

11th November, 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: Q2FY22 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, 2021.

Thanking you

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



Manoj Contractor
Company Secretary and Compliance Officer



Encl: a/a

Sutlej Textiles & Industries Limited

Marching towards Growth

Q2FY22 Result Presentation | November 2021

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Q2 FY22 Result Updates

Financial Performance – Q2 FY22

Consolidated (Rs crore)	Q2FY22	Q1FY22	QoQ %	Q2FY21	YoY %	H1FY22	H1FY21	YoY %
Total Income	798	591	35%	473	68%	1388	671	107%
Cost of goods sold	413	278	49%	277	49%	690	385	79%
Gross Profit	385	313	23%	196	96%	698	286	144%
GP margin	48.26%	53.01%	-475 bps	41.48%	678 bps	50.28%	42.58%	770 bps
Employee cost	107	95	13%	74	45%	201	130	55%
Other expenses	171	142	20%	98	75%	314	153	105%
EBITDA	107	76	41%	25	330%	183	2	8392%
EBITDA margin	13.38%	12.85%	53 bps	5.24%	814 bps	13.15%	0.32%	1283 bps
Depreciation	30	30	2%	22	41%	60	42	43%
Interest	12	12	-5%	8	37%	24	20	17%
Profit Before Tax	65	34	92%	-5	NA	98	-61	NA
Tax	23	13	73%	-1	NA	36	-18	NA
Profit After Tax	42	20	104%	-5	NA	62	-43	NA
PAT margin	5.23%	3.45%	178 bps	-1.00%	NA	4.47%	-6.40%	NA

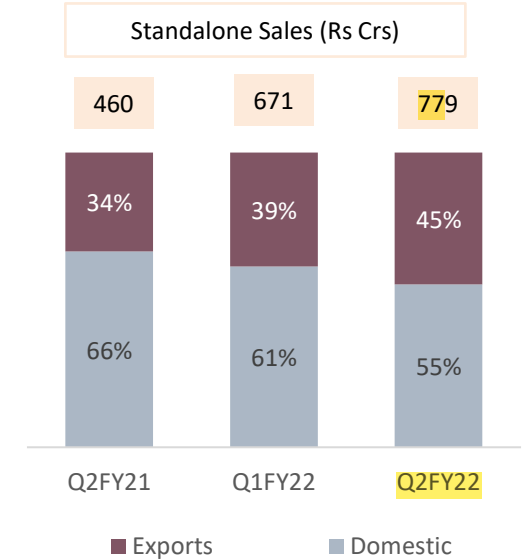
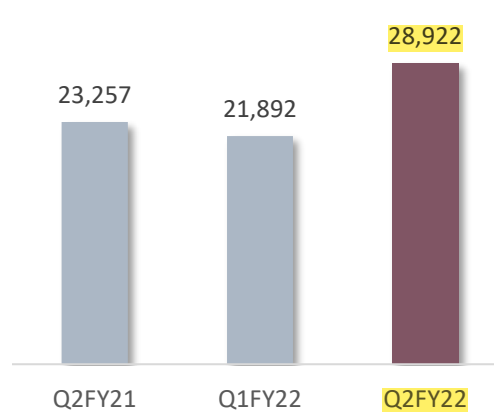
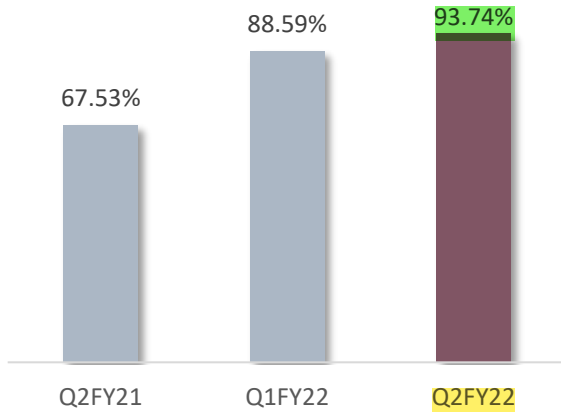
Note: During the quarter/half year ended 30 Sept 2021, the Company has recognized income from RoDTEP of Rs.11.85 crore from 1 January 2021 to 30 September 2021

Yarn Business- Highlights Q2FY22

Continued better utilization levels & realisations...

