

10th August, 2022

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: Q1 FY23 Result Presentation

Please find enclosed herewith a copy of the presentation with respect to the un-audited financial results of the Company for Q1 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

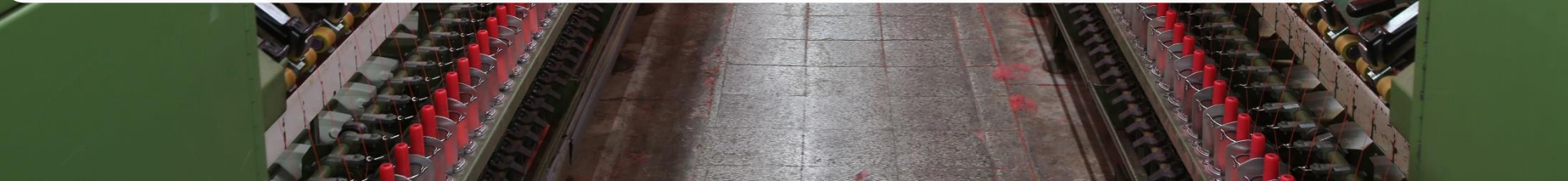


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Q1 FY23 Result Updates

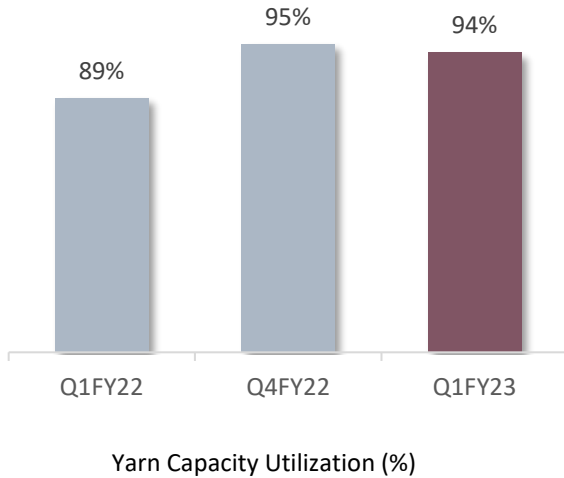


Financial Performance – Q1FY23

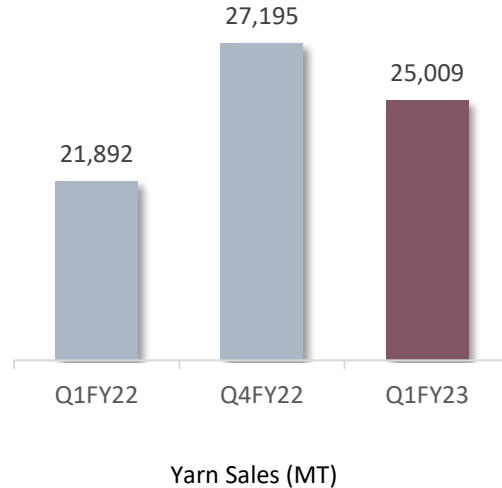
Consolidated (Rs crore)	Q1FY23	Q4FY22	Q1FY22	YoY %	FY22	FY21	YoY %
Total Income	853	901	591	44%	3,112	1,915	63%
Cost of goods sold	405	475	278	46%	1,604	1,062	51%
Gross Profit	447	426	313	43%	1,508	853	77%
GP margin %	52.48%	47.32%	53.01%	-53 bps	48.45%	44.52%	393 bps
Employee cost	113	104	95	20%	413	302	37%
Other expenses	196	190	142	38%	681	415	64%
EBITDA	138	133	76	81%	414	135	207%
EBITDA margin	16.14%	14.71%	12.85%	329 bps	13.31%	12.05%	126 bps
Depreciation	31	30	30	4%	121	96	27%
Interest	13	15	12	9%	50	38	32%
Profit Before Tax	93	88	34	177%	244	2	14659%
Exceptional Items	24	8	-	NA	8	0	NA
Tax	24	28	13	82%	85	6	1389%
Profit After Tax	45	52	20	123%	150	(4)	NA
PAT margin	5.32%	5.73%	3.45%	187 bps	4.83%	(0.21%)	NA

