

05<sup>th</sup> May, 2023

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

Dear Sirs,

**Sub: Q4 & FY23 Result Presentation**

Please find enclosed herewith a copy of the presentation with respect to the audited financial results of the Company for Q4 & FY23.

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

Leadership in Yarns, establishing a  
niche in Home Textiles



**Q4 & FY23 Result Presentation**  
**May 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.



## Q4 & FY23 Result Updates

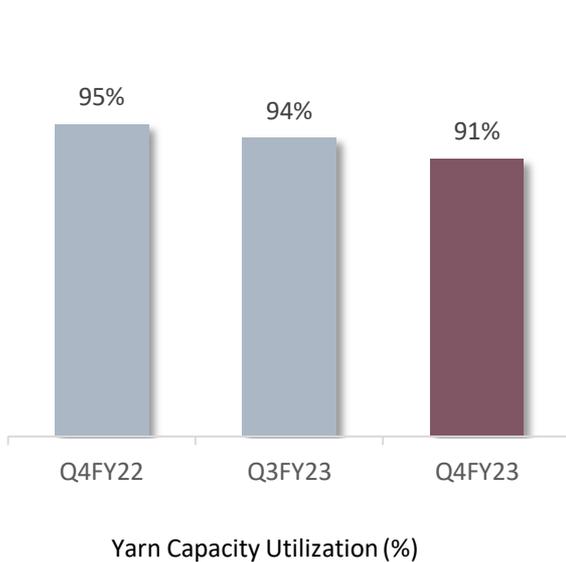


# Financial Performance – Q4 & FY23

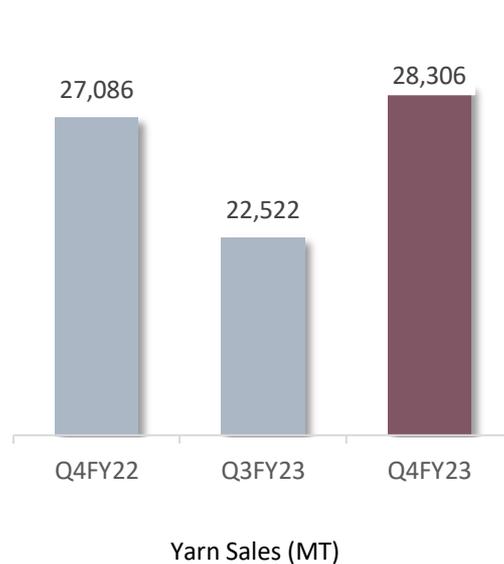
Consolidated (Rs Crore)	Q4FY23	Q3FY23	Q4FY22	YoY %	FY23	FY22	YoY %
<b>Total Income</b>	<b>752</b>	<b>670</b>	<b>901</b>	<b>-17%</b>	<b>3,100</b>	<b>3,112</b>	<b>0%</b>
Cost of goods sold	457	365	475	-4%	1,658	1,604	3%
<b>Gross Profit</b>	<b>295</b>	<b>305</b>	<b>426</b>	<b>-31%</b>	<b>1,442</b>	<b>1,508</b>	<b>-4%</b>
<b>GP margin %</b>	<b>39.22%</b>	<b>45.49%</b>	<b>47.32%</b>	<b>-</b>	<b>46.52%</b>	<b>48.45%</b>	<b>-193 bps</b>
Employee cost	99	110	104	-4%	436	413	6%
Other expenses	162	174	190	-15%	720	681	6%
<b>EBITDA</b>	<b>34</b>	<b>21</b>	<b>133</b>	<b>-75%</b>	<b>286</b>	<b>414</b>	<b>-31%</b>
<b>EBITDA margin</b>	<b>4.46%</b>	<b>3.12%</b>	<b>14.71%</b>	<b>-</b>	<b>9.23%</b>	<b>13.31%</b>	<b>-</b>
Depreciation	32	32	30	8%	127	121	5%
Interest	17	14	15	13%	58	50	16%
<b>Profit Before Tax</b>	<b>-15</b>	<b>-26</b>	<b>88</b>	<b>NA</b>	<b>101</b>	<b>244</b>	<b>-58%</b>
Exceptional Items	16	-3	8	NA	36	8	NA
Tax	-8	-7	28	NA	28	85	-68%
<b>Profit After Tax</b>	<b>-24</b>	<b>-16</b>	<b>52</b>	<b>NA</b>	<b>37</b>	<b>150</b>	<b>-75%</b>
<b>PAT margin</b>	<b>-3.17%</b>	<b>-2.32%</b>	<b>5.73%</b>	<b>NA</b>	<b>1.20%</b>	<b>4.83%</b>	<b>-362 bps</b>

