

03rd February, 2023

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 / Madam,

Sub: Q3FY23 Result Presentation

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 nine months ended 31st December, 2022.

Thanking you

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

Manoj Contractor
Company Secretary and Compliance Officer



Encl: a/a

(Govt. Recognised Three Star Export House)

Sutlej Textiles and Industries Limited

Leadership in Yarns, establishing a niche in Home Textiles



Q3 FY23 Result Presentation
February 2023

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 guaranteeing 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.



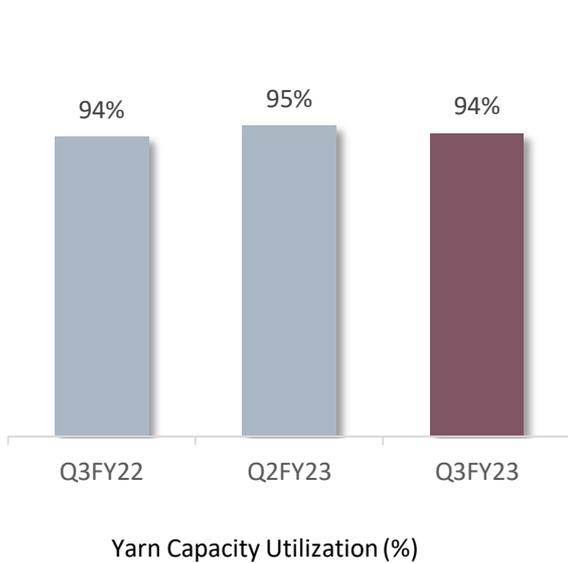
Q3 FY23 Result Updates

Financial Performance – Q3 & 9MFY23

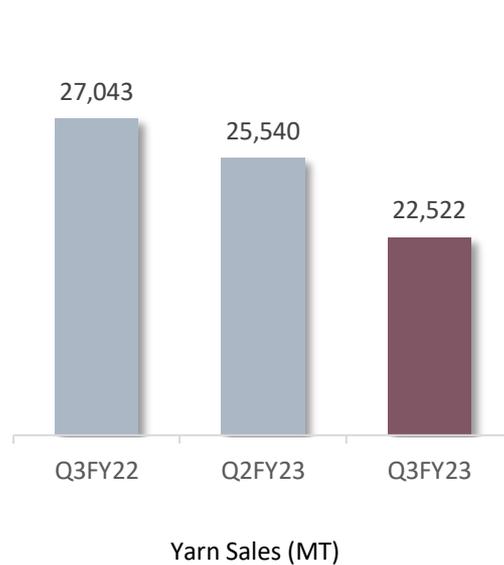
Consolidated (Rs Crore)	Q3FY23	Q2FY23	Q3FY22	YoY %	9MFY23	9MFY22	YoY %
Total Income	670	826	823	-19%	2,349	2,211	6%
Cost of goods sold	365	431	439	-17%	1,201	1130	6%
Gross Profit	305	395	384	-21%	1,147	1081	6%
GP margin %	45.49%	47.84%	46.61%	-112 bps	48.85%	48.91%	-6 bps
Employee cost	110	114	108	2%	337	309	9%
Other expenses	174	187	177	-1%	558	490	14%
EBITDA	21	94	99	-79%	253	282	-10%
EBITDA margin	3.12%	11.39%	12.05%	-	10.75%	12.74%	-199 bps
Depreciation	32	31	31	5%	95	91	4%
Interest	14	13	11	31%	41	35	18%
Profit Before Tax	-26	49	58	NA	117	156	-25%
Exceptional Items	-3	-	-	NA	21	0	NA
Tax	-7	18	21	NA	35	57	-39%
Profit After Tax	-16	31	37	NA	61	99	-38%
PAT margin	-2.32%	3.79%	4.44%	NA	2.60%	4.46%	-186 bps