Yarn Business Highlights

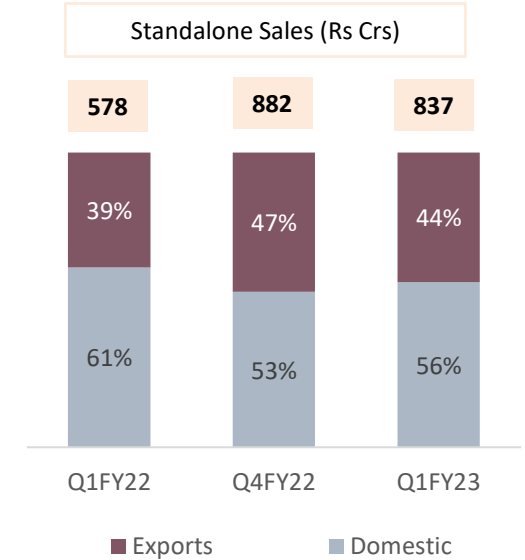
Capacity utilisation stabilised post covid



Yarn Sales stabilised

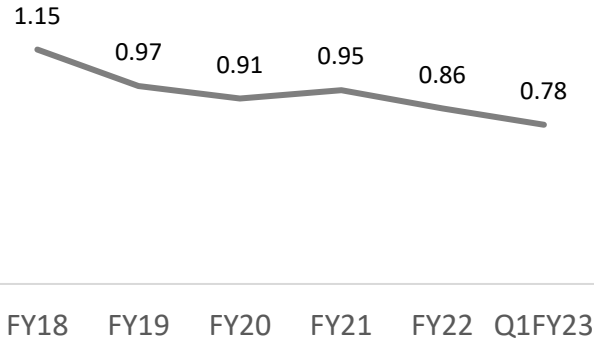


Export demand continues to be strong

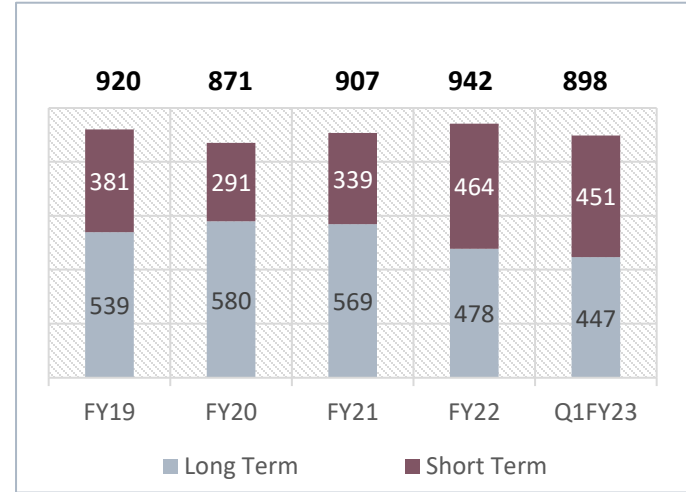


Balance Sheet (Consolidated) - Highlights

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



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



- ✓ Debt to Equity ratio not only continues to remain below 1, but is the lowest in over 5 years.
- ✓ Working Capital position remains comfortable

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:

“The key challenge faced by the Textile Industry has been the rising raw material prices and consequently prices of all textile products. While this is likely to create pressure on demand for the short term, we see the situation easing out with the arrival of the new cotton crop on the back of a favorable monsoon. The approaching festive season and other positives like the China Plus Factor, Government initiatives to boost the industry, we expect the overall opportunity to remain intact. At Sutlej, despite the current dynamics, we reported a good quarter, although we are mindful of the challenging business environment and shall continue to consistently deliver on the back of our resilient business operations.”