Pickup in demand with opening of economy

Higher Export Sales



Yarn Capacity Utilization (%)

Yarn Sales (MT)

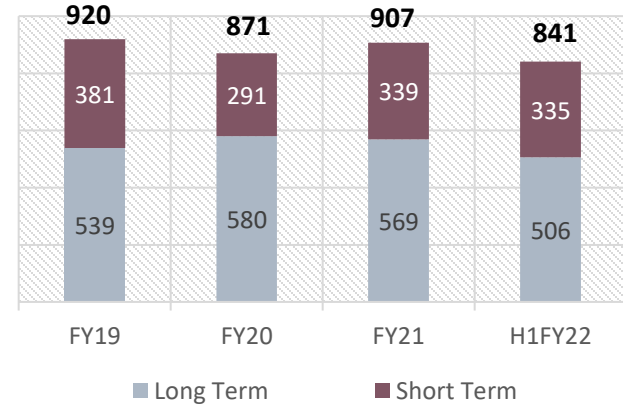
Balance Sheet (Consolidated)- Highlights

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



FY18 FY19 FY20 FY21 H1FY22

Lower Overall Debt & better working capital management



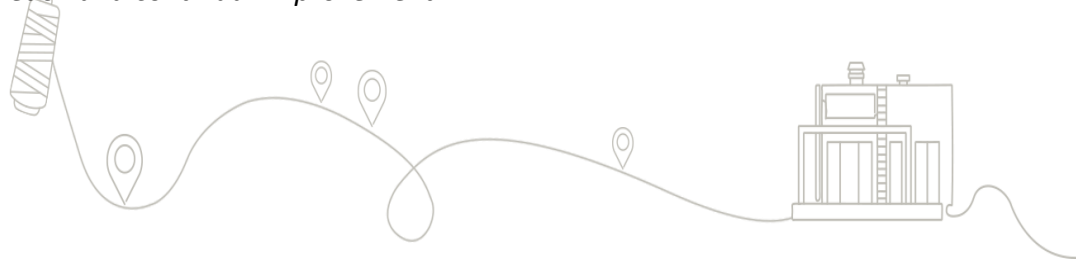
- ✓ Debt to Equity ratio not only continues to remain below 1, and is at historic low levels of 0.83
- ✓ Total Debt also at historic low levels During H1FY22, total Debt has reduced by Rs 66 Crs, of which Long Term Debt has reduced by Rs 63 Crs and Short Term Debt reduced by Rs 4 Crs
- ✓ Currently, nearly 45% of the Working capital limits are unutilized, thus the company has sufficient liquidity.

From the Executive Chairman's Desk



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

“The changing market dynamics on account of slew of positive macro-economic factors have benefited the Indian textile industry. The yarn segment continued to witness buoyant demand during the quarter partly on account of pent up demand, opening of formal sectors, festival season backed by strong realizations and volume growth. With more than 1 billion vaccinations by Government across India, the risk of Covid19 impact should moderate. At Sutlej, we had a strong quarter and we will be able to deliver consistent performance based on our well diversified product portfolio, geographical reach and continual improvement.”



