

09<sup>th</sup> February, 2024

<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>
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Dear Sirs / Madam,

**Sub: Q3 & 9MFY24 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 31<sup>st</sup> December, 2023.

Thanking you

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

Manoj Contractor  
Company Secretary and Compliance Officer



Encl: a/a

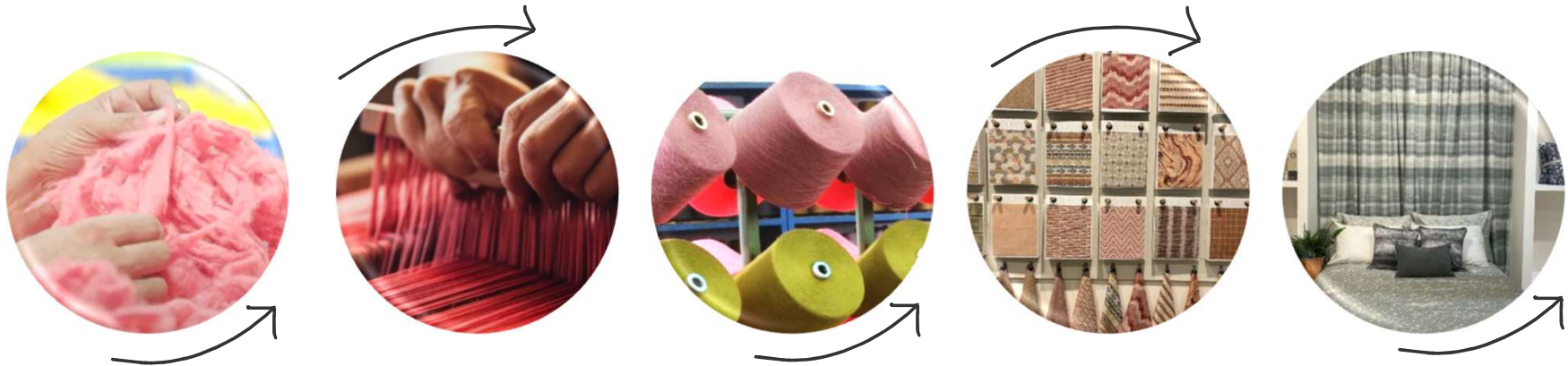


## **Sutlej Textiles and Industries Limited**

**Leadership in Yarns, Establishing a Niche in Home Textiles**

**Q3 & 9MFY24 Presentation | February 2024**

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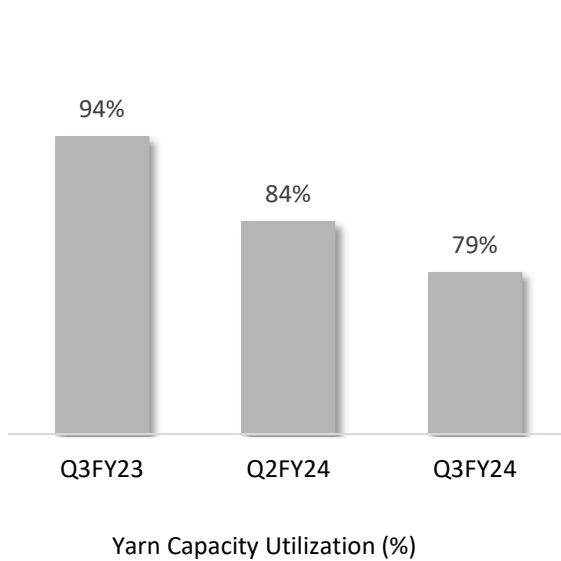
**Q3 & 9MFY24 Result Updates**

