

09th May, 2019

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001. Scrip Code: 532782	National Stock Exchange of India Limited 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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Re:- Q4 and FY 2019 Results Presentation

Dear Sirs,

Please find enclosed herewith a copy of the presentation with respect to the audited results of the Company for Q4 and FY 2019.

Thanking you

Yours faithfully
For Sutlej Textiles and Industries Limited

Manoj Contractor
Company Secretary and Compliance Officer



Encl: a/a



Sutlej Textiles and Industries Ltd.

Charged to Grow Higher

Q4 & FY19 Investor Presentation | May 2019

Safe Harbor

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Q4 & FY19 Results Highlights

Consolidation continues...

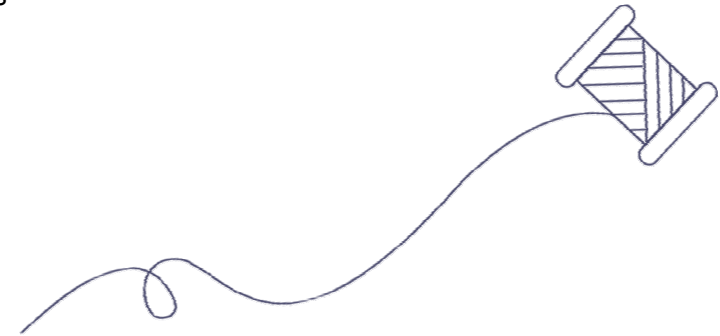
Key Quarter Highlights

To be updated

sutlej
textiles and industries limited

Key Challenges during Q4 FY19 compared to Q4 FY18

- Increase in raw material prices and other input costs created pressure on margins
 - Cotton and Polyester prices increased by 10% (QoQ) & 14 % (QoQ) respectively
- Reduction in export incentives had pressure on margins
- Uncertainty in market place and disrupting demand putting pressure on realization rates
- Further more the lingering effect of GST and demonetisation

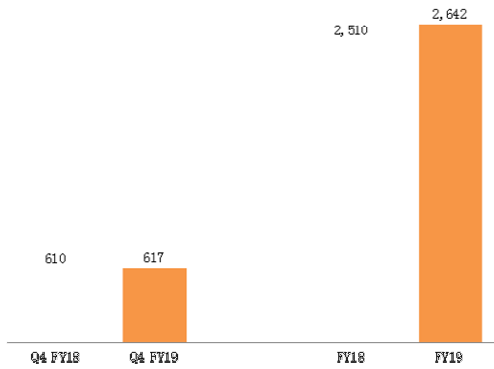


Results Highlights – Q4 & FY19

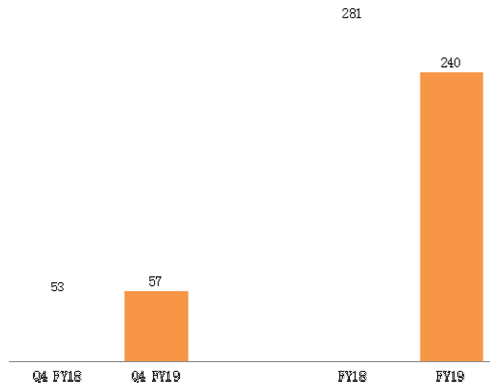
To be updated



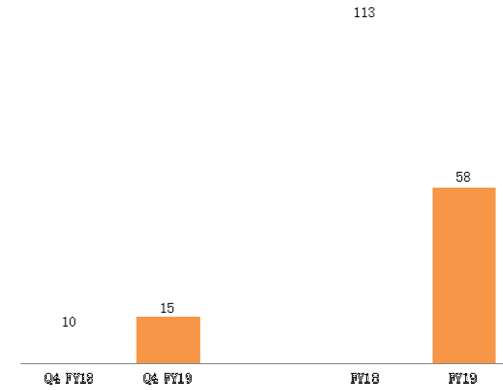
Total Income (Rs Cr)



EBITDA (Rs Cr)

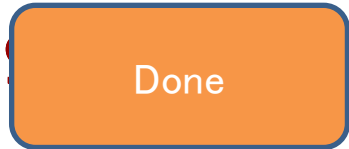


PAT (Rs Cr)



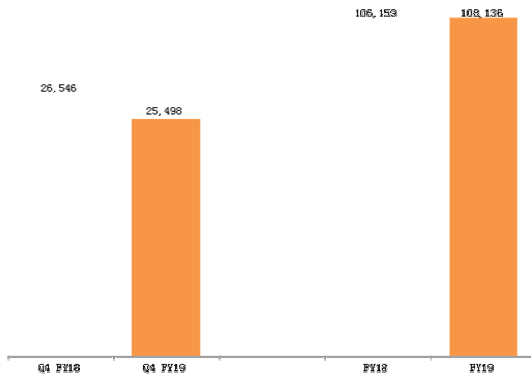
Note: Financials for Q4 FY18 and Q4FY19 are on standalone basis while FY18 and FY19 financials are on consolidated basis

Key Performance Highlights – Q4 & FY19

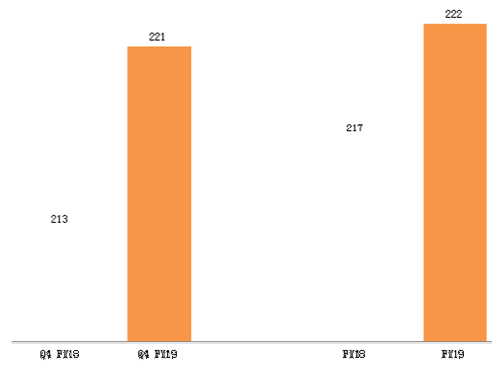


Revenue growth for the full year was 5%, Yarn continues to contribute over 95% of the revenues