Yarn Business Highlights

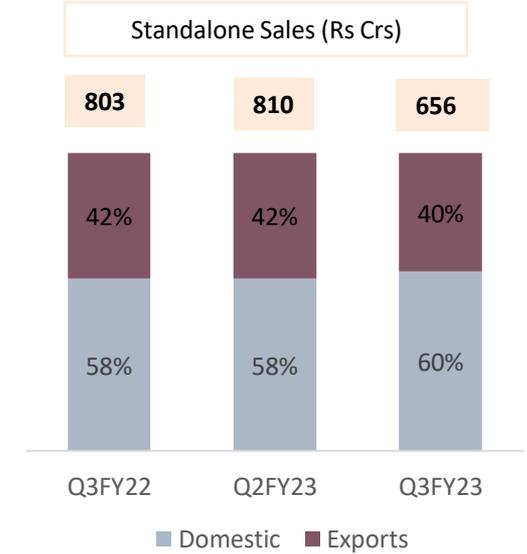
Capacity utilisation at optimum levels



Yarn Sales marginally lower

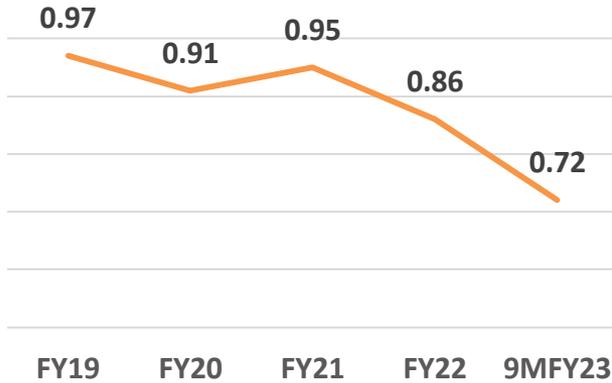


Switched Focus to Domestic market

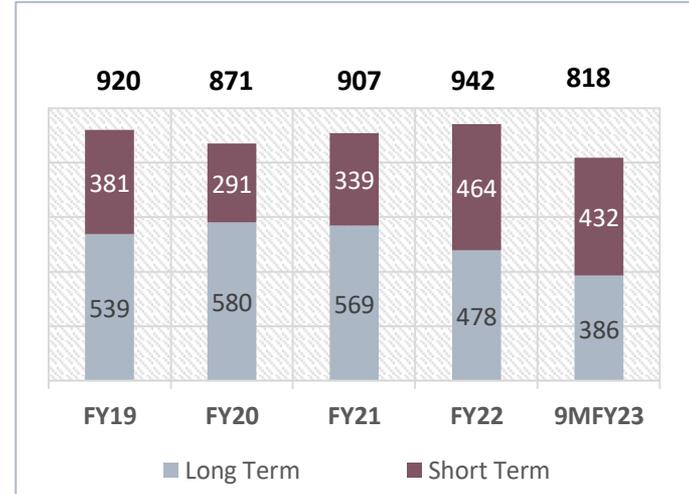


Balance Sheet (Consolidated) – Highlights

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



Decrease in overall Debt due to reduction in both Long term and Short term Debt.



- ✓ Total Debt has reduced by 124 Crs to Rs 818 Crs as against Rs 942 Crs in March 2022
- ✓ Debt to Equity Ratio at historic low levels of 0.72 times