## Financial Performance – Q3 & 9MFY24

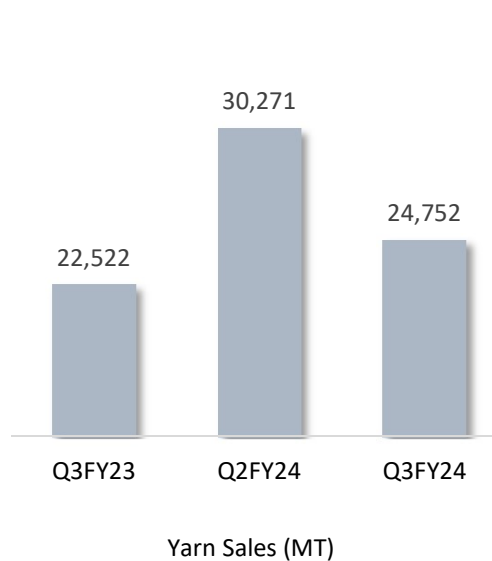
Consolidated (Rs Crore)	Q3FY24	Q2FY24	QoQ%	Q3FY23	YoY %	9MFY24	9MFY23	YoY %
<b>Total Income</b>	<b>612</b>	<b>739</b>	<b>-17%</b>	<b>670</b>	<b>-9%</b>	<b>2062</b>	<b>2349</b>	<b>-12%</b>
Cost of goods sold	375	504	-26%	365	3%	1308	1201	9%
<b>Gross Profit</b>	<b>237</b>	<b>235</b>	<b>1%</b>	<b>305</b>	<b>-22%</b>	<b>754</b>	<b>1147</b>	<b>-34%</b>
<b>GP margin %</b>	<b>39%</b>	<b>32%</b>	<b>691 bps</b>	<b>45%</b>	<b>(679 bps)</b>	<b>37%</b>	<b>49%</b>	<b>(1230 bps)</b>
Employee cost	97	110	-12%	110	-12%	320	337	-5%
Other expenses	141	155	-9%	174	-19%	460	558	-18%
<b>EBITDA</b>	<b>-1</b>	<b>-30</b>	<b>-96%</b>	<b>21</b>	<b>-105%</b>	<b>-26</b>	<b>253</b>	<b>-110%</b>
<b>EBITDA margin</b>	<b>0%</b>	<b>-4%</b>	<b>386 bps</b>	<b>3%</b>	<b>(330 bps)</b>	<b>-1%</b>	<b>11%</b>	<b>(1202 bps)</b>
Depreciation	29	29	1%	32	-10%	89	95	-6%
Interest	14	17	-16%	14	-1%	50	41	21%
<b>Profit Before Tax (Before EI)</b>	<b>-45</b>	<b>-76</b>	<b>-41%</b>	<b>-26</b>	<b>73%</b>	<b>-165</b>	<b>117</b>	<b>-241%</b>
Exceptional Items	0	0	NA	-3	NA	0	21	NA
<b>Profit Before Tax (After EI)</b>	<b>-45</b>	<b>-76</b>	<b>-41%</b>	<b>-23</b>	<b>73%</b>	<b>-165</b>	<b>96</b>	<b>-271%</b>
Tax	-14	-26	NA	-7	106%	-55	35	-257%
<b>Profit After Tax</b>	<b>-30</b>	<b>-49</b>	<b>-39%</b>	<b>-16</b>	<b>93%</b>	<b>-110</b>	<b>61</b>	<b>-280%</b>
<b>PAT margin</b>	<b>-5%</b>	<b>-7%</b>	<b>177 bps</b>	<b>-2%</b>	<b>(259 bps)</b>	<b>-5%</b>	<b>3%</b>	<b>(794 bps)</b>