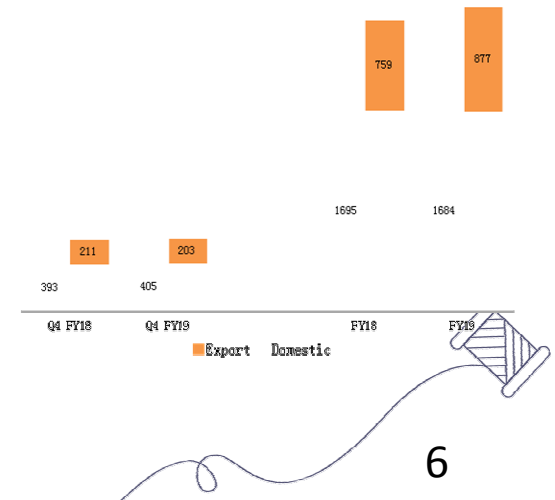
Yarn Sales (in MT) Up by 2% in FY19



Average Yarn Realization (Rs/kg) Up by 2% in FY19



Export Revenue Up by 16% in FY19



Profitability Highlights

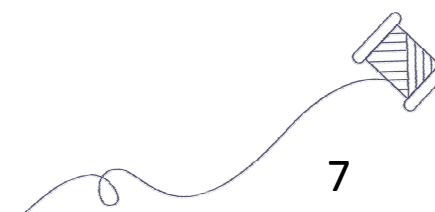
Rs. in Cr	Standalone					Consolidated		
	Q4 FY19	Q4 FY18	YoY chg %	Q3FY19	QoQ chg %	FY19	FY18	YoY chg %
Total Income	617	610	1%	657	-6%	2642	2510	5%
Raw Material Cost	354	354	0%	394	-10%	1541	1412	9%
Employee Cost	78	73	7%	82	-5%	330	303	9%
Other Expenses	128	131	-2%	121	6%	531	515	3%
EBITDA	57	53	8%	60	-4%	240	281	-15%
EBITDA Margin (%)	9.3%	8.6%	60 bps	9.1%	20 bps	9.1%	11.2%	-210 bps
Depreciation	24	27	-9%	25	-2%	101	107	-6%
Finance Cost	13	15	-14%	13	-1%	57	59	-4%
Profit Before Tax	20	10	100%	22	-9%	83	115	-28%
Exceptional Items	0	-	-	-	-	0	42	-100%
Tax	5	1	409%	5	2%	24	44	-45%
Net Profit After Tax	15	10	49%	17	-12%	58	113	-48%
Net Profit Margin (%)	2.4%	1.6%	80bps	2.6%	-20 bps	2.2%	4.5%	-230 bps
Earning Per Share (Rs.)	0.9	0.6	52%	1.1	-14%	3.6	6.9	-48%

Quarterly performance

EBITDA margins witnessed improvement due to efficient use of power units and higher utilisation of solar unit

Yearly performance

EBITDA margins under pressure due to higher input cost and loss in the domestic and overseas home textile division



Balance sheet

To be updated

Rs. in Cr	FY19	FY18
Non-current assets		
Fixed assets		1126
Investments		
Other Non Current assets		7
Current assets		
Inventories		514
Trade receivables		335
Cash and bank balances		15
Other current assets		141
Total Assets	2133	2188

Rs. in Cr	FY19	FY18
Shareholder's Fund		907
Share capital		16
Reserves & Surplus		891
Non-current liabilities	496	555
Long term borrowings		509
Deferred tax liabilities		22
Other non-current liabilities		23
Current liabilities	695	727
Short term borrowings		438
Trade Payables		101
Other current liabilities		187
Total Liabilities	2133	2188



Executive Chairman's comments

To be updated

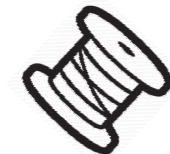
sutlej
Textiles and Industries Limited



Executive Chairman - Mr. C. S. Nopany

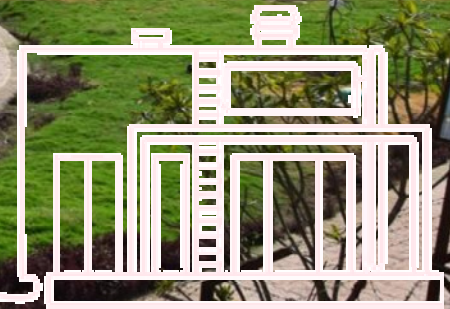
Commenting on the results, Mr. C.S. Nopany, Executive Chairman, Sutlej Textiles and Industries Limited said:

“The challenging business environment for the Textile Industry continued during the year due to subdued demand. The situation was further aggravated by unprecedented fluctuations in raw material prices and exchange rates that created even more uncertainty and further dampened market sentiments. This resulted in intense competition, subdued product prices and lower margins. We could counter these challenges to a large extent because of our varied product mix and value added yarns. Sutlej will continue to focus on consolidating its operations and improving efficiencies all around during this phase of a prolonged recession”



Sutlej

Creation of a Strong Foundation over the years



Sutlej Textiles - Overview

Largest

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

Niche Presence

Zero grey yarn manufacturing, presence in all value added yarns
Presence in curtains and upholstery in Home Textile segment

Exports to + 65 countries

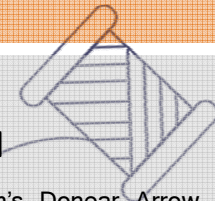
Exports across Europe, North America, South-East Asia, USA, etc

Substantial Capacities

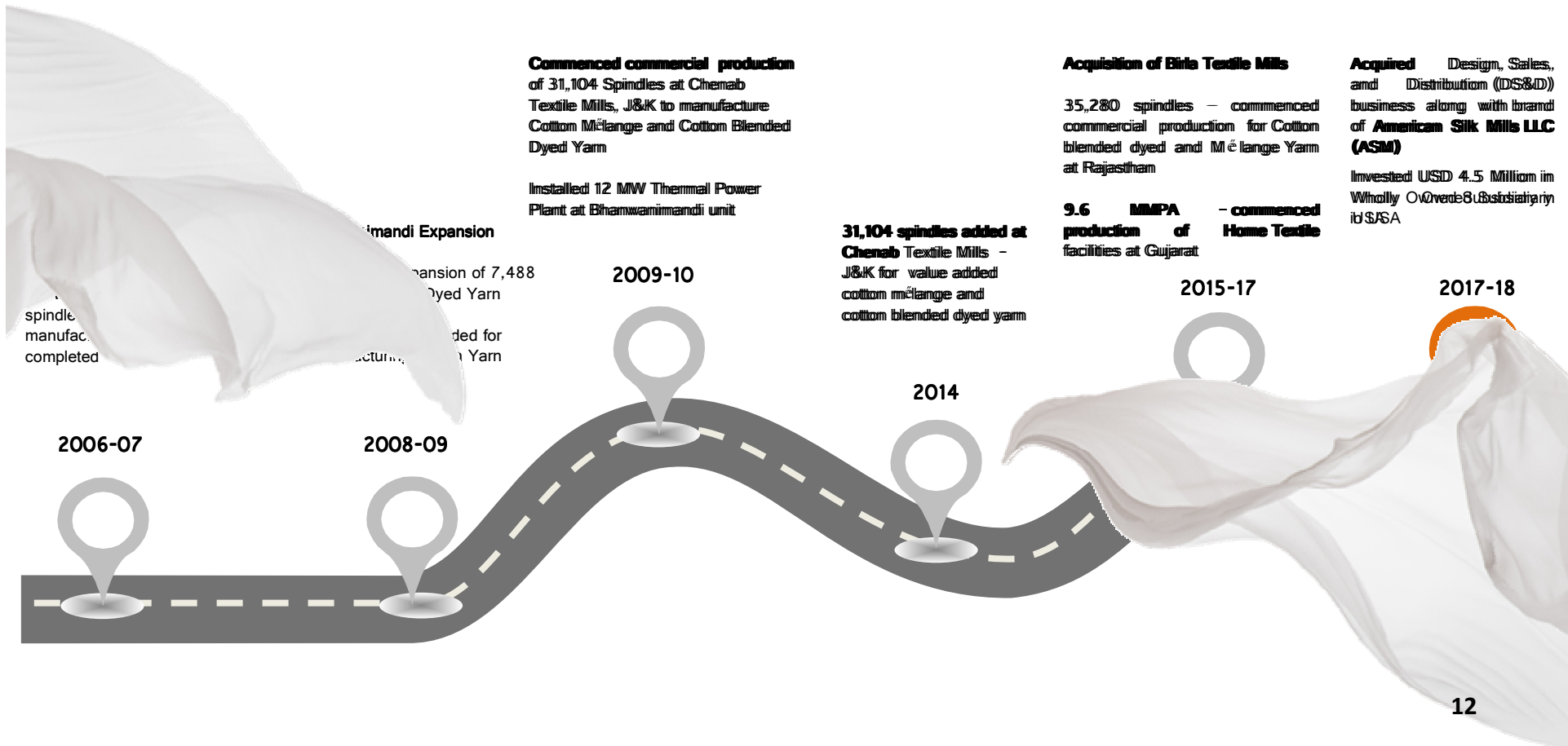
4,18,680 spindles capacity of Yarn
9.6 Million Meters Per Annum capacity of Home Textiles