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

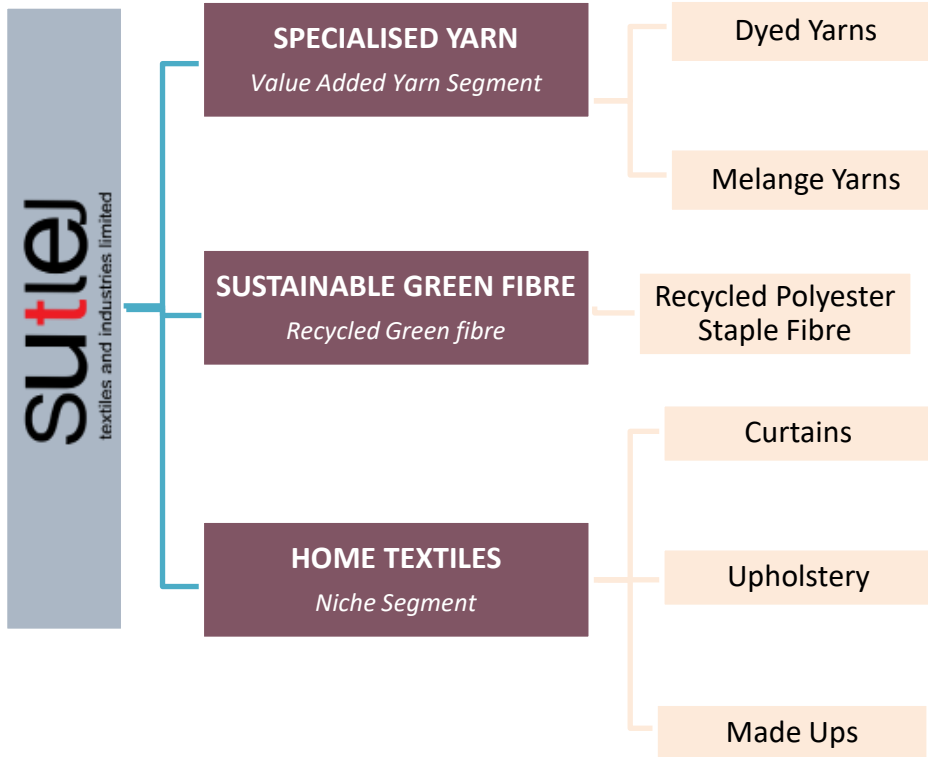
- ✓ Marquee clients like Page Inds (Jockey), Westside, Marks & Spencer, Arvind, Raymond, Donear NXG, Siyaram's, Arrow, Grasim, Digjam, JC Penney, Monte Carlo, Pantaloons and such others

Backward integration

- ✓ 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...

Entry into Home Textiles

Expansion at Kathua and Bhawanimandi units by 35,400 and 2,112 spindles to manufacture PV Dyed Yarn

2006-07

Expansion at Bhawanimandi

Expansion of 7,488 spindles for PV Dyed Yarn

12,672 Spindles added for manufacturing Cotton Yarn

2008-09

Commenced commercial production of 31,104 Spindles at Chenab Textile Mills, J&K to manufacture Cotton Mélange and Cotton Blended Dyed Yarn

Installed 12 MW Thermal Power Plant at Bhanwanimandi unit

2009-10

31,104 spindles added at Chenab Textile Mills - J&K for value added cotton mélange and cotton blended dyed yarn

2014

Acquisition of Birla Textile Mills

35,280 spindles – commenced commercial production for Cotton blended dyed and Mélange Yarn at Rajasthan

9.6 MMPA - commenced production of Home Textile facilities at Gujarat

2015-17

Acquired Design, Sales, and Distribution (DS&D) business along with brand of **American Silk Mills LLC (ASM)**