# Yarn Business Highlights – Q3 & 9MFY24

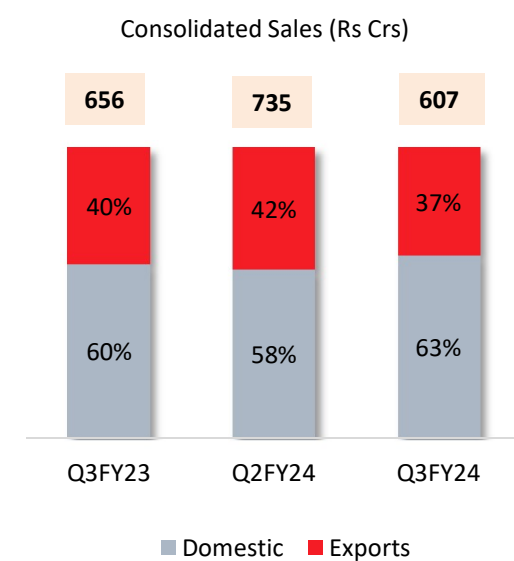
## Capacity utilisation



## Yarn Sales Volumes

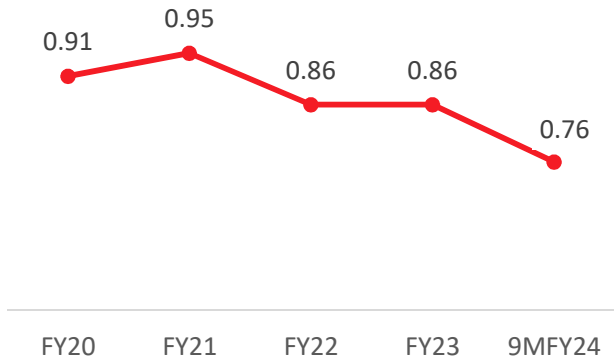


## Focusing on Domestic Market

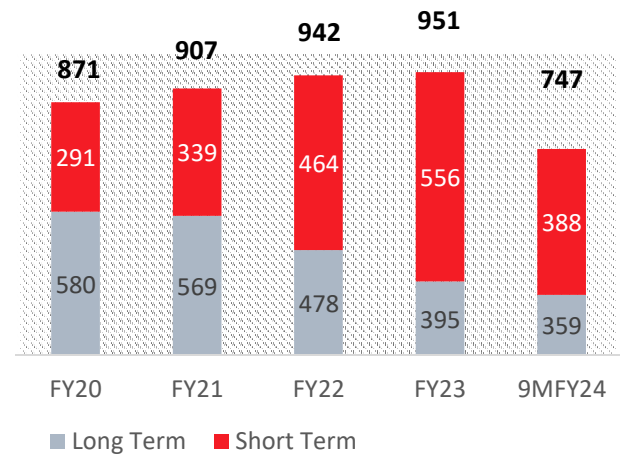


# Balance Sheet (Consolidated) – Highlights

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



Overall Debt Levels continue to be in control



✓ Total Debt has decreased by Rs. 204 Crs to Rs. 747 Crs as against Rs. 951 Crs in March 2023  
 ✓ Debt to Equity Ratio decreased to 0.76



## 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 Global Economy, after a tough couple of quarters is now seeing moderating inflation and steady growth, which is likely to help consumption as discretionary income should start increasing. With the greater-than-expected resilience in the United States and several large emerging market and developing economies, we are seeing some green shoots of recovery. The Indian growth story continues to gather momentum and we are likely to see growth in the domestic market as well.

With a strong foundation and an agile organisation that has its ears firmly on the ground, we remain focused on adapting to the changing dynamics of our markets and customer needs. We are encouraged by the changing trend and are hopeful of being able to deliver better performance in the forthcoming quarters.”