Reputed Cliental

Marquee Clients like Page Industries, Siyaram's, Donear, Arrow, etc



Key Milestones



Business Verticals

Value Added Yarns

Dyed Yarns

Melange Yarns

Home Textiles

Curtains

Upholstery

Made Ups



Sutlej – Charged to grow higher



<p>Focussed on Value Added Dyed yarns</p> <p>Leading spun dyed & Melange Yarn Manufacturer in India</p>		<p>Improving Operating Efficiencies</p> <p>One of the best Capacity Utilization in Industry Better RM & Power through Green Fibre and Solar Energy</p>
<p>Niche Home Textile</p> <p>Curtains, Upholstery and Made ups</p>		<p>Growth Drivers</p> <p>Home Textile New Adjacent Segments Inorganic Growth</p>

Experienced Team



Board of Directors

Mr. C.S. Nopany Executive Chairman	Mr. U.K. Khaitan Independent Non Exec Director	Mr. Amit Dalal Independent Non Exec Director	Mr. Rajan Dalal Independent Non Exec Director	Ms. Sonu Bhasin Independent Non Exec Director
	Mr. Rajiv K. Podar Independent Non Exec Director	Mr. Rohit Dhoot Independent Non Exec Director	Mr. Ashok Mittal Independent Non Exec Director	

Key Executives

Mr. S.K. Khandelia President & CEO	Mr. Updeep Singh Deputy CEO	Mr. Bipeen Valame WTD and CFO	Mr. Manoj Contractor CS & Compliance Officer
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Focused on Value Added Specialty Yarns

Always opted for expansion into high value specialty yarns

Yarn Capacities

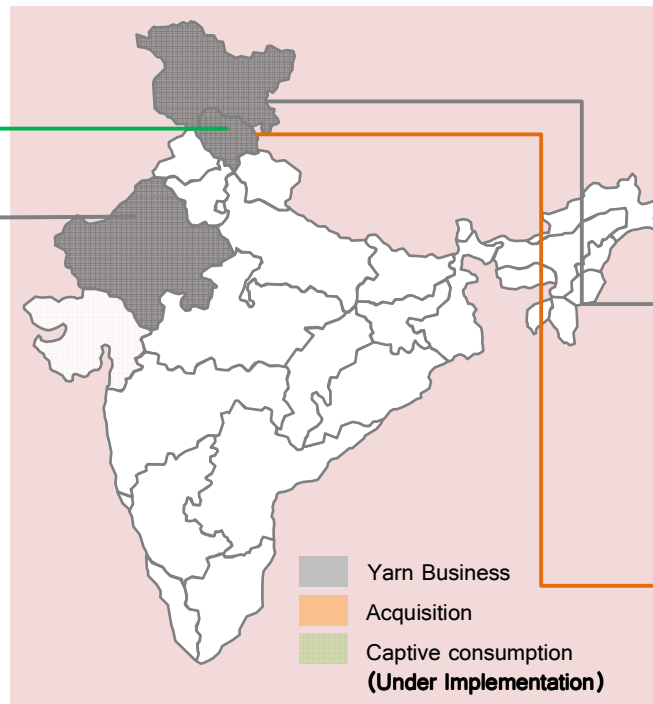
Bhawanimandi, Rajasthan

- 35,280 Spindles (Cotton Mélange)
- 91,584 Spindles (Man –made Fibre)
- Roof top solar plant of 2.7 MW

**Baddi, Himachal Pradesh
(Under Implementation)**

- Green Fibre Plant
- 120 MT per day manufacturing Raw White & Black Recycle Fibre
- Exp. Commercial production Q1FY20-21

- Ability to handle variety of RM with different counts
- Work very closely with customer to fulfil requirements
- Manufacture to Sale and not to Stock



Nearly 32% of the spindleage and 67% of the fabric weaving machines commissioned in the last decade, assuring high technological relevance.

Kathua, J&K

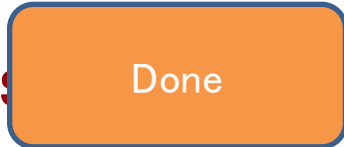
- 1,09,154 Spindles (Cotton Mélange)
- 1,01,446 Spindles (Man-made Fibre)

Baddi, Himachal Pradesh

- 83,376 Spindles (Man-made Fibre)



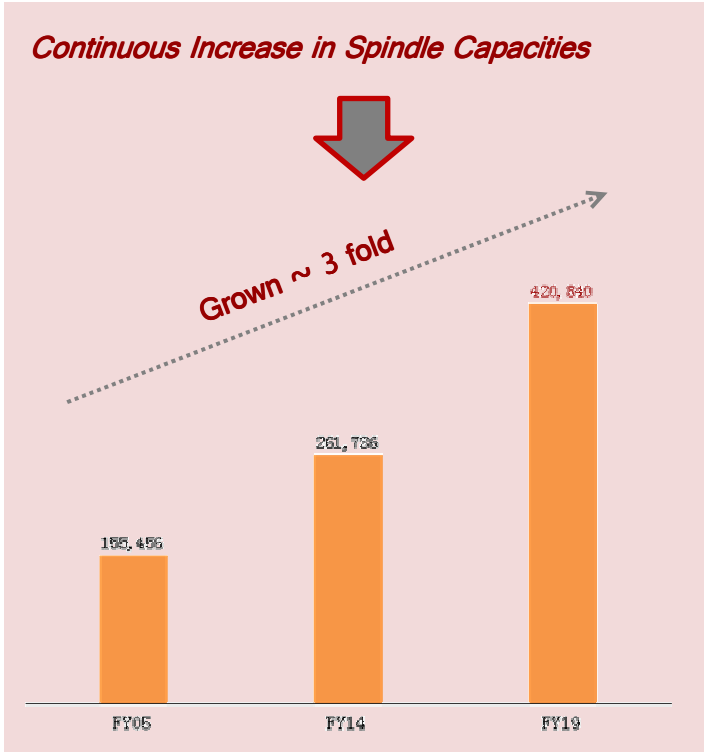
Speciality Dyed Yarns – Backbone of our business