From the Executive Chairman's Desk

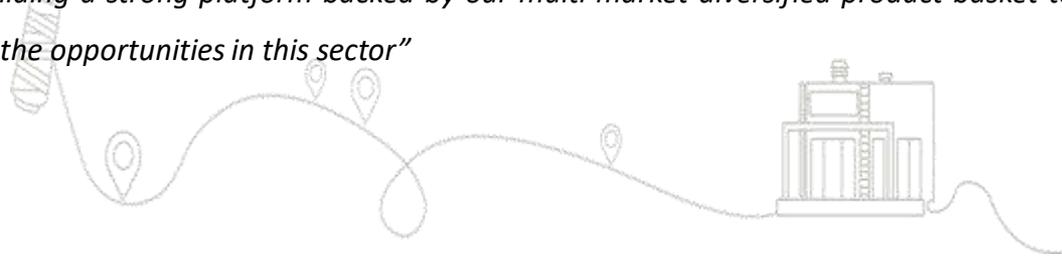


Executive Chairman - Mr. C. S. Nopany

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

“After a buoyant first two quarters, the Textile Industry hit multiple roadblocks in 2022 due to uncertain geo-political situations and consequential volatility in raw material prices. Recessionary trends resulted in weak demand from consuming markets like the USA and Europe. The domestic market, although inherently stable, is also impacted by the current global scenario and has tempered expectations for the remainder of the financial year.

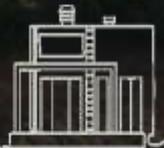
At Sutlej, our long-term strategy of expanding our product offerings, strengthening our balance sheet and increasing our profitability continues to drive our operations. While our near-term performance may be impacted by global headwinds, we are confident of building a strong platform backed by our multi-market diversified product basket to cater to the opportunities in this sector”





Sutlej

Creation of a Strong Foundation over the years



Established Value-added Yarn Player

- **Largest Spun Dyed Capacity**
 - ✓ One of India's largest spun dyed Yarn and leading Melange Yarn manufacturer.
- **Patronage of Renowned K.K.Birla group**
 - ✓ Excellent Corporate Governance and Experienced Management
- **Exports to 65+ countries**
 - ✓ Across Europe, North & Latin America, South-East Asia, USA.
- **Large scale Capacities**
 - ✓ 4,22,352 spindles capacity of Yarn
- **Backward integration**
 - ✓ Green Fibre plant, having a total capacity of 120 MT/day
- **Reputed Cliental**
 - ✓ Marquee clients like Page Inds, Westside, Marks & Spencer, Arvind, Raymond, Donear NXG, Siyaram's, Arrow, Grasim, Digjam, JC Penney, Monte Carlo, Pantaloons and so on.



Building a strong Home Textile Brand

- **Niche Segment Presence**
 - ✓ One of the few listed players in curtains & upholstery segment
- **Sizable Capacity**
 - ✓ Current Home Textile capacity of 8.4 MMT
- **International foot-prints**
 - ✓ Present in US market through American Silk Mills (ASM)
- **Establishing Brands**
 - ✓ Launched a premium brand in curtains and upholstery "Nesterra"
- **Focusing on B2B to B2C business opportunities**
 - ✓ Home Textiles will enable Sutlej to move towards higher margin B2C business
- **Thrust on Exports**
 - ✓ Targeting exports to Middle East, USA, EU & other geographies



