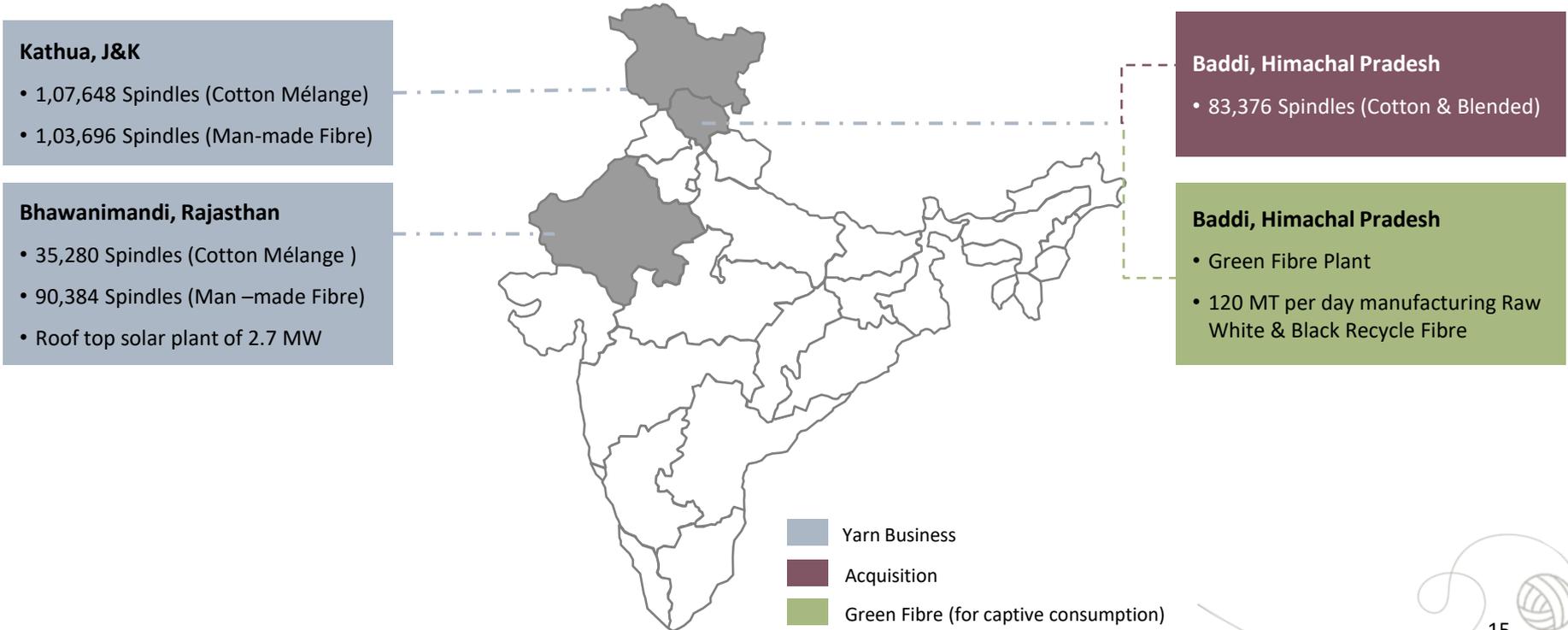
Focused on Value Added Specialty Yarn

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

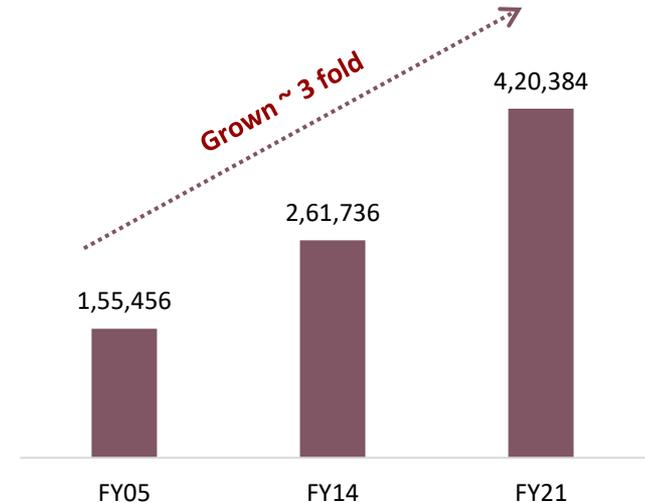
▪ **Well Diversified Product Portfolio**

- ✓ 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 one third of sales 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)