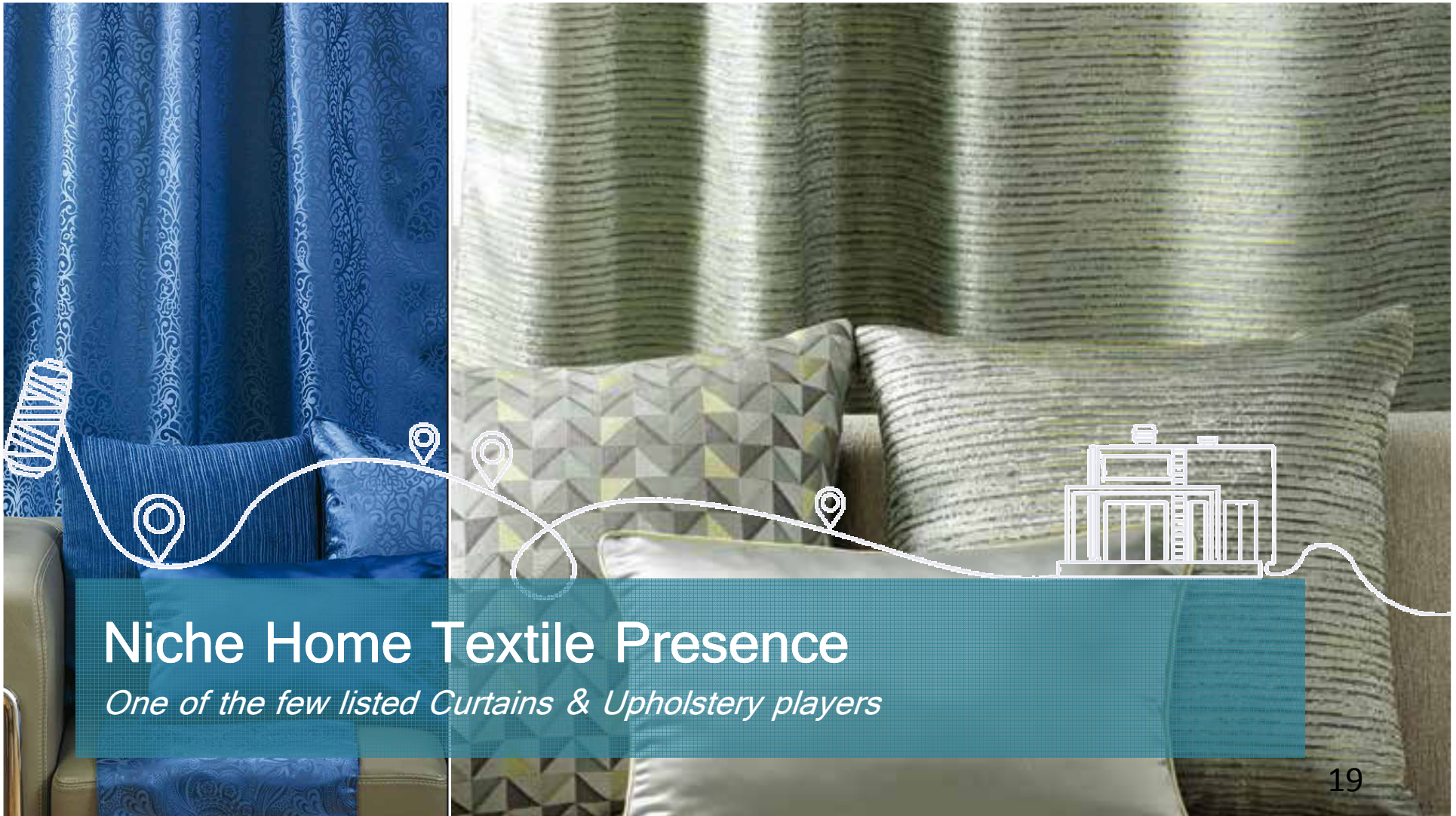


- **Leading Yarn manufacturer in India**
 - 4,20,840 Dyed Yarn Spindles
 - 35% dedicated to Melange Yarn
 - 65% dedicated to various blends

- **Well Diversified Product Portfolio**
 - Marquee clients like Page Industries, Siyaram, Raymond, Donear, etc
 - B2B business model with over 60% revenue from organized sector
 - Robust Business Model with low concentration and diversified geographical spread
 - Strong Brand Recall in Yarn Segment

- **Strong Global Footprint**
 - Over 30% Revenue from Export to over 65 countries
 - Export to all major countries in the world
 - Star Export House Status holder





Niche Home Textile Presence

One of the few listed Curtains & Upholstery players

Home Textile - Emerging Business

To be updated



- **Focus on Curtains, Upholstery & Made ups**

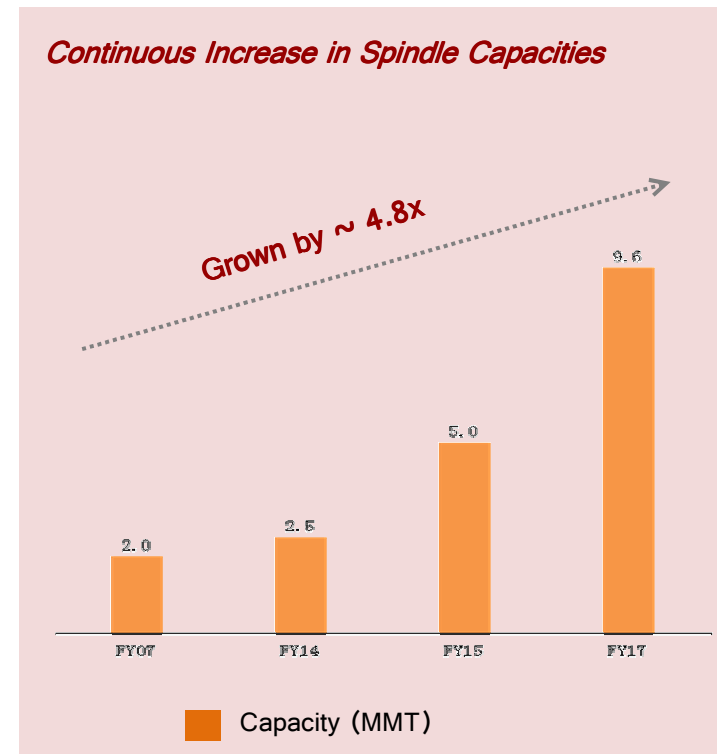
- Leading producer & exporter of Home Decor
- Acquisition of American Silk Mills (ASM), leading Design & Distribution in USA