Key Business Verticals



SPECIALISED YARN
Value Added Yarn Segment

Dyed Yarns

Melange Yarns



SUSTAINABLE GREEN FIBRE
Recycled Green fibre

Recycled Polyester Staple Fibre



HOME TEXTILES
Niche Segment

Curtains

Upholstery

Made Ups



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

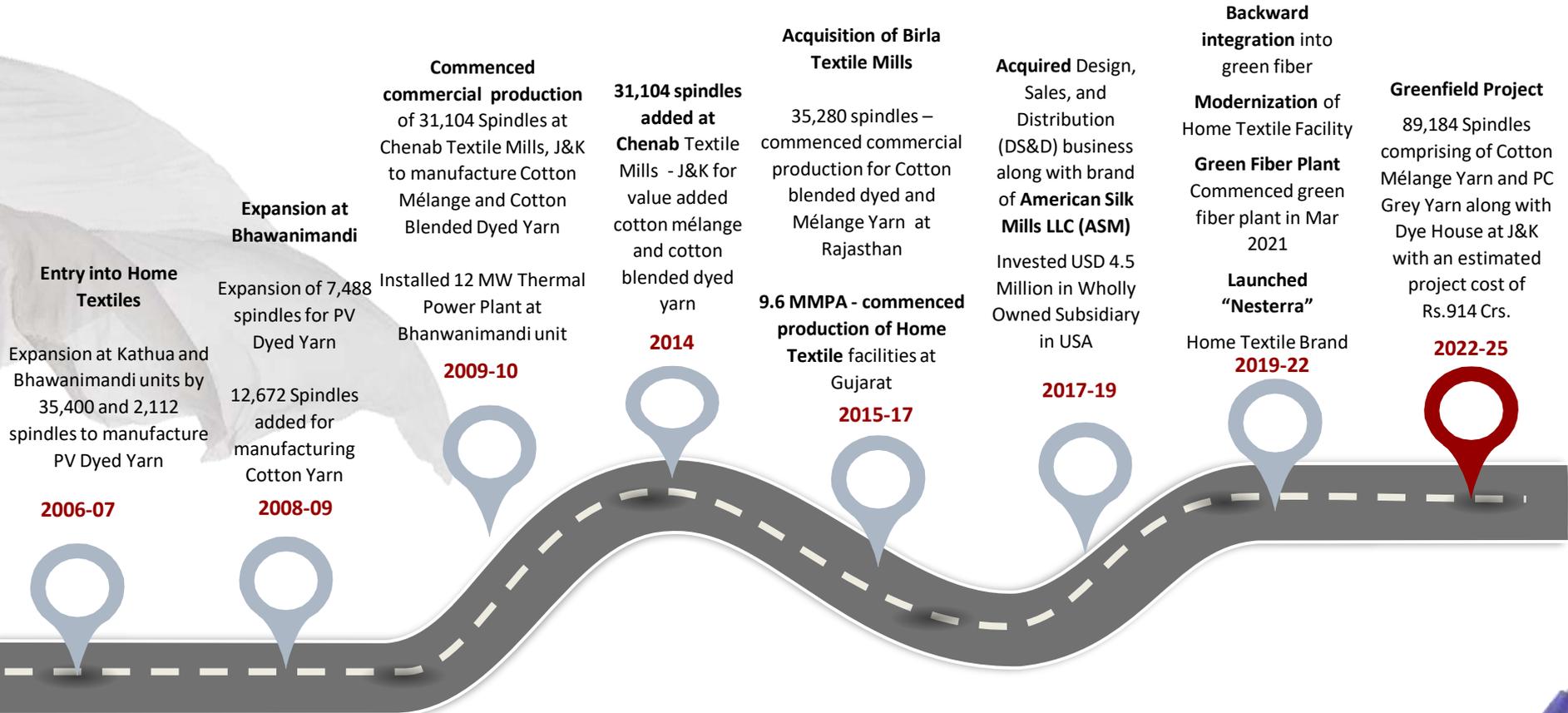
Mr. Rajib Mukhopadhyay

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 and Fabric 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'

Kathua, J&K

- 1,11,739 Spindles (Cotton Mélange)
- 1,00,373 Spindles (Man-made Fibre)