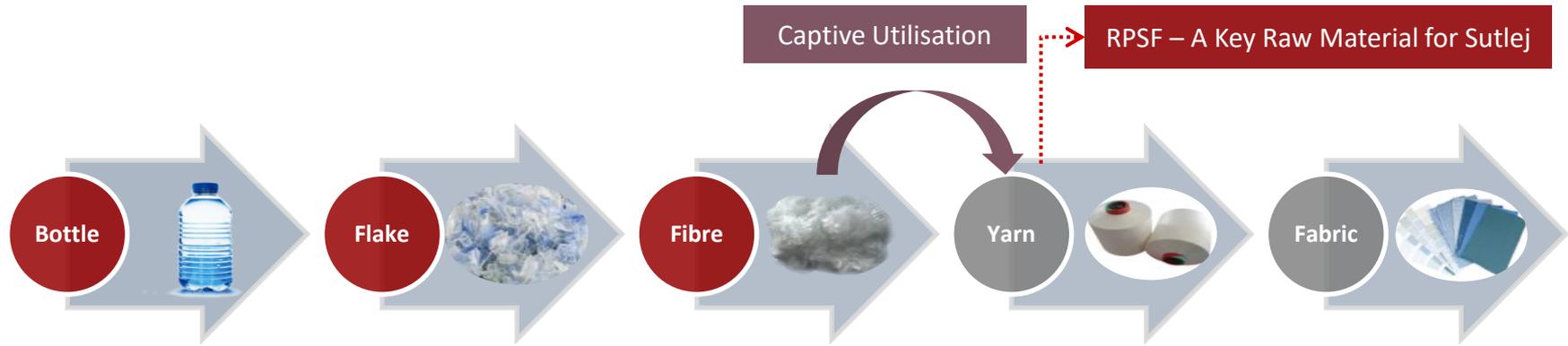




Sustainable Green Fibre Unit

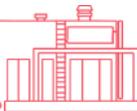
Backward integration into recycle fibre to meet captive demand

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





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 furnishings.
- ✓ Acquisition of American Silk Mills (ASM), leading Design & Distribution Company in USA

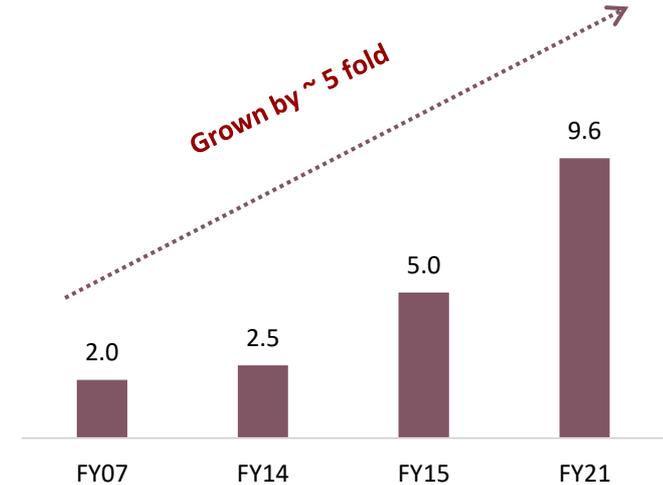
Latest Technology in design & manufacturing

- ✓ 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 – Current Market Scenario



Domestic market

- ✓ In the domestic market now 75% of stores are open. Normal movement has resumed with minor limitations.
- ✓ Expect recovery of demand in domestic market because of the impending holiday and market vacuum.

Export Market

- ✓ Post second wave of Covid, there has been a slow but steady increase in the home furnishing segment.
- ✓ Market areas and businesses are open despite the limited people.
- ✓ Anticipate an uptick globally due to the forthcoming Christmas and New Year holidays. Similarly Expo 2020 which is slated Oct 2021 in Middle east will have a favorable impact in Middle east market.



Home Textile Business – Key Initiatives



New Products

- ✓ Initiated a whole line of Mélange textiles (for bedding and upholstery) utilizing in-house yarns thus creating synergies.
- ✓ Planning to develop distinct product line in bedding and made-up category.
- ✓ Increasing thrust on coated products like Blackout, Thermal Bonding and Needle Punch.

Market Penetration

- ✓ Strengthening relationships with existing clients by facilitating with new items, product techniques, mood boards based on themes, digital presentations etc.
- ✓ Promotion of made-ups products to retail segment and ready-made buyers.



NESTERRA – Home Textile Brand



Plan going forward

- ✓ 'Nesterra' 2.0 collections to be introduced with a broad product variety and offering in the domestic market
- ✓ Creating better reach of the brand by targeting sub distributors who can stock all SKUs.
- ✓ Plan to execute several schemes for cut length model.
- ✓ Targeting new distributors from tier-2 & tier-3 cities and also large retailers that offer faster selections.



Customer Penetration

- ✓ Have opened 84 new accounts in the quarter.
- ✓ Strong Order Book position, orders coming from some large retailers like Hickory Chair, Norwalk, Ethan Allen, Sherril, Thayer-Coggin, Century
- ✓ Have received placements from Bernhardt Furniture Company and commitments from other clients like Stickley, Stout, Calico, CR Laine, Ambella Home

Synergies with Sutlej

- ✓ The collaboration of Sutlej & ASM design is rendering great new looks with specialty yarns that will solidify product offerings.
- ✓ Developing range of body cloths at various price points with Sutlej and also creating signature patterns for Fall 21 line. 'Scandi' collection, which is part of Sutlej products has been well received.
- ✓ Planning to have new product development for outdoor category along with Sutlej and have a new marketing campaign for the category.



“You can if you think you can!”

Let's Connect



sutlej
textiles and industries limited

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