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**
 - ✓ 4,20,240 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**
 - ✓ Acquired American Silk Mills (ASM) to enhance reach to US markets
- **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



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

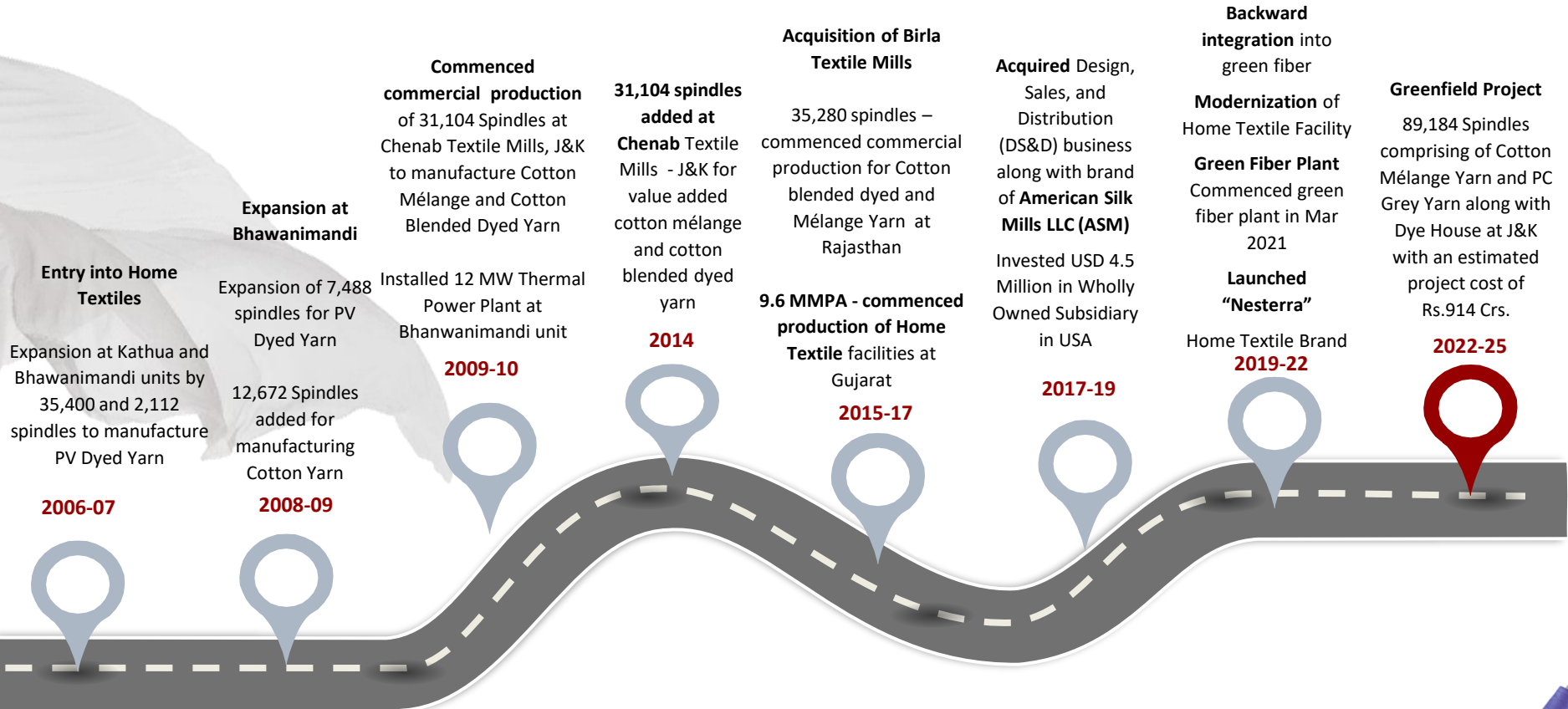
WTD and CFO

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

- 1,07,648 Spindles (Cotton Mélange)
- 1,03,696 Spindles (Man-made Fibre)