# Yarn Business Highlights : Q4FY23

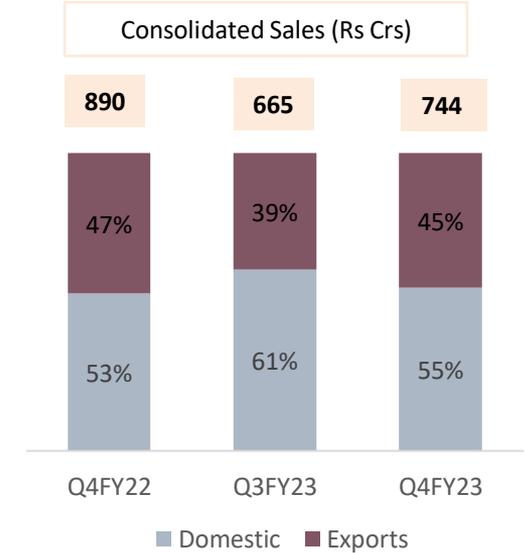
## Capacity utilisation nearing optimum levels



## Yarn Volumes picking up

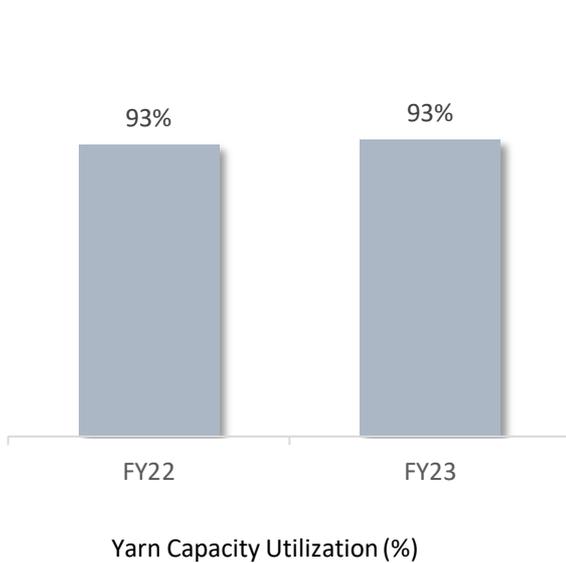


## Switched Focus to Domestic market



# Yarn Business Highlights: FY23

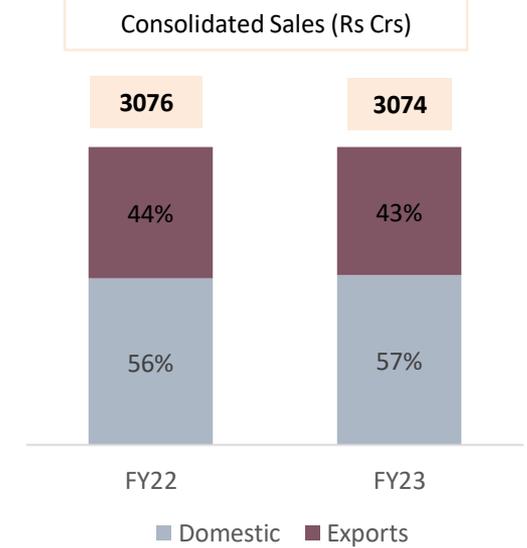
## Capacity utilisation at optimum levels