**Sutlej**

*Creation of a Strong Foundation over the years*



# Sutlej Textiles – Successful Yarn business, building a niche Home Textile business

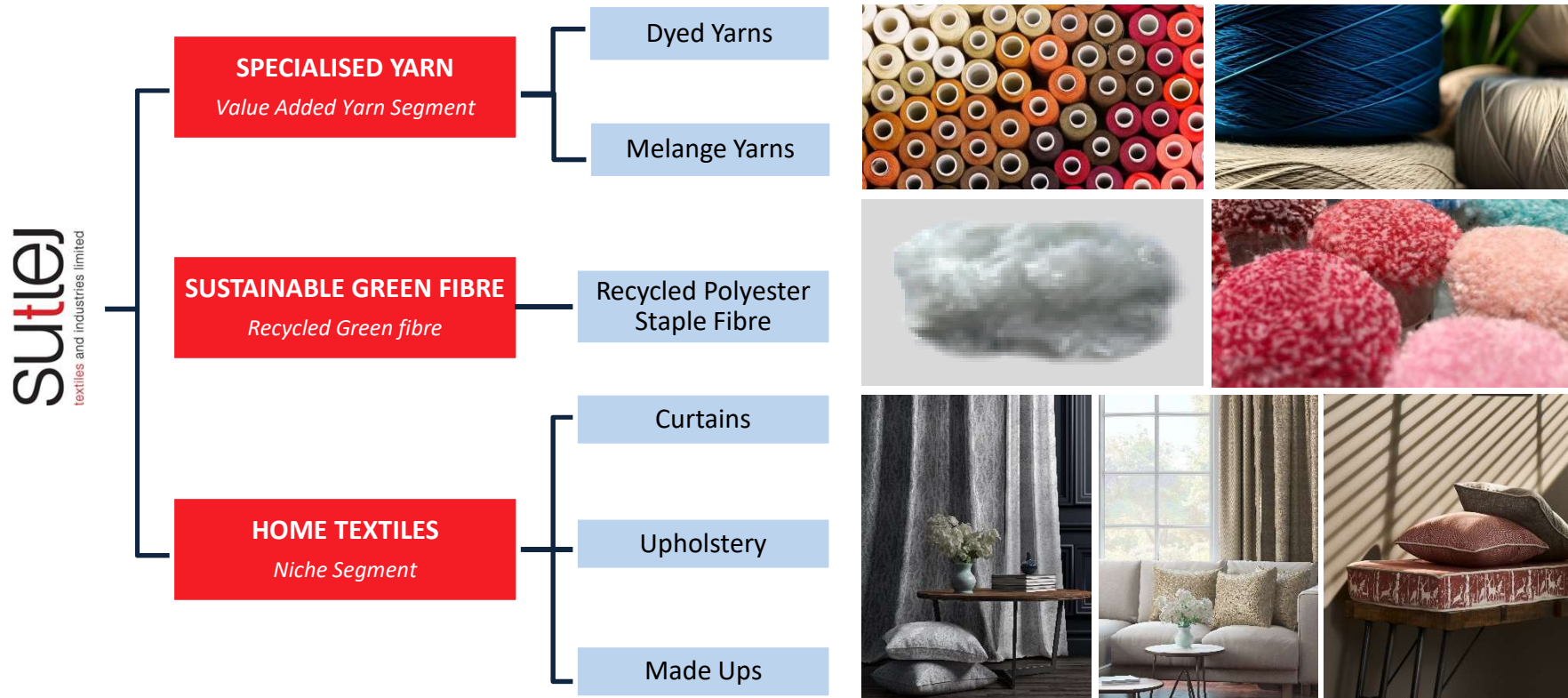
## **Established Value-added Yarn Player**

- **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 60+ countries**
  - ✓ Across Europe, North & Latin America, South-East Asia, USA.
- **Large scale Capacities**
  - ✓ 4,26,528 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 8.40 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