J&K

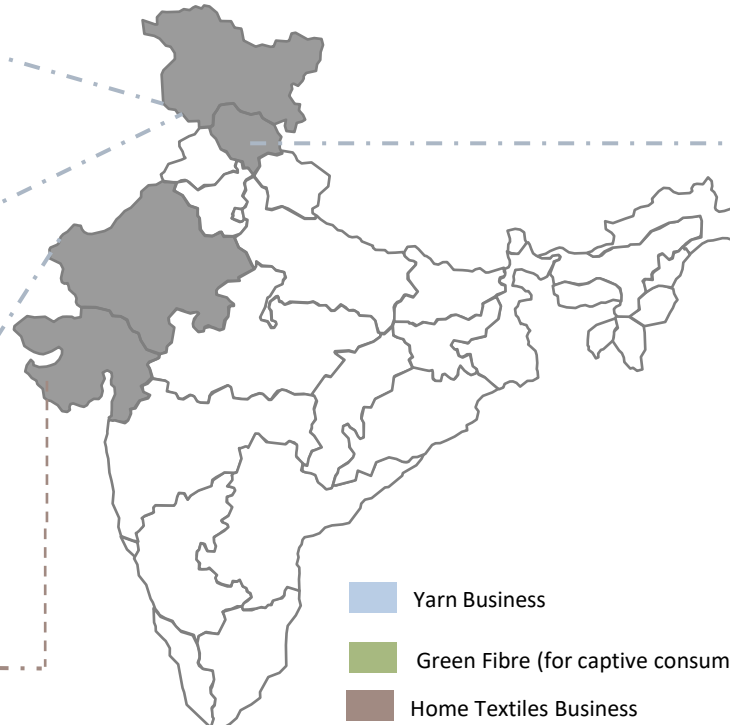
- **Greenfield Project** announced of 89,184 Spindles of Cotton Mélange Yarn and PC Grey Yarn along with Dye House.
- Estimated project cost of Rs 914 Crs.

Bhawanimandi, Rajasthan

- 35,280 Spindles (Cotton Mélange)
- 90,384 Spindles (Man –made Fibre)
- Roof top solar plant of 2.7 MW

Damanganga, Gujarat

- Capacity of 9.6 million meters



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**

- ✓ 4,20,240 Dyed Yarn Spindles
 - ~35% dedicated to Melange Yarn
 - ~65% dedicated to various blends

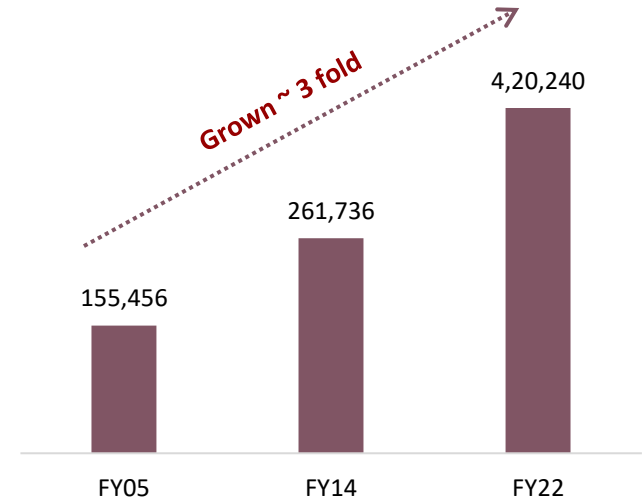
▪ **Well Diversified Product Portfolio/geographies and customers**

- ✓ 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)



Capex Update

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 4.21 lac 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 which will be implemented around Q4FY25.

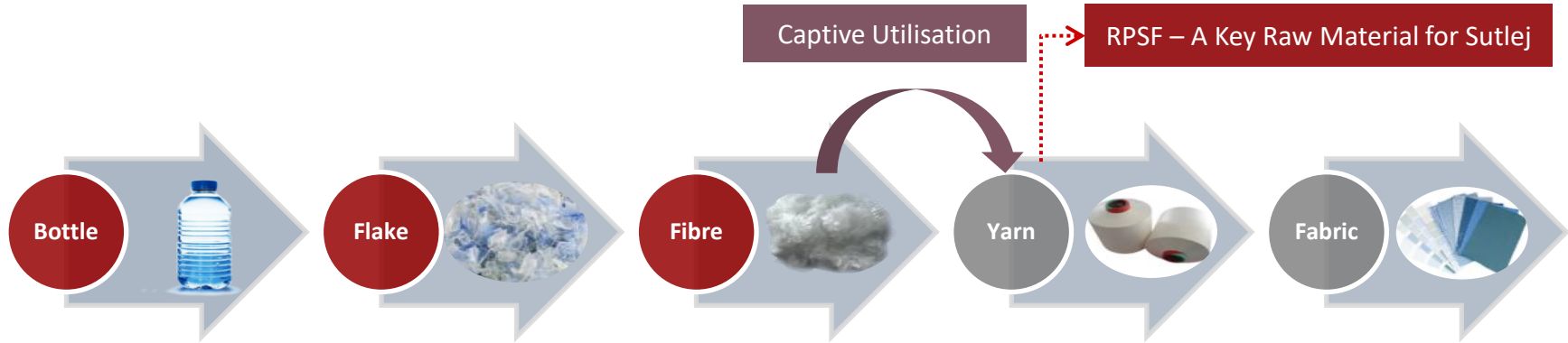




Sustainable Green Fibre Unit

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*
- ✓ **7 Million** *Peak quantum of PET bottles that can be consumed by Sutlej a day*
- ✓ **75%** *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 quarterly to 98.5% in Q4FY22 from 80% in Q1FY22.
- ✓ **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