- **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



Strengthening Capabilities in Home Textiles

Enhance Manufacturing Capabilities

- Adding wider width printing machines
- Digital Printing capabilities
- Steaming & Washing
- Fancy Yarn
- Embroidery

Expanding Product Portfolio

- Better Designs
- Sheer Material
- Made-ups

Establish Geographic Presence

- Establishing office in Dubai to strengthen middle east operations

Improving Designing Strength

- Hired International Designers
- New designs with latest trend
- Latest design S/W

Leverage ASM Brand

- Over 100 years of industry experience with rich design archives
- Build Synergy to leverage designs

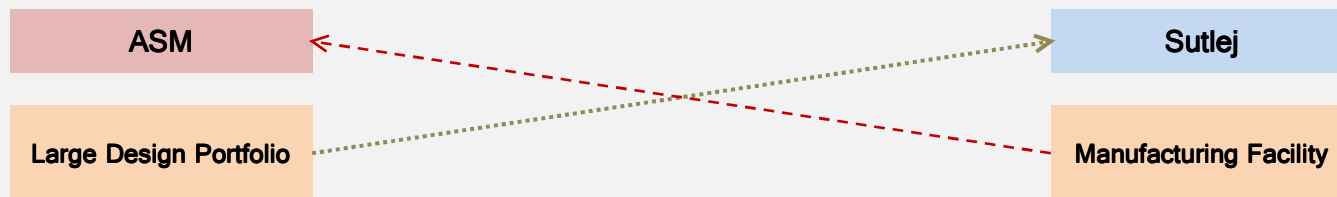
American Silk Mills (ASM)



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

- **Stabilizing Operations**
Working on improving margins
- **Building Customers Confidence**
Re-gaining customer confidence lost due to liquidity position before acquisition
- **Introduced New Product Portfolio**
Launched new product portfolio in July and Sept 2018

- **Integration in Manufacturing with Sutlej's Domestic Home Textile Facility**

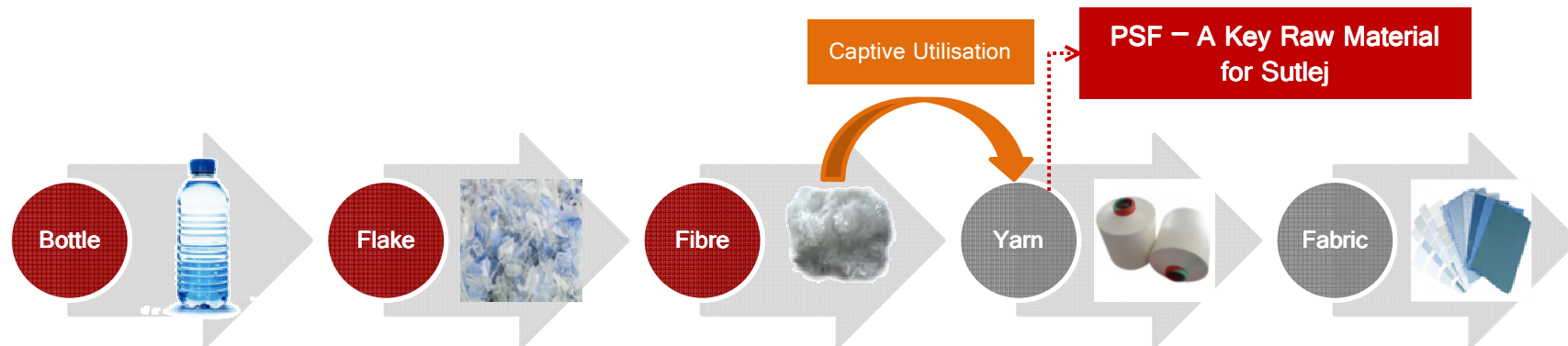




Improving Operating Efficiencies

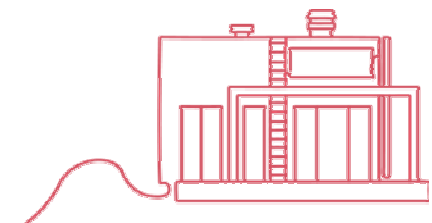
Our disciplined approach towards growth have always helped us to achieve new heights

Backward Integration into Green Fiber



Description	Details
Capacity	120 MT / Day
CAPEX	Rs. 189 crore
Location – land acquired	Baddi, Himachal Pradesh
Expected Commercial Production	Q1FY20-21

Fulfil 75% of Captive Requirement of Key Raw Material PSF



Focus on Reducing Energy Cost

- Installed **Roof Top Solar plant of 2.7 MW** at new unit in Bhawanimandi, Rajasthan,
- Resulting **~40% less per unit cost** compared to State Tariff