# Guided by Industry Veterans and Experienced Management



## Board of Directors

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

## Key Executives

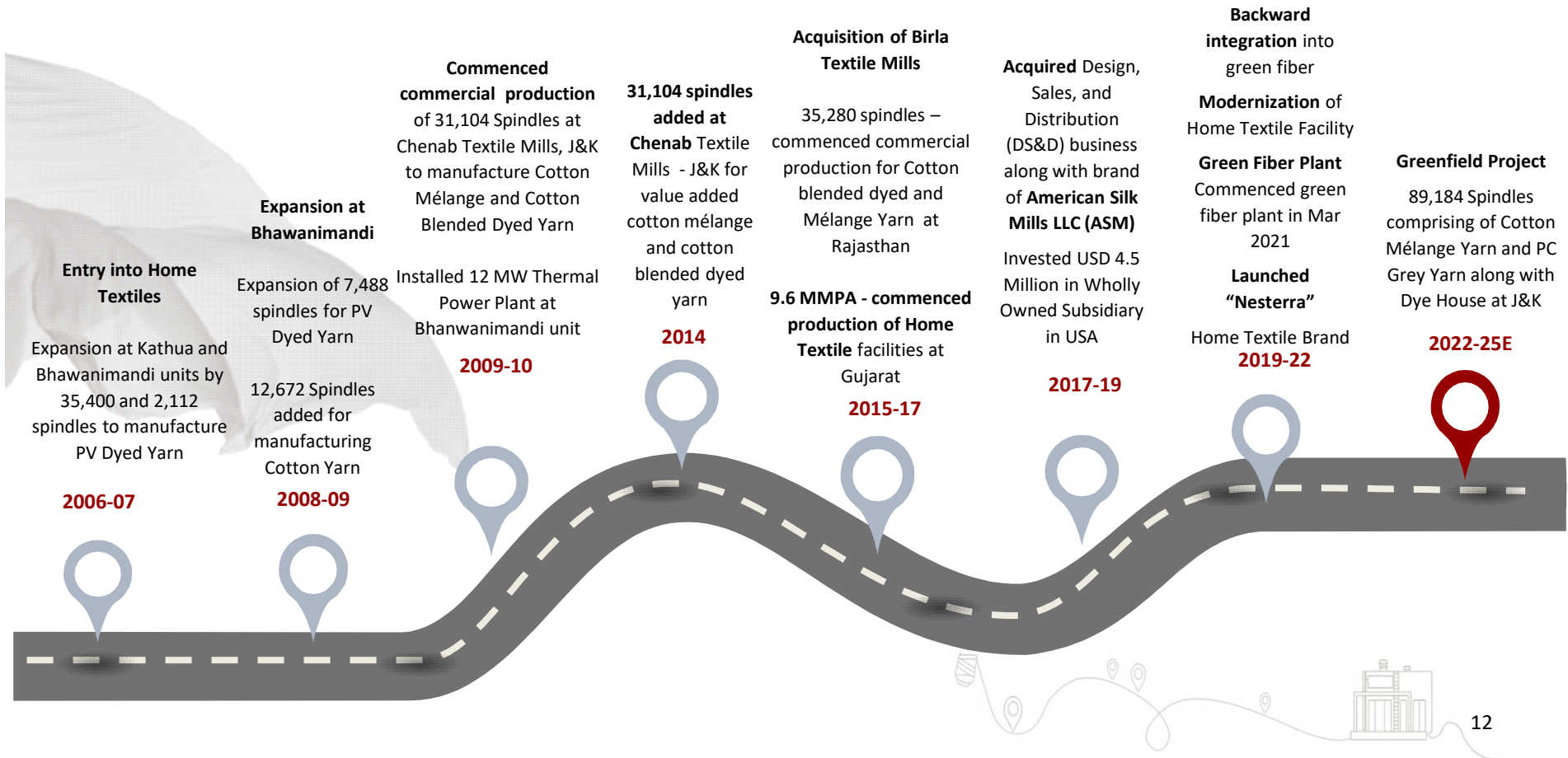
**Mr. S K Khandelia**  
Advisor

**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'

**1 Kathua, J&K**

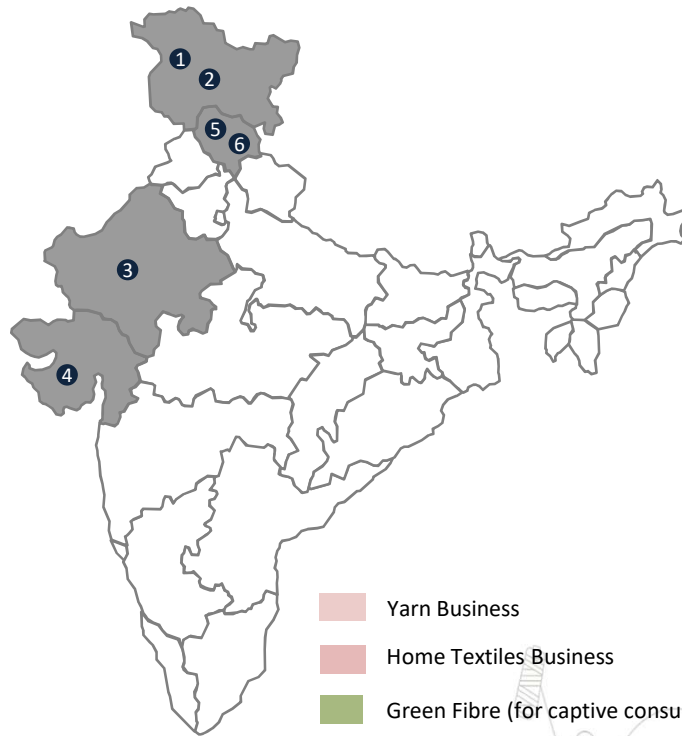
- 1,02,576 Spindles (Cotton Mélange)
- 1,10,880 Spindles (Man-made Fibre)

**2 J&K**

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

**3 Bhawanimandi, Rajasthan**

- 35,280 Spindles (Cotton Mélange )