## Yarn volumes almost at par

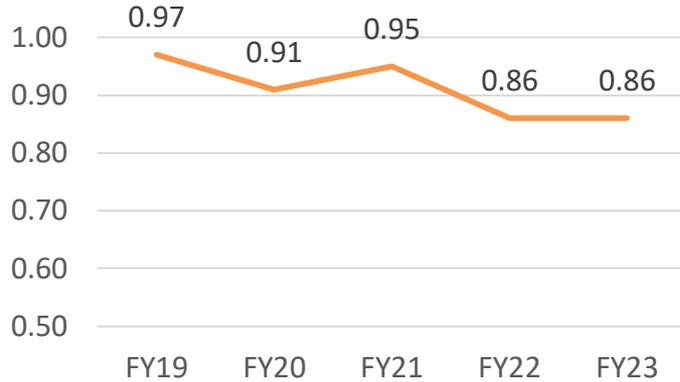


## Switched Focus to Domestic market

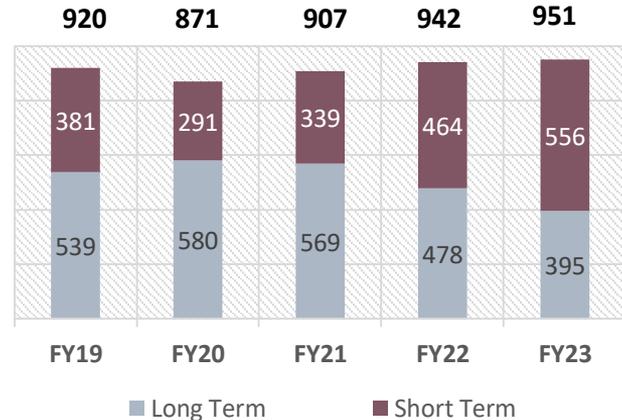


# Balance Sheet (Consolidated) – Highlights

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



## Modest increase in overall Debt Levels



✓ Total Debt has Increased by Rs. 9 Crs to Rs 951 Crs as against Rs 942 Crs in March 2022

✓ Debt to Equity Ratio at consistent levels of 0.86 times

# From the Executive Chairman's Desk



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

*“For the Indian Textile Sector, Fiscal 2023 was a mixed bag. After a strong Fiscal 2022, we entered the year with geopolitical tensions and soaring raw material costs. As the year progressed, the fall out of some of those events had a bearing on our demand centers such as the USA, EU and UK. Towards the latter part of the year, raw material prices stabilized, but the overall operating environment and customer sentiments globally remains subdued. We are hopeful of a revival in the second half of the forthcoming year. The Government’s push at making India a textile hub is confidence inspiring, as is the FTA that is being pursued with large economies.*

*At Sutlej, we are cautious, but optimistic about the sector and are continuing to forge ahead with our strategic expansion plan. As a multi-product, multi-market Company, our fungible manufacturing facilities provide us with the wherewithal to operate in challenging environments. We are hopeful that with our robust financial position, wide product offering and dedicated workforce, we will continue to deliver strong results and add value to all our stakeholders.”*





**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**
  - ✓ 4,22,208 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**