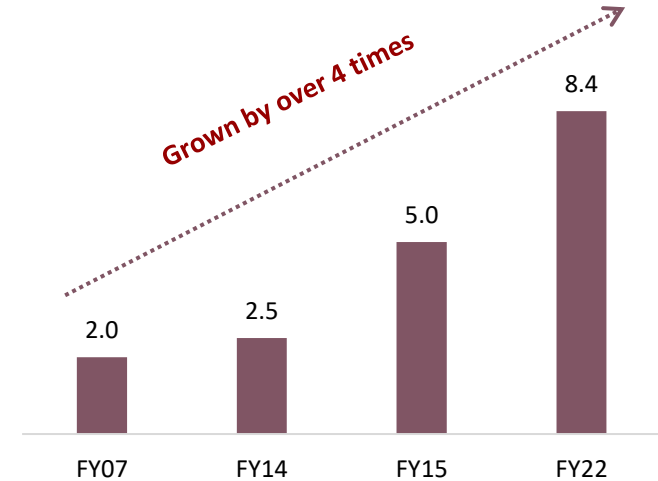
Latest Technology in design & manufacturing

- ✓ State of Art manufacturing facility at Gujarat
- ✓ Capacity 8.4 Mn. metres/pa
- ✓ 118 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

Market Penetration

- ✓ Participated in Heimtextile show at Frankfurt, which aided in approaching new customers.
- ✓ Some large converters from USA and UK showcased high level of interest in initiating business.
- ✓ Re- initiated discussions with customers from Bangladesh, Singapore, Thailand, Indonesia and South Africa.
- ✓ Confident about opening many new customer accounts in UK, Europe as well as in USA this year.

New Product launches

- ✓ Attempting to establish good base of customers for made-up line of products.
- ✓ In domestic market, launched new SKU's with the purpose of increasing penetration with existing customers and improving on the repeat business.

Market Trend

- ✓ Considering good footfalls and new enquiries at Domestic Trade exhibitions, expect strong order flows
- ✓ UK and US market are ramping up for the upcoming Christmas and New Year season. Also witnessing strong demand from South East Asia market.



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 wholesale, addressing cut piece requirements of India’s retail sector
- Currently accessible in 335 stores across 21 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 weaving quality, consistency, aesthetic designs, finishing and timely service in India’s retail sector.



Home Textile - “Nesterra” Building a Brand of Future



New Collections

- ✓ Participated at Indian Home Furnishings Expo (IHF) with *Nesterra* – Phase 3
- ✓ *Nesterra*- Phase 3 debuted with 12 collections capturing eyes and gaining market attention.

Penetration

- ✓ Gained more than 200 new client’s requests at IHF 2022 in the domestic retail market.
- ✓ Making inroads across India through 8 agents appointed.

Marketing and PR Push

- ✓ Garnered 20+ exposures across markets in various CAT A and CAT B online publications.
- ✓ Secured Ad placement in one of the finest décor publication – Elle Décor



Key Highlights

- ✓ Healthy order book position with good orders.
- ✓ Continued strong orders from furniture manufacturers, as the company moves into a slower spring selling season.
- ✓ Have taken price increase across the board to offset input costs.

New Products

- ✓ Outdoor fabric category continues to gain interest due to extended delays from market leader.
- ✓ Adding Silk and Signature fabrics.
- ✓ Have developed a new collection of outdoor product and initial reviews have been favorable



Awards and Accolades

- Recently awards won at Synthetic & Rayon Textiles Export Promotion Council (SRTEPC) for the following categories (2020-2021)
 - Fourth Best Overall Export performance Special Award
 - Best Export Performance



“The best preparation for tomorrow is doing your best today ”

Let's Connect

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