- 94,992 Spindles (Man –made Fibre)
- Roof top solar plant of 2.7 MW



**4 Damanganga, Gujarat**

- Capacity of 8.40 million meters
- 118 Shuttle-less looms

**5 Baddi, Himachal Pradesh**

- 36,503 Spindles (Cotton Mélange)
- 46,297 Spindles (Man-made Fibre)

**6 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**

- ✓ 4,26,528 Dyed Yarn Spindles
  - ~41% dedicated to Melange Yarn
  - ~59% dedicated to various blends

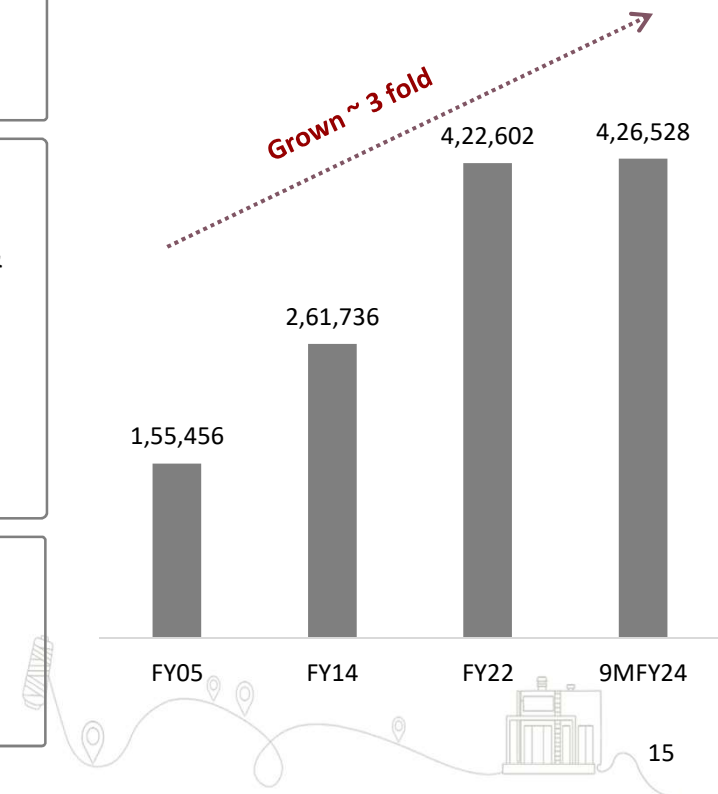
## ▪ **Well Diversified Product Portfolio/geographies and customers**

