

23<sup>rd</sup> August, 2021

<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 Sir / Madam,

**Subject: Transcript of quarter ended 30<sup>th</sup> June, 2021 earnings conference call held on 03<sup>rd</sup> August, 2021**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, kindly find enclosed a transcript of the earnings conference call for the quarter ended 30<sup>th</sup> June, 2021 which was held on Tuesday, 03<sup>rd</sup> August, 2021. The same is also available on the website of the Company i.e., [www.sutlejtextiles.com](http://www.sutlejtextiles.com).

The conference call held on 03<sup>rd</sup> August, 2021, as per the Transcript enclosed incorporates mainly the highlights of financial results upto 30<sup>th</sup> June, 2021, and other related information which is already in public domain and / or made available / uploaded on the Company's website.

Please take the same on record.

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 Q1 FY2022 Earnings Conference Call”

August 03, 2021



**MANAGEMENT: MR. UPDEEP SINGH CHATRATH – PRESIDENT & CEO**

**MR. BIPEEN VALAME – WHOLE TIME DIRECTOR & CFO**

**Moderator:** Ladies and gentlemen, good day and welcome to Sutlej Textiles and Industries Limited Q1 FY2022 Earnings Conference Call hosted by Stellar IR Advisors Private Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference, please signal an operator by pressing "\*" then "0" on your touchtone phone. Please note that this conference is being recorded. I would now hand the conference over to Mr. Bipeen Valame - Whole Time Director and CFO, Sutlej Textiles. Thank you and over to you Sir!

**Bipeen Valame:** Thank you and good afternoon everyone. I welcome you all to the Earning Conference Call of Sutlej Textiles and Industries Limited for the quarter ended on June 30, 2021. I hope that all of you and your families continue to remain safe. I have with me Mr. Updeep Singh Chatrath - President & CEO of Sutlej Textiles and Industries Limited and Stellar IR Advisors - our investor relationship team. The result presentation has been uploaded on the exchanges and I hope everyone had an opportunity to look at it.

I will take you through the financial performance highlights followed by industry and business insight by Shri. Updeep Singh Ji. The Indian textile industry has faced various challenges for the past more than one year on account of COVID-19 pandemic; however, with opening up of economy the sector witnessed a sharp recovery and rebound in the second half of fiscal 2021 which continued in Q1 FY2022 with increased demand in both domestic and export market with some impact due to second wave of COVID-19 in April and May 2021. During the quarter ended June 2021, the company reported consolidated total income of Rs.591 Crores against Rs.197 Crores in Q1 FY2021 and Rs.608 Crores in Q4 FY2021. The capacity utilizations stood at around 90% on average for our yarn business in Q1 FY2022 as against 93% in Q4 FY2021, registering a marginal impact on account of second wave of COVID-19. We expect the momentum to continue; however, with the second wave of COVID-19, reduced demand, and delay in lifting of materials in April and May we saw some drop in overall sales by around 14% in Q1 FY2022. In spite of drop in sales during the quarter compared to Q4 FY2021 we witnessed improvement in EBITDA margin to 12.85% in Q1 FY2022 as against 11.9% in Q4 FY2021 on consolidated basis and 13.55% in Q1 FY2022 as against 12.41% in Q4 FY2021 on standalone basis, with better realization in yarn business. The EBITDA during the quarter was Rs.76 Crores as against profit of Rs.32 Crores in Q4 FY2021 and loss of Rs.23 Crores in Q1 FY2021. The net profit during the quarter was Rs.20 Crores as against loss of Rs.38 Crores in Q1 FY2021 and a profit of Rs.28 Crores in Q4 FY2021 on a consolidated basis. We focused more on exports; our exports were 39% of sales in Q1 FY2022 compared to 36% in Q4 FY2021.