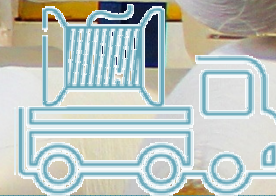
Solar Plant at Bhawanimandi, Rajasthan





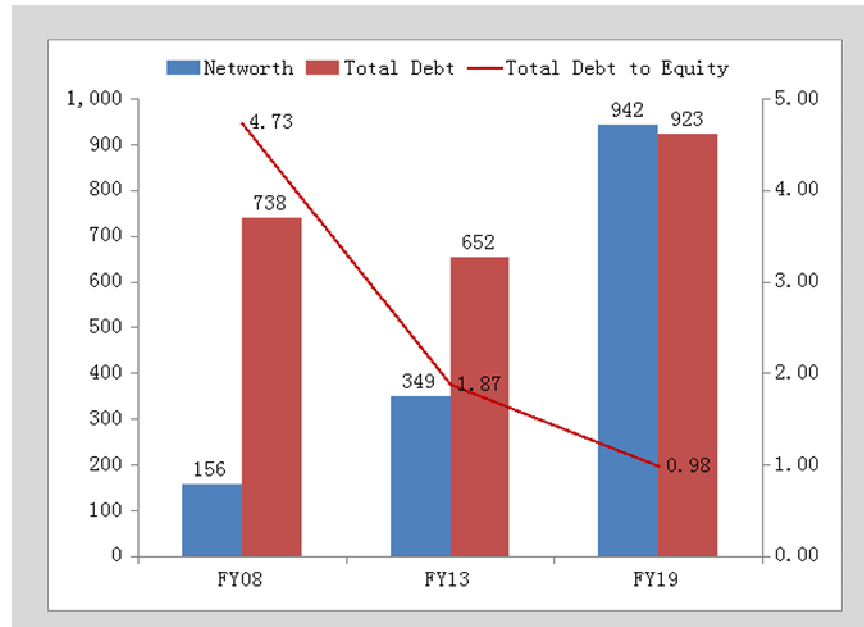
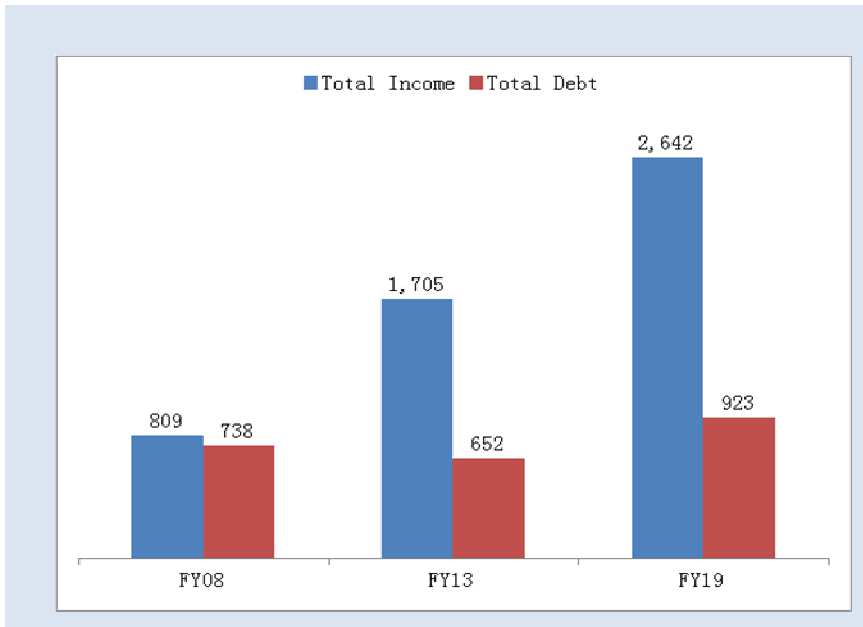
Sutlej 2.0 – Growth Strategy

Charged to grow higher backed by a strong Foundation



Always Focused on Disciplined Growth

To be updated



Continuous reduction in Total Debt to Equity ratio over the years, FY19 was 0.98 vs 1.15 in FY18



Well Placed for next Growth Phase

- Effective control on key Raw material cost

Backward Integration



- Integration with ASM
- Product Portfolio expansion to strengthen Home Textiles Business

Growth in Home Textile with better Margins



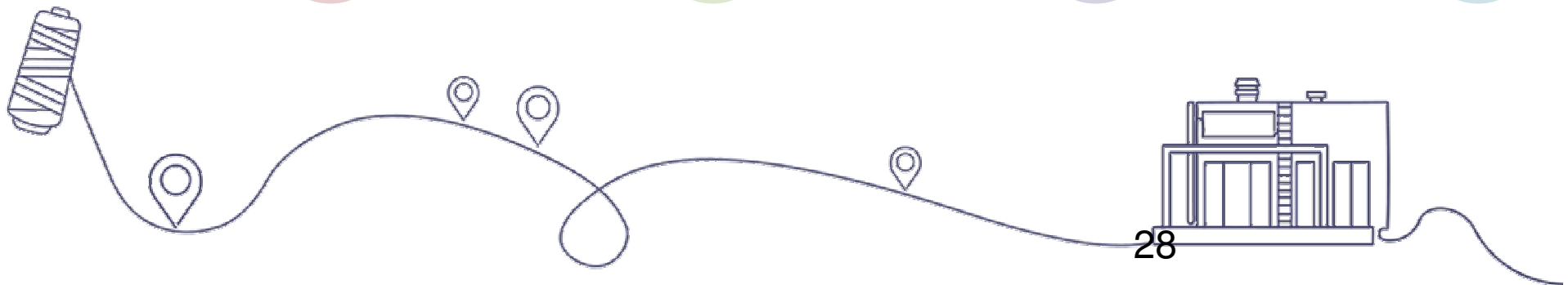
- Opportunities into Forward Integration
- Opportunities in new Speciality Yarns

Exploring New Segments



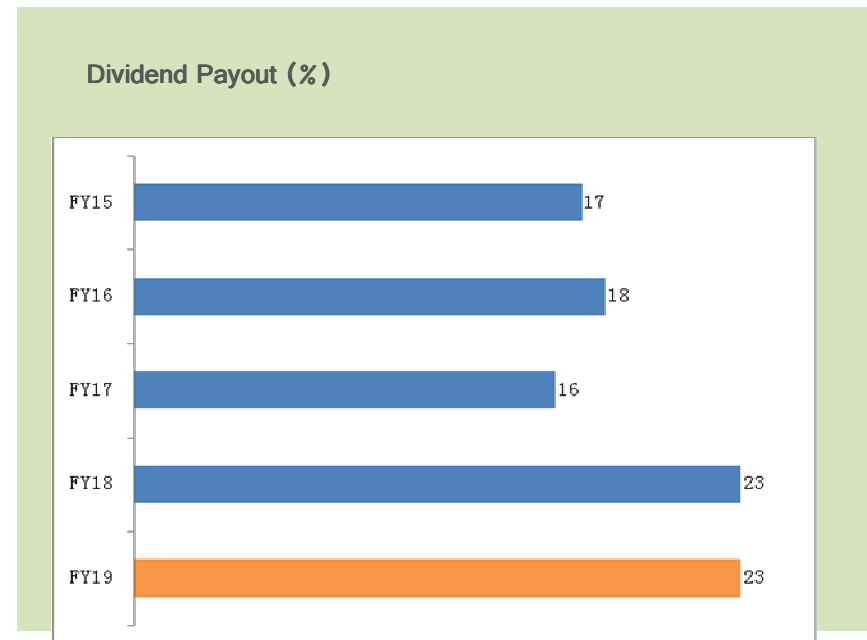
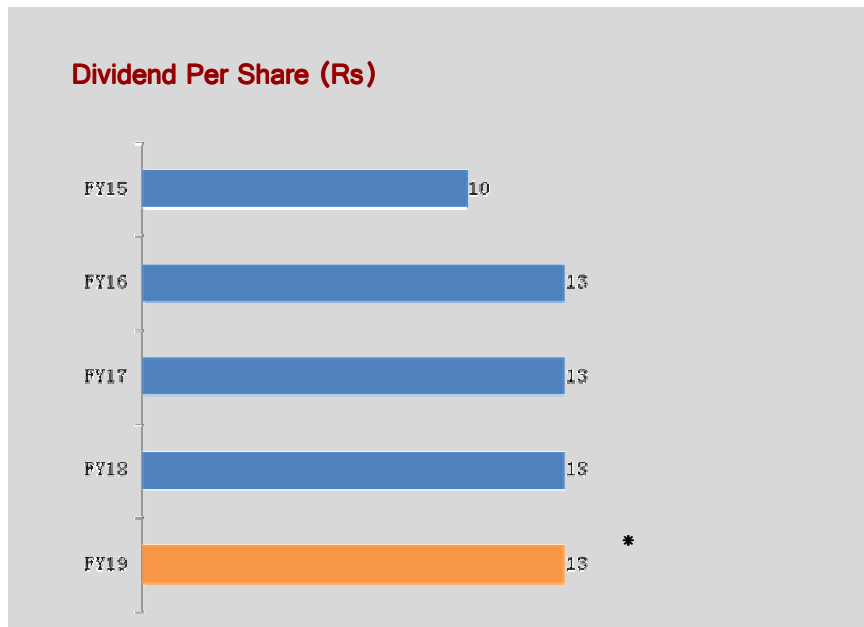
- Strong Balance Sheet
- Generate better Return Ratio's