J&K

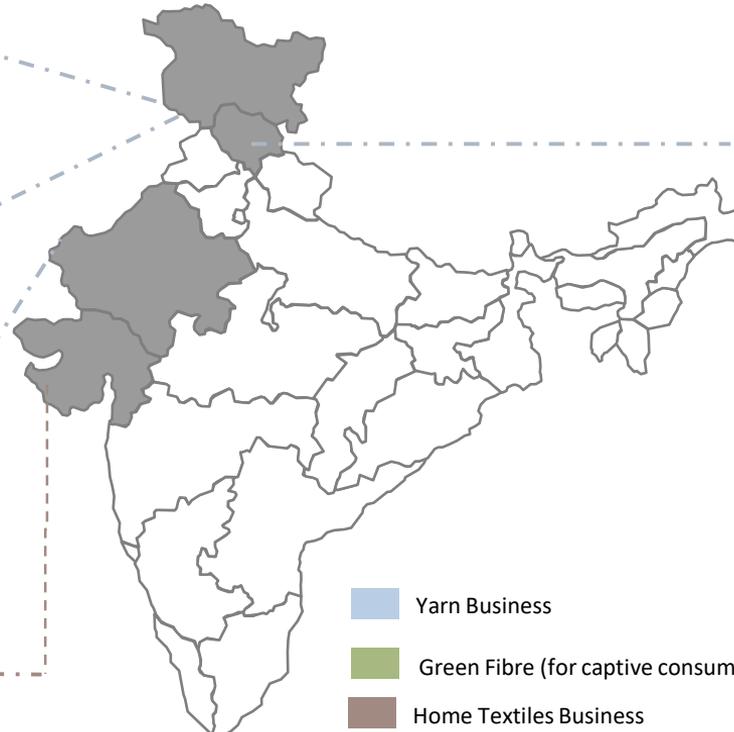
- **Greenfield Project** announced of 89,184 Spindles of Cotton Mélange Yarn and PC Grey Yarn along with Dye House.
- Estimated project cost of Rs 914 Crs.

Bhawanimandi, Rajasthan

- 43,689 Spindles (Cotton Mélange)
- 81,975 Spindles (Man-made Fibre)
- Roof top solar plant of 2.7 MW

Damanganga, Gujarat

- Capacity of 8.4 million meters
- 116 Shuttle-less looms



Baddi, Himachal Pradesh

- 83,232 Spindles (Cotton & Blended)

Baddi, Himachal Pradesh

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



Speciality Dyed Yarns – Backbone of Our Business

▪ **Leading Yarn manufacturer in India**

- ✓ 4,22,352 Dyed Yarn Spindles
 - ~37% dedicated to Melange Yarn
 - ~63% dedicated to various blends

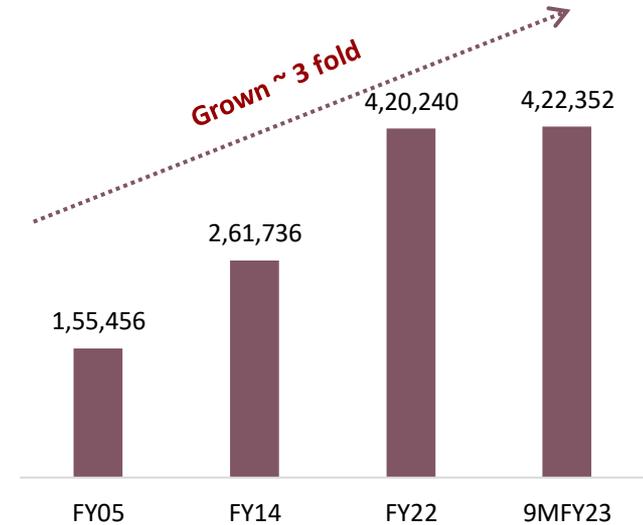
▪ **Well Diversified Product Portfolio/geographies and customers**

- ✓ 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 customer 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)



New Green Field Spinning project at J&K

- ✓ Currently the company is not present in Greige (grey) product segment. In order to compliment the dyed/mélange product offering, the company needs to have grey product in its product basket.
- ✓ In view of the increasing demand for cotton /polyester blends across multiple categories of end use there is market potential of grey blended yarns both in domestic and export markets.
- ✓ Currently the company has yarn production capacity of 4.22 lacs spindles which are operating at 94-95% capacity utilization.
- ✓ The Board has approved setting up of a green field project for 89,184 Spindles comprising of Cotton Mélange Yarn and PC Grey Yarn along with Dye House at J&K with an estimated project cost of Rs.914 Crs. The commercial production of the project is expected around Q4FY25.