Invested USD 4.5 Million in Wholly Owned Subsidiary in USA

2017-19

Backward integration into green fiber

Modernization of Home Textile Facility

Green Fiber Plant Commenced green fiber plant in March 2021

2019-21

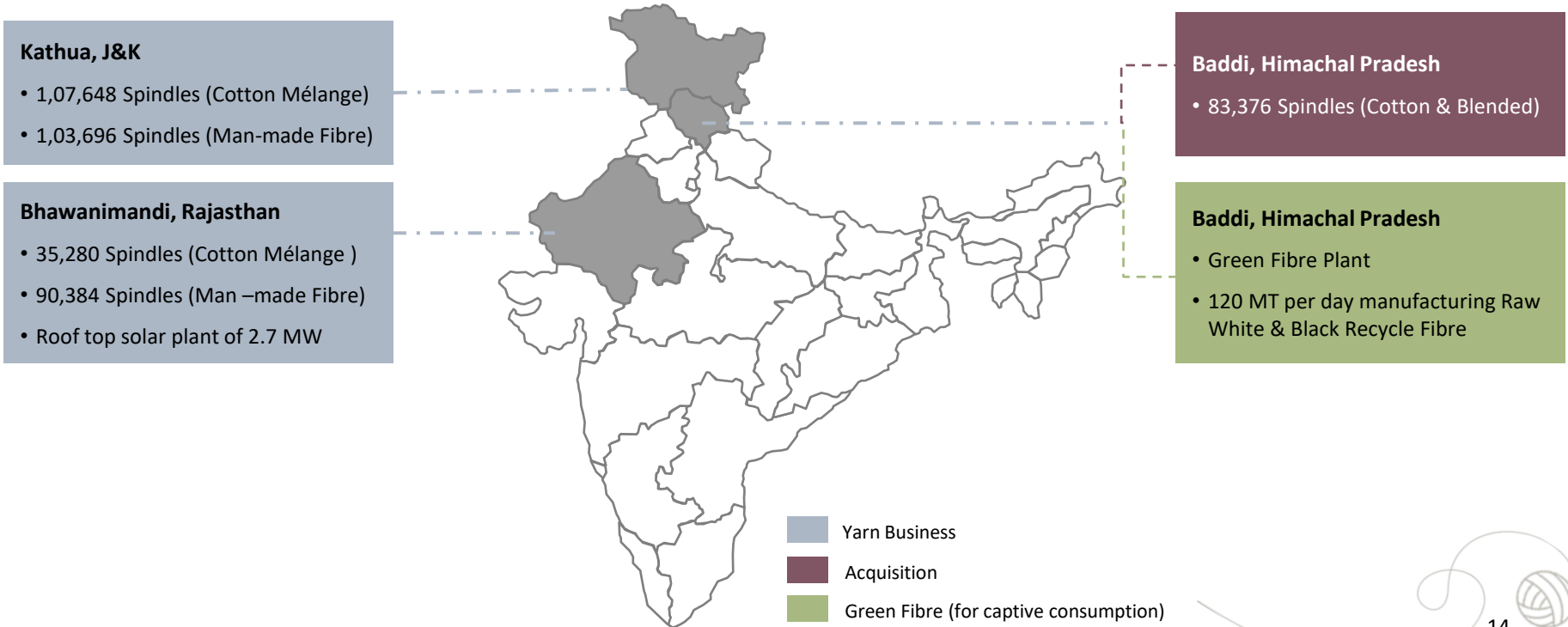


Focused on Value Added Specialty Yarn

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

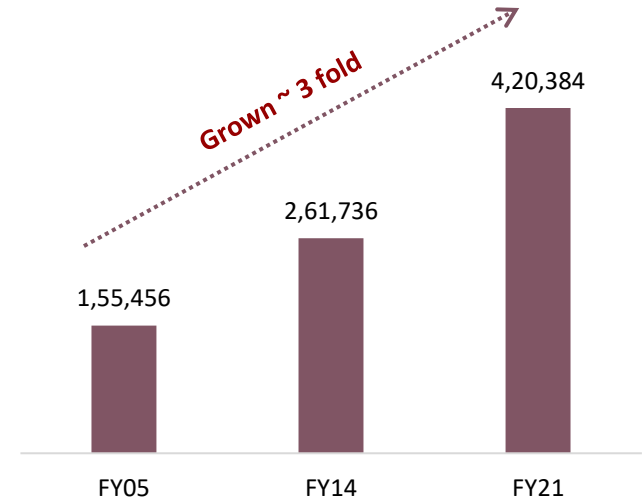
▪ **Well Diversified Product Portfolio**

- ✓ 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 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)