Inorganic Growth opportunity



Enhancing value for Stakeholders

Remove



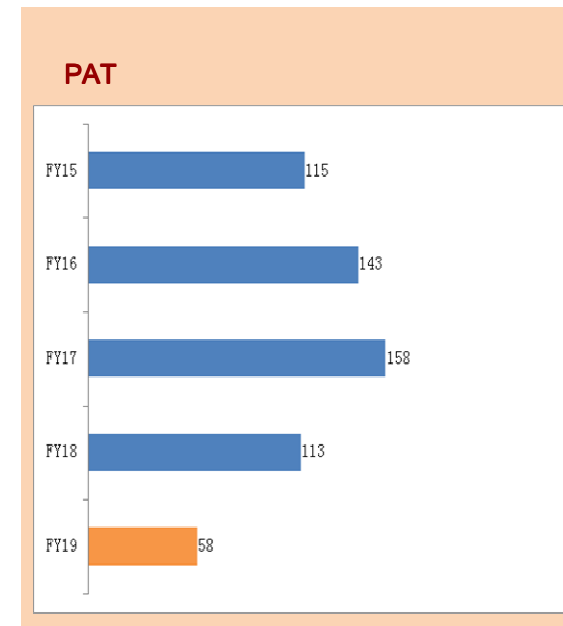
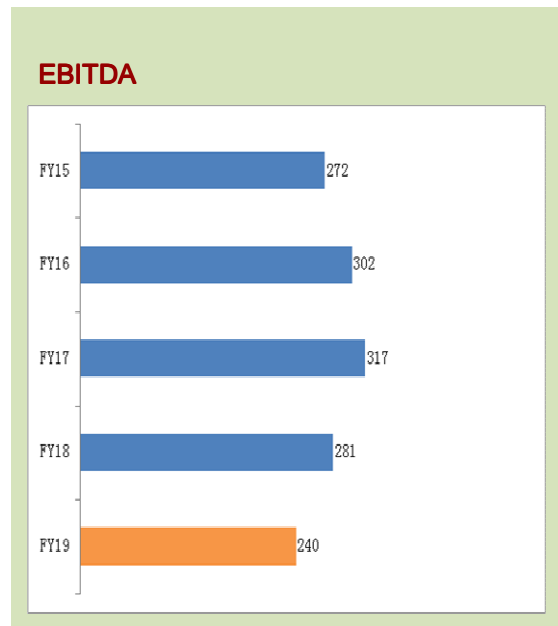
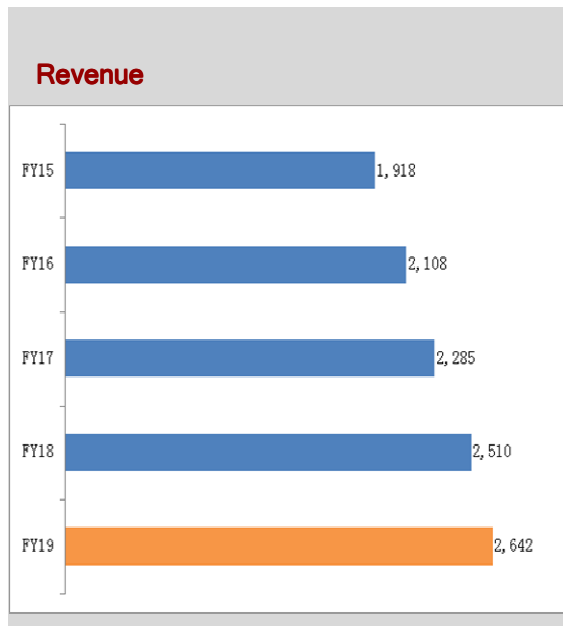
* Dividend declared Rs.1.30 on FV of Rs.1 per share post split.
Depiction is for visual and comparative purpose only



Annexure - Financials

5 year Performance Highlights

Done

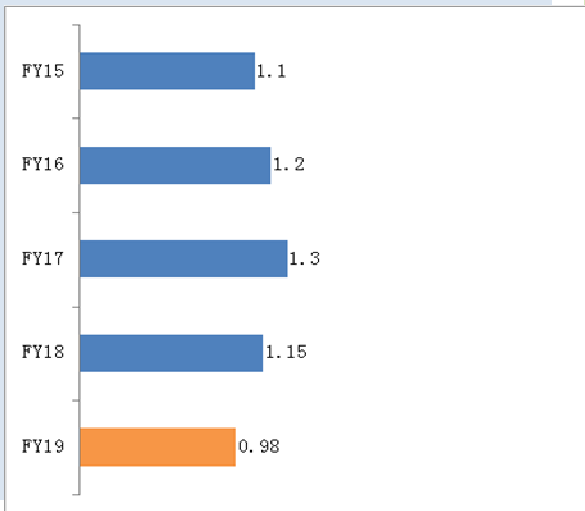


*The Company acquired American Silk Mills, LLC on 6th Nov 17 and hence FY2017-18 is first year of consolidation