- ✓ 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)**





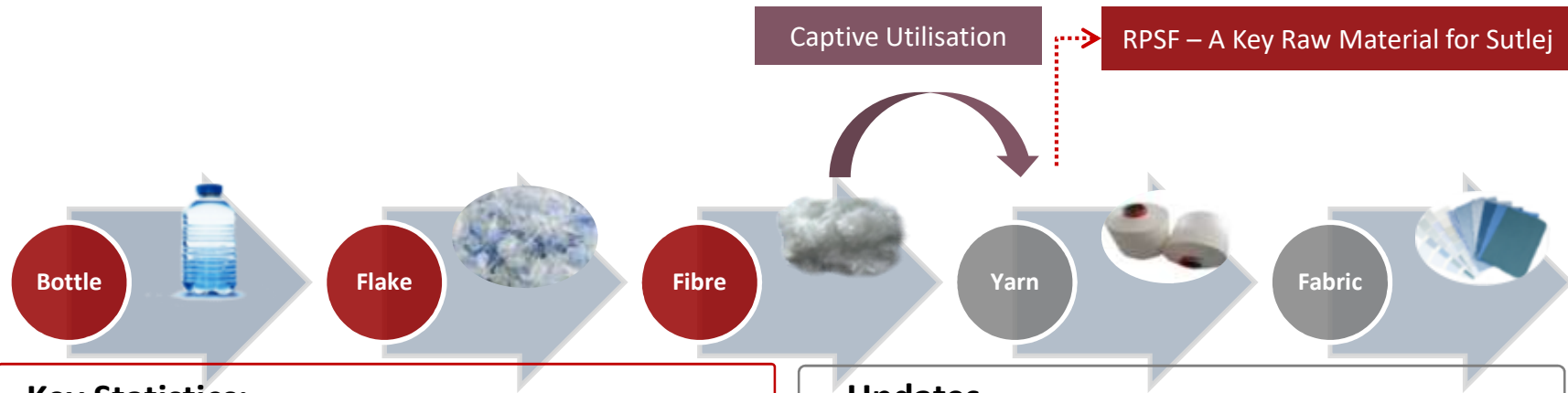


## Sustainable Green Fibre Unit

*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 of 103%.
- ✓ **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

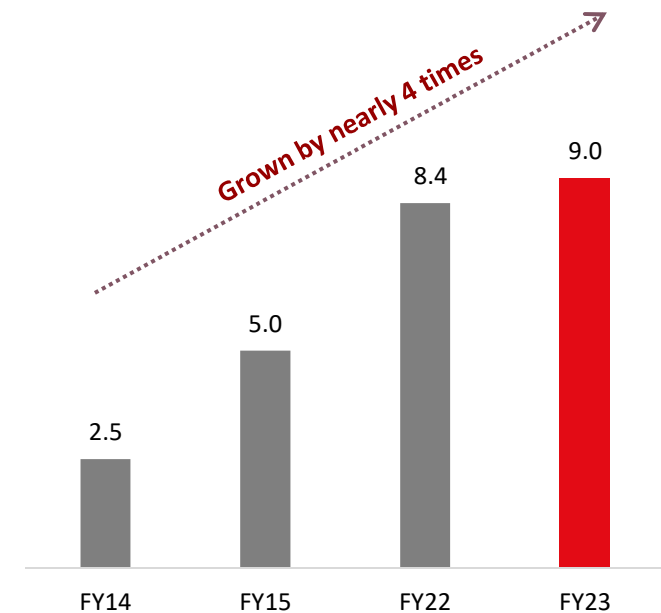
## ▪ Latest Technology in design & manufacturing

- ✓ State-of-the-Art manufacturing facility at Gujarat
- ✓ Capacity of 8.40 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 – introduced more than 550 new SKUs in Q3FY24

*Increase in Loom Capacities (MMT) over past 12 yrs*





# Home Textile Business

## Increase in Penetration

- ✓ Expanded customer base in large format retail stores in UAE and UK. Strategically positioning ready-made products with prominent accounts such as Home Center in the UAE, to tap into new growth opportunities
- ✓ The new collection launched in the Domestic market has been well received
- ✓ Continue to acquire new customers in new territories that cater to broader customer segments like residential, furniture manufacturing, retailers, jobbers, contract and readymade.
- ✓ Seeing good reorder percentage from North America and the UK market.
- ✓ 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.