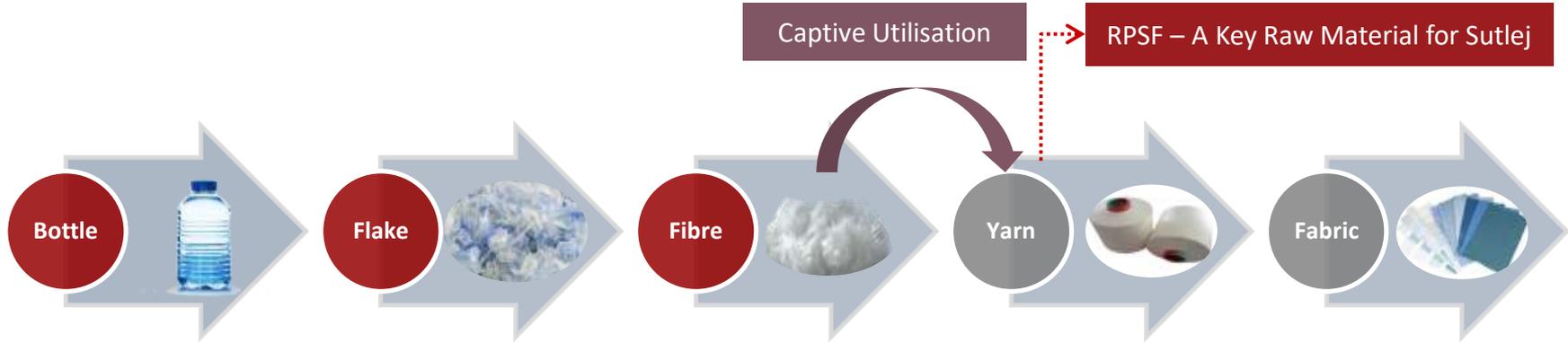


A wide-angle photograph of a large industrial facility, likely a recycling plant. In the foreground, a long conveyor belt is filled with clear plastic bottles and other debris. Several workers are positioned along the line, some wearing gloves and focused on sorting the waste. The background shows a complex network of metal structures, pipes, and overhead lighting, creating a busy and industrial atmosphere.

Sustainable Green Fibre Unit

Backward integration into recycle fibre to meet captive demand

Improving Operating Efficiency by Backward Integration...



Key Statistics:

- ✓ **120 Tonne per day** *Installed capacity of green fibre at Sutlej*
- ✓ **4.80 Million** *Peak quantum of PET bottles that can be consumed by Sutlej a day*
- ✓ **73%** *company's green fibre appetite serviced from within*
- ✓ **60 Million** *Number of PET drinking water bottles consumed each hour across the world*

Updates

- ✓ **Capacity utilization** has been consistently increasing and currently running at optimum utilization of around 100.1% in 9MFY23. Performance of the unit has improved significantly.
- ✓ **Developed multiple new products** like Hollow Fiber & Super White Fiber etc which has been approved by users.





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

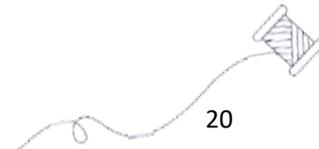
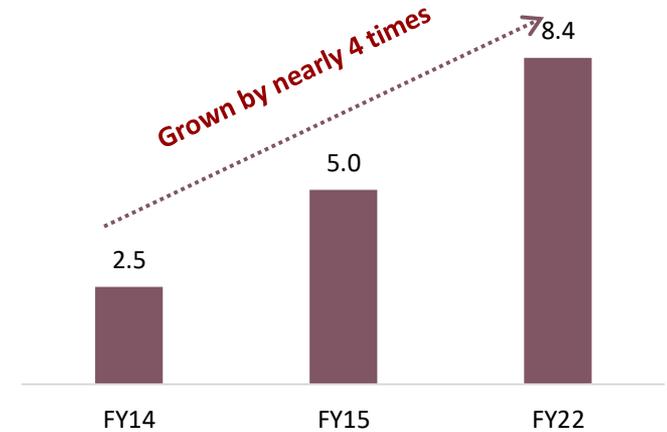
Latest Technology in design & manufacturing