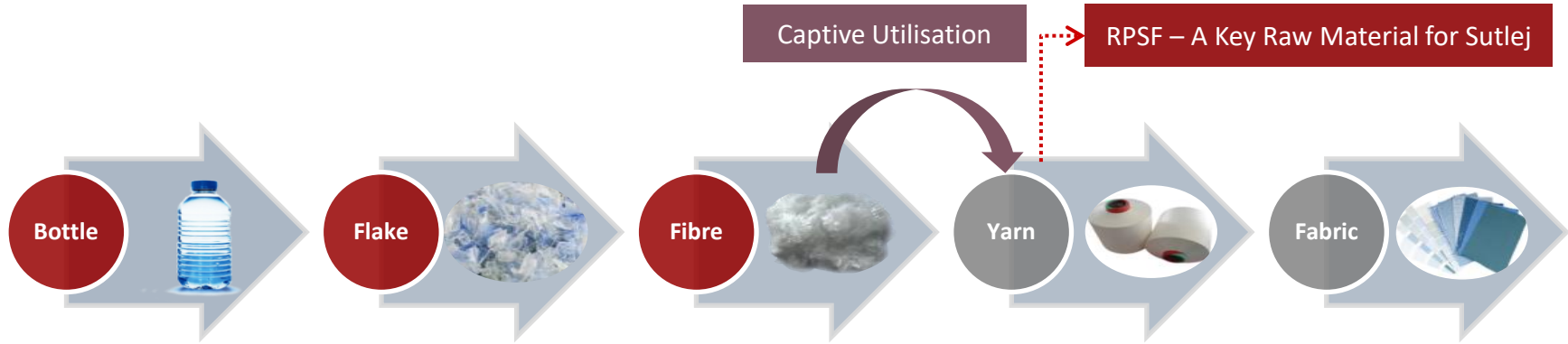




Sustainable Green Fibre Unit

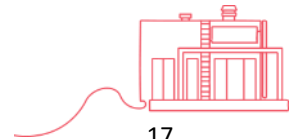
Backward integration into recycle fibre to meet captive demand

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*
- ✓ **80%** *company's green fibre appetite serviced from within*
- ✓ **60 Million** *Number of PET drinking water bottles consumed each hour across the world*





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

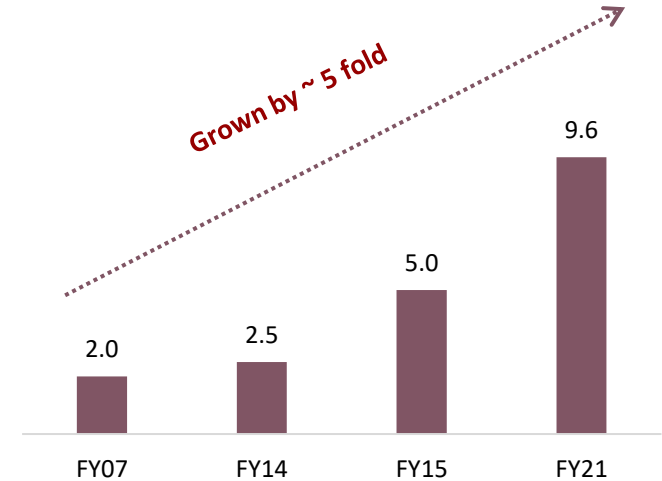
Latest Technology in design & manufacturing

- ✓ 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

On boarded new Business Head for Home textiles business to oversee Indian as well as overseas operations (ASM). This will further help create significant synergies in the Home textiles business.

Domestic market

- ✓ Upsurge in market sentiment being witnessed.
- ✓ Domestic demand looking good since most of the markets are now open.
- ✓ Business with fewer restrictions has started to pick the momentum.

Export Market

- ✓ Intend to increase thrust in US, UK and Europe since freight rates from China are at its peak.
- ✓ Good traction expected from Middle east since travel has commenced. Expo 2020 in Dubai started in October 2021 and upcoming Ramadan season in April 2022 will also favorably impact Middle east economy.

Synergy with ASM

- ✓ Created range of Body cloths for Fall 21 collection of ASM



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
- Launched to graduate home textiles product from generic

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 and timely service in India's retail sector



Billboard Advertisement across Major Cities:
Mumbai, Ahmedabad, Surat, Bangalore, Hyderabad, Delhi, Kolkata, Ludhiana, Chandigarh

Home Textile - “Nesterra” Building a Brand of Future



Building the brand

- ✓ Introduced multiple new collections under ‘Nesterra’ Brand
- ✓ Development of mélange collection utilizing in-house yarns
- ✓ Promotion of made-ups products to retail segment and ready-made buyers

Market Penetration

- ✓ Focused actions to ensure presence of ‘Nesterra’ at 200 premium retail points across India
- ✓ Exploring other suitable countries to leverage Brand ‘Nesterra’.
- ✓ Also targeting customers with low MOQ requirements to increase penetration





Key Highlights

- ✓ Strong Order Book position, continued strong orders from furniture manufacturers
- ✓ Outdoor fabric category continues to gain interest.
- ✓ Secured appointments with key jobber accounts which has strong, long term sales potential.
- ✓ Continue to reactivate and bring new accounts
- ✓ Developing better inventory positions for new and best-selling product to shorten customer lead times.

Synergy with Sutlej

- ✓ Continued support and synergy by Sutlej in executing timelines in development and delivery.
- ✓ Collaborating with Sutlej is rendering great new looks with specialty yarns that will solidify offerings.



“You can if you think you can!”

Let's Connect



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textiles and industries limited

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