Balance sheet Ratios

To be updated

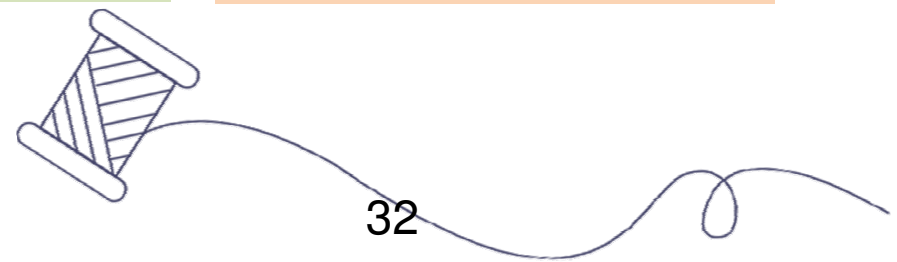
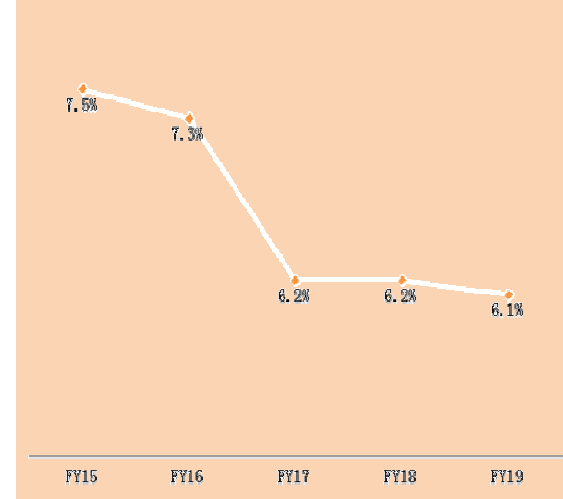
Comfortable Total Debt/Equity Ratio



Robust Interest Coverage

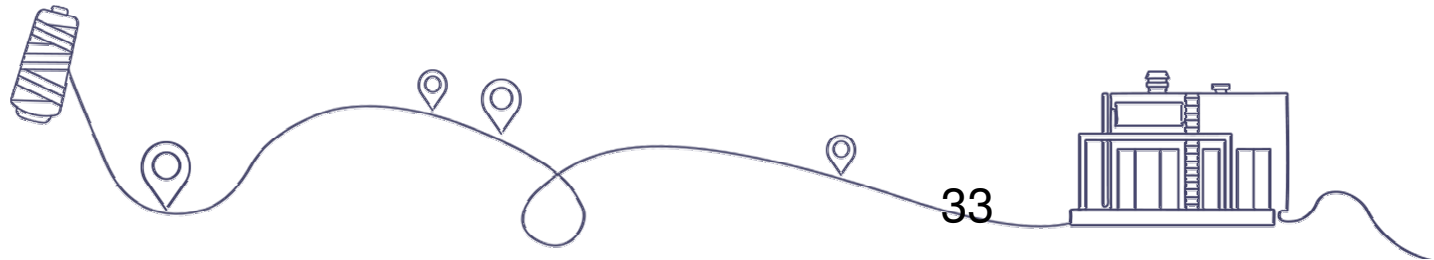
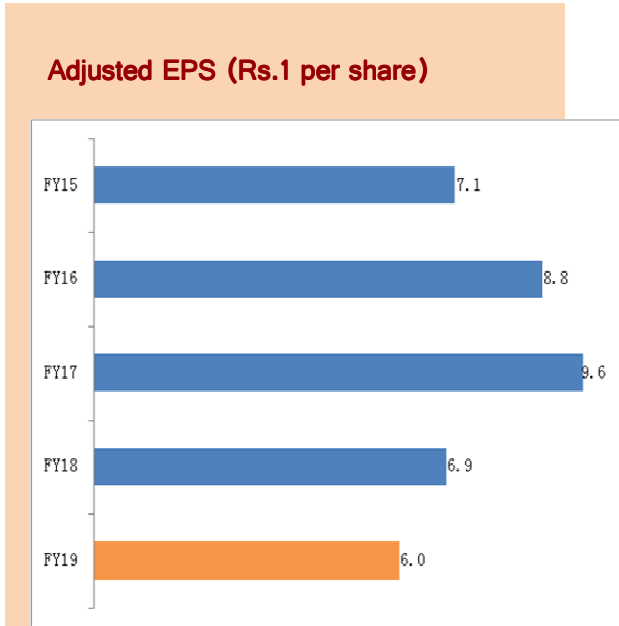
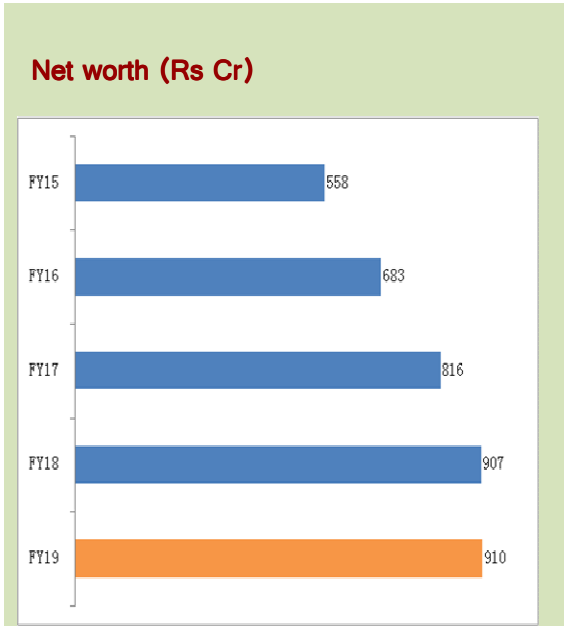
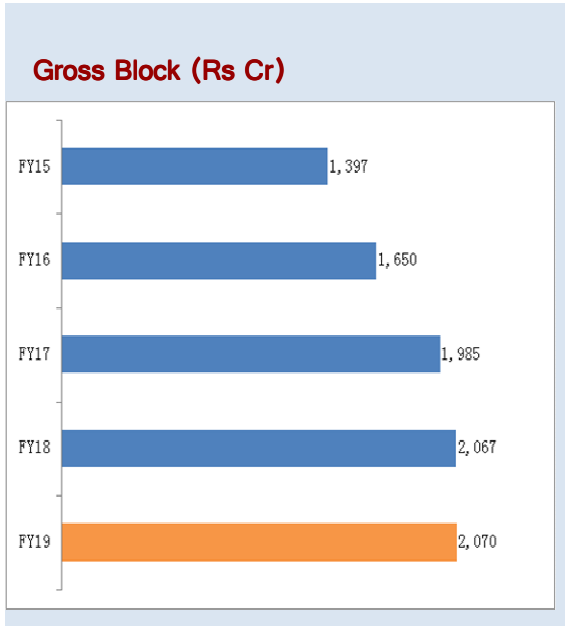


Average Interest Rate of Term Loans (After TUF)



Balance sheet

Can be deleted



“Withstanding firmly during A storm
Help’s to cherish the sunshine later”

Thank You!

Let’s Connect



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Mr. Vikash Verma / Mr. Abhishek Bhatt

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