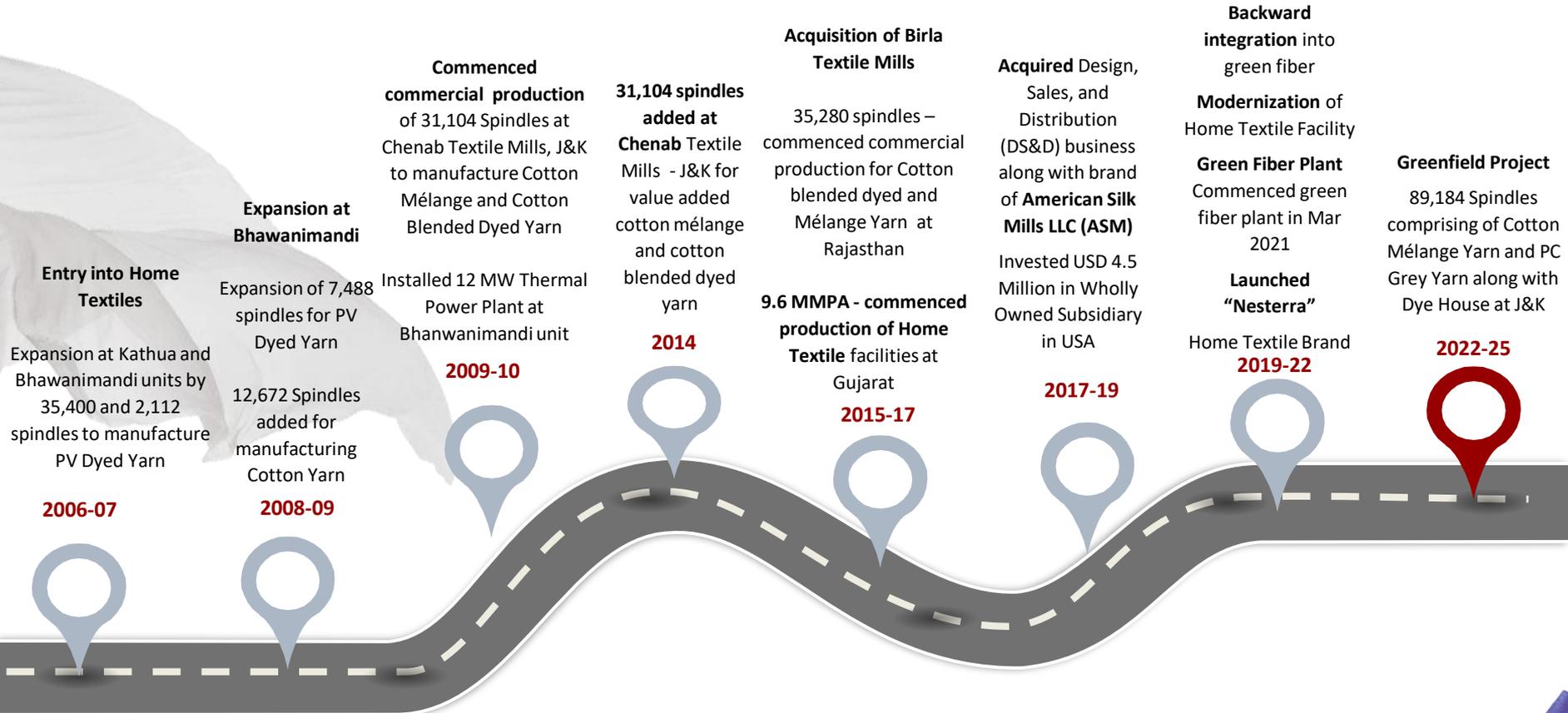
WTD and CFO

**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

- 1,12,699 Spindles (Cotton Mélange)
- 1,00,757 Spindles (Man-made Fibre)

## J&K

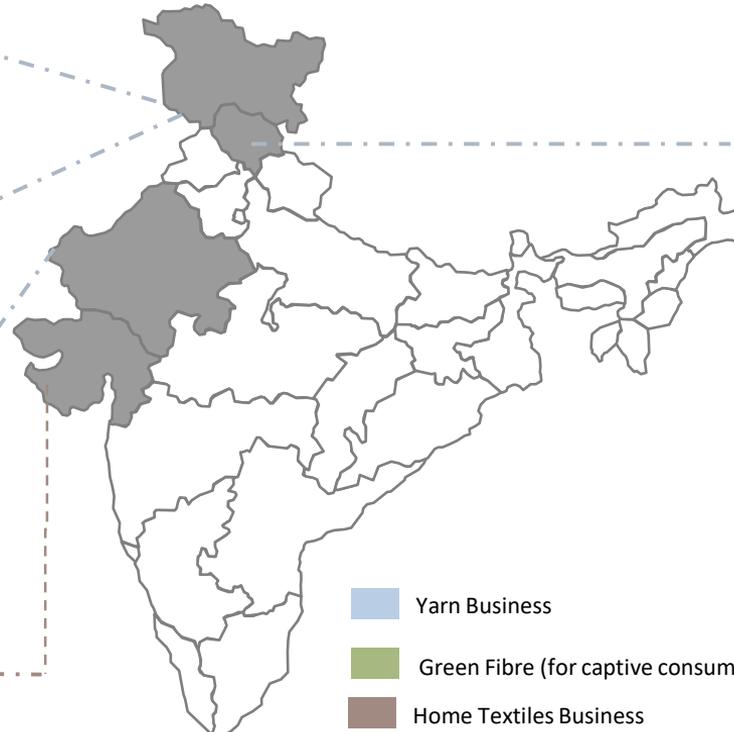
- **Greenfield Project** announced of 89,184 Spindles of Cotton Mélange Yarn and PC Grey Yarn along with Dye House.