- ✓ State of Art manufacturing facility at Gujarat
- ✓ Capacity 8.4 Mn. metres/pa
- ✓ 116 dobby & jacquard looms including 38 looms with double width

Strengthening Product Portfolio

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

Increase in Loom Capacities (MMT) over past 12 yrs



Home Textile Business

Participation in Heimtextil, Germany

- ✓ Participated in Heimtextil 2023 exhibition, Germany. This was the first time after 3 years the exhibition was held and hence saw very good turnout.
- ✓ Met more than 150 customers predominantly from Wholesale and Large format trade.
- ✓ Product offerings were wide, showcased melange products, apart from products with sustainable and functional attributes.
- ✓ Very encouraging response received from customers specially from US, UK, Europe and South East Asia. Showcased collections to new customers from Australia, Japan, and South Africa.

Market Penetration

- ✓ Added two new customers from Europe Market- Finland & Germany. Making inroads in South Africa & Kenya.
- ✓ Efforts to establish presence in Mexico, Brazil, Peru, and Chile through local agents.
- ✓ Continue to push the qualities that will help us optimally utilise manufacturing capacity.



Home Textile - “Nesterra” Building a Brand of Future



From B2B to Retail Brand

- In FY21, launched the first retail brand in its existence
- Brand is marketed to multi brand outlets, addressing cut services requirements of India’s retail sector
- Currently accessible in 419 stores across 26 states.

Capitalize Existing Expertise

- Capitalize on rich pedigree originating from the House of Sutlej (niche yarns for decades)
- Capitalize on use of proprietary yarns and manufacture on cutting-edge weaving looms

Brand Building

- Within a short space of time, the ‘Nesterra’ has begun earning respect for distinguished designs, quality, consistency and timely service in India’s retail sector.



Home Textile - “Nesterra” Building a Brand of Future



Market Penetration

- ✓ Currently present across 112 cities in 26 states

New Collections

- ✓ Will be launching Nesterra ‘Kidspiration’ inspired by the kids depiction and creativity on canvas and will get to see some of their art as part of the collection once it is launched.

Marketing and Advertising

- ✓ Participated in the AD Design show in December 2022 to reach the Influencer and Architect community and received great appreciation.
- ✓ Secured Product Feature showcasing Nesterra’s collections in some of India’s leading décor magazines such as ELLE Décor, Architectural Digest, and GoodHomes, helping position Nesterra as a premium brand in the decor space



Key Highlights

Participation in Interwoven Exhibition

- ✓ Launched Performance program at Interwoven exhibition in Nov 2022.
- ✓ Introduced a “Look Book” at Interwoven exhibition of archives to help provide jobber opportunities.

Market Penetration

- ✓ Increasing presence through Jobbers and Furniture retailers.
- ✓ Continue to develop new looks in ‘Velvet’ category which is one of the highest selling category.

New Designs

- ✓ Focus on highly decorated designs like silk blends, embroideries etc.
- ✓ Continue growth from Sutlej developments, archives and lower price point categories.
- ✓ Widening sourcing scope to include wide variety of products



“Anything that is measured and watched, improves - Bob Parsons”

sutlej
textiles and industries limited

Mr. Rajib Mukhopadhyay
rajibm@sutlejtextiles.com

Lotus Corporate Park, Goregaon (East), Mumbai 400063



Let's Connect



STELLAR
INVESTOR RELATIONS

Ms. Pooja Sharma / Ms. Vinita Pandya
pooja.sharma@stellar-ir.com / vinita@stellar-ir.com

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

For more information visit: www.sutlejtextiles.com