# “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 600+ retail points

## 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.



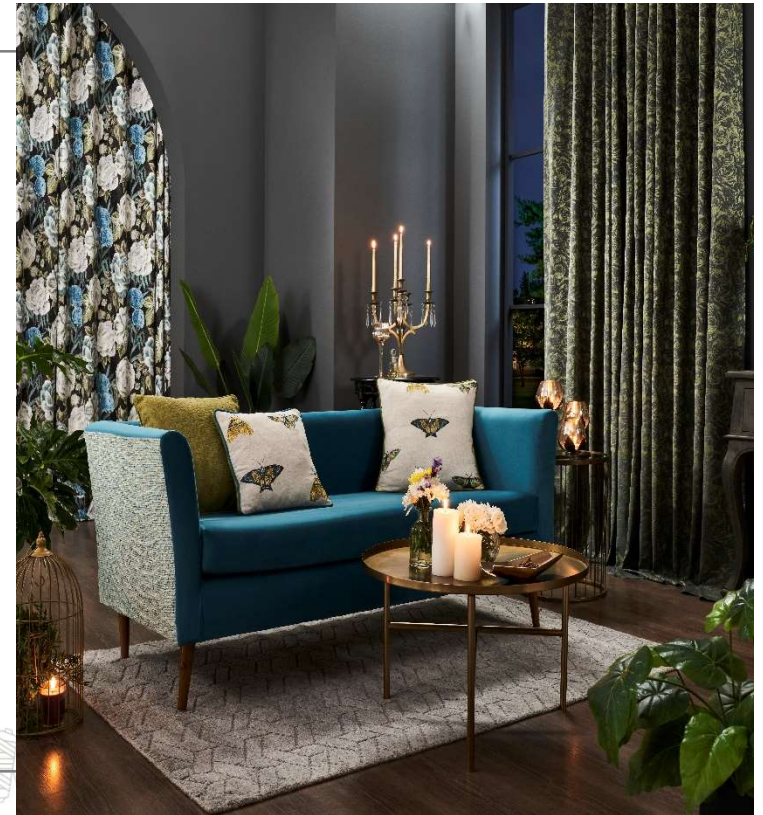
# “Nesterra” - Building a Brand of Future

## Market Penetration

- ✓ Total number of MBOs selling Nesterra Collections is over 600. Extended our agent network to cover all locations
- ✓ Launched 12 new premium collections at Home Décor Expo 2023, in addition to the existing 24 collections of Nesterra in the market

## Marketing and Advertising

- ✓ Nesterra's newly launched collections featured in over 40 Print and 10 Online CAT A & B publications.
- ✓ Nesterra's key collections have featured in some of the leading décor magazines such as ELLE Décor and Good Homes
- ✓ Executed a social media campaign, #YouniquelyNesterra, with respected CAT A celebrities and lifestyle influencers, effectively showcasing our newly launched collections and amplifying our brand presence.
- ✓ Our collection heritage was featured in some of the leading décor and lifestyle magazines like India Today Home and HELLO!





# American Silk Mills



- Key Highlights**
- Market Penetration**
- ✓ Successfully secured new placements for our products, expanding our reach in the market
  - ✓ Actively focusing on enhancing our relationships with our valued accounts in the furniture manufacturing sector
  - ✓ Our primary emphasis will remain on jobbers and furniture manufacturers, as we recognize this segment as a key strength
  - ✓ Committed to developing and expanding within specialty sector





# Awards



Securing top honors at the 'SRTEPC's Export Awards 2022-23'

A Triple Triumph –

1. **Gold** in Synthetic & Rayon Dyed Yarns
2. **Silver** in Man-made Fibre Yarn Blended with natural fibre
3. The prestigious **Bronze** SRTEPC Special Awards



**“ Work hard in Silence, let your success be your noise.”-Frank Ocean – Option 1**

**“ Energy and Persistence conquer all things!”- Benjamin Franklin- Option 2**

**sutlej**  
textiles and industries limited

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