## 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

- 83,088 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**

- ✓ 4,22,208 Dyed Yarn Spindles
  - ~37% dedicated to Melange Yarn
  - ~63% dedicated to various blends

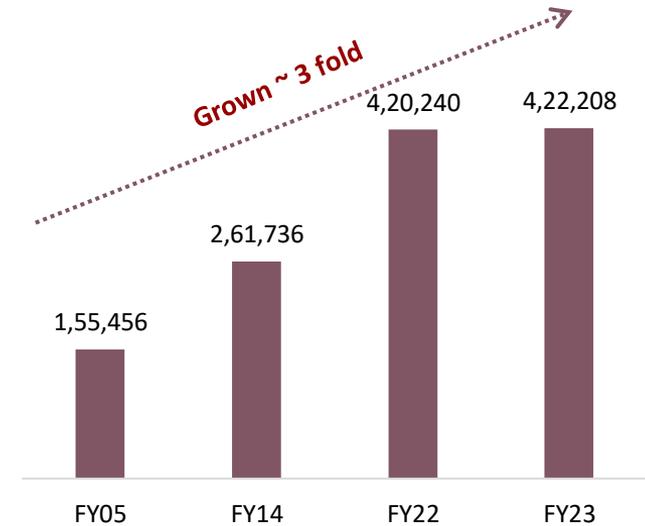
## ▪ **Well Diversified Product Portfolio/geographies and customers**

- ✓ 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 93-94% 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. The commercial production of the project is expected around Q4FY25.

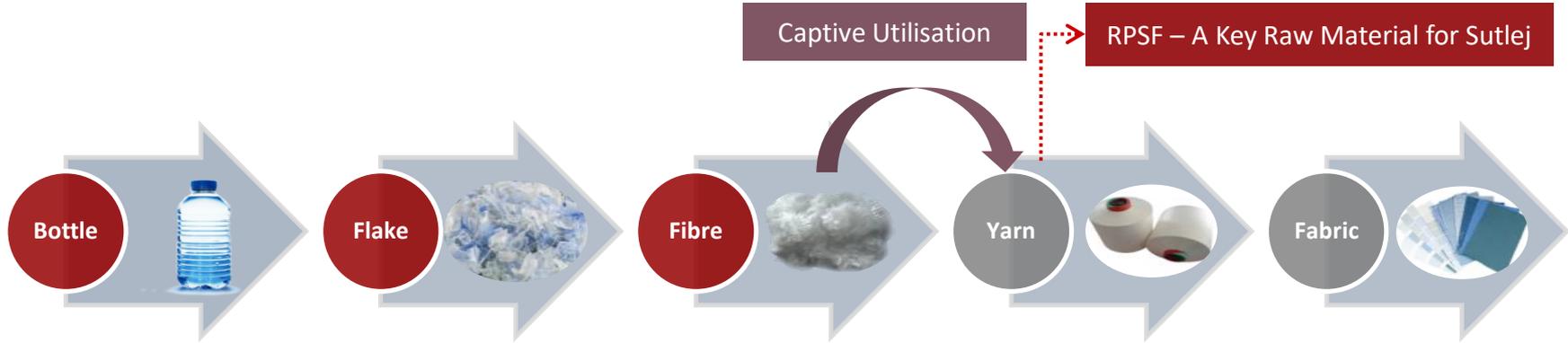




## **Sustainable Green Fibre Unit**

*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 capacity in Q4FY23. 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

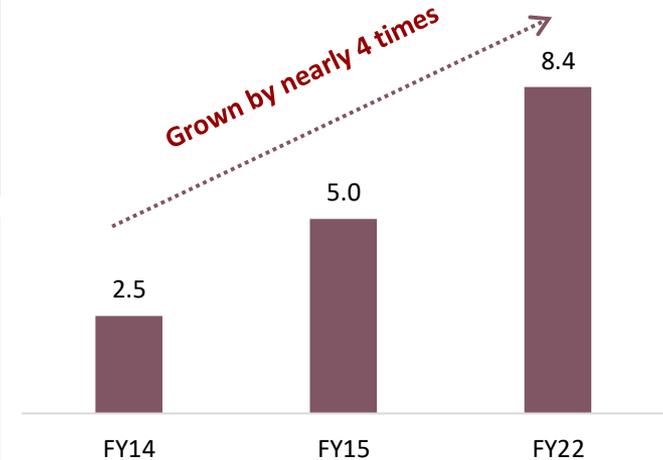
- **Latest Technology in design & manufacturing**

- ✓ 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

## Increase in Penetration

- ✓ Increased wallet share with existing customers by placing new SKUs which have a casual style and more relevant to market.
- ✓ Exhibited at the Readymade Market Week for the first time, with a good response and footfall, plan to exhibit twice each year to increase the customers in the readymade market.
- ✓ Efforts to further increase market share in North America and UK which are high consumption markets and distribute products worldwide.
- ✓ Business in US market is rising and have opened customer accounts from all categories, including converters, wholesalers, jobbers, and retailers in USA and Canada.
- ✓ Booking orders with prominent large customers and are viewed as an important and innovative supplier in new markets such as Australia, South Africa, and Russia where we have identified and selling through large wholesale customers.



# Home Textile - “Nesterra” Building a Brand of Future



## From B2B to Retail Brand

- In FY21, launched the first retail brand in its existence
- ‘Nesterra’ has established itself as a prominent player in the industry through its fastest grown distribution network
- Have developed seamless ordering portal for the trade.
- Currently accessible in 461 retail points and 19 collections in the market.

## Capitalize Existing Expertise

- Capitalize on rich pedigree originating from the House of Sutlej by virtue of its proprietary yarns and manufacturing capability
- Capitalize on long term relationship established by the front end team to enter and grow in major markets

## Brand Building

- Within a short span of time, ‘Nesterra’ has begun earning respect from top Architect and interior design community for its distinct product offering and has been tastefully found home in their major projects.



# Home Textile - “Nesterra” Building a Brand of Future



## Market Penetration

- ✓ Currently present With a total of 461 retail points and 19 collections in the market

## Marketing and Advertising

- ✓ *Nesterra* being a young brand has adopted social media as a key channel for marketing.
- ✓ Organized the Sheer Love Event around valentines day in three major cities - Mumbai, Delhi, and Bengaluru gained a visibility of 10,000 people on ground.
- ✓ The campaign utilized eight influencers who created Instagram Reels each, resulting in an incredible engagement of 2.25 million and a reach of 1.97 million.
- ✓ *Nesterra* was featured in Femina and Grazia editorial and social media, further expanding their reach to a wider audience.
- ✓ The brand's collections have been featured in top decor and luxury magazines such as GoodHomes and LuxeBook India, highlighting the quality and uniqueness of their products
- ✓ Secured editorial coverage for their new collection launch - Heritage & Chair Affair - in APN News and FM Live.



## Key Highlights

### Market Penetration

- ✓ Aviation and display markets continue to be strong

### New Designs & Products

- ✓ Focused on developing contract, drapery and jobber product
- ✓ Re-introducing ASM trunk show program that builds a fabric line from archives.
- ✓ Continue to develop new looks in Velvet segment especially in unique patterns and constructions.
- ✓ Looking at print options to support signature line at mid price points



# Awards and Accolades



Sutlej Textiles & Industries Limited was honored to accept the Council for Export Award 2021 - 22 by The Synthetic & Rayon Textiles Export Promotion Council (SRTEPC) in the following categories

- Synthetic & Rayon Dyed Yarns (Gold Trophy)
- SRTEPC Special Award (Brass Trophy)

***“Strive not be success, but rather to be of value-Albert Einstein ”***



**Let's Connect**

**sutlej**  
textiles and industries limited

**Mr. Rajib Mukhopadhyay**  
[rajibm@sutlejtextiles.com](mailto:rajibm@sutlejtextiles.com)

Lotus Corporate Park, Goregaon (East), Mumbai 400063

 **STELLAR**  
INVESTOR RELATIONS

**Ms. Pooja Sharma / Ms. Vinita Pandya**  
[pooja.sharma@stellar-ir.com](mailto:pooja.sharma@stellar-ir.com) / [vinita@stellar-ir.com](mailto:vinita@stellar-ir.com)

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

For more information visit: [www.sutlejtextiles.com](http://www.sutlejtextiles.com)