In home textiles, which is consumer facing business, we saw some pressure on sales volume due to COVID-19 related restriction in domestic market. In export market, we saw 8% to 9% improvement in realization per meter and domestic market realization remained steady as compared to Q4 FY2021. Capacity utilization was low due to COVID impact on discretionary spend. However, we hope for recovery in H1 FY2022 with governments removing restrictions and economies are gradually opening up. In terms of leverage notwithstanding the constraint posed by COVID-19 we continued to maintain debt-equity level below 1. Total consolidated debt as on June 30, 2021 stood at Rs.937 Crores as against Rs.907 Crores on March 31, 2021. The long-term debt decreased by Rs.24 Crores while short-term debt increased by Rs.53 Crores primarily, on account of lower off take during the quarter due to second wave of COVID-19. There was marginal increase in overall finance cost on account of Sutlej green fibre that is recycle of polyester, PSF working as a normal production unit and has commissioned in March 2021, but overall, we benefitted with better working capital management and interest rate reduction. So, the impact on finance cost remained marginal during the quarter around 2%. Similarly, we saw some impact on depreciation cost with Sutlej Green Fibre going for normal production for the entire quarter. Lastly, we would like to highlight presently more than 35% of our working capital remains unutilized thereby, providing the company adequate liquidity to meet all obligations as demand revives. That is all from my side. Now, I would request Shri. Updeep Singh Ji to share the business outlook and industry scenario, and then we can open the floor for question and answers. Thank you and over to Shri. Updeep Singh Ji!

**Updeep Singh Chatrath:** Thank you very much Bipeen and thank you all investors and analysts for joining this call of Sutlej Textiles. The Indian textile and apparel industry as you all know showed robust signs of recovery in domestic as well as export segments especially in H2 of FY2021 as compared to lows of 2020. However, the second wave of COVID-19 starting from the second half of April this year and affecting especially tier-2 and tier-3 cities and rural areas as well unlike the first wave which was restricted to tier-1 cities only impacted growth prospects of Indian textile industry in Q1 of 2021-2022. The irregular lockdowns in April affected the demand sentiments especially for yarns and fabrics in domestic market leading to demand-supply mismatch in yarn and fabric market. Especially, it was for synthetic and blended yarns in the domestic market because the formal segment was not up, so that was one of the reasons. With a strong export market and approaching festive season in India we envisage a strong demand ahead and of course the caveat is that unprecedented impact of COVID-19, what you call the third wave, which is one caveat which we have to look at. The recent onset, you know what happened for second wave in India in some key export markets the uncertainties are likely to prolong and delay in full recovery for apparel players to the extent delaying the same towards the end of the year 2022 or early 2023, and the restrictive measures though temporary like store closures, restricted shopping and mass

movement, and limited spending on account of second wave of infection, it is expected to bring down the revenue growth of organized apparel sector by 15% to 20%. This is as per one of the rating agencies. As far as home textile business is concerned, this continues to be affected by lag in demand whereas the pent-up demand during the festive season and gradual opening of export market should gradually lead to pickup in this segment in which we are in. The government has continuously supported the textile sector being one of the largest employers in the country, with the announcement of PLI Schemes and other incentives I think the new policies which the government has given should thrust up this sector and being one of the leaders in yarn industry we believe that we can capitalize on these opportunities.

As far as the raw material is concerned, in case of cotton from Q4 of 2021 we saw surge in the price by about 28% and we envisage that cotton is going to be stable to low going forward with the new season. If you look at the crop, we envisage that the area under cultivation as of now the sowing is about 7% to 7.5% low as compared to last season, but I think we should end up doing almost the same if not more because of the monsoons which we are getting now and overall if you look at the cotton estimates in the balance sheet we feel that the closing stock as per the government what figure have come out should be in the range of 118, but other estimates also show this to be about 50 lakh bales and the consumption is being pegged at almost 340,000 to 347,000 bales. I think that cotton crop is going to be good and the prices definitely would be stable to low. As regards the polyester, I think the polyester prices have been firming up over the last quarter and there has been considerable increase of polyester prices by almost 10% to 11% over the Q4 of 2021 to Q1 of 2022. As regards the recycled polyester fibre which we also have our own manufacturing facility for the fibre, there we have seen a very big surge in the raw material of bottles. The pet bottles have shown an increase of almost 31% from the last quarter of 2021 to as of June 30, 2021, we have seen an increase of almost 31% in the bottle prices. Whereas the recycled fibre prices have come down from Rs.78 to Rs.73, i.e. around 6%. So, there has been a pressure on the recycled polyester fibre. Luckily, we could run our capacity to almost 89% in case of fibre plant because we are consuming the fibre ourselves.

As regards, viscose, with the recent announcement of government on this anti-dumping duty, withdrawal of anti-dumping duty on viscose its impact is yet to be seen, although we envisage that there should be a price movement downwards for the viscose fibre in domestic market, but the real impact would be clear in the next about week to 10 days' time. So, overall we see that the raw material prices in this quarter should be a little bit firm if not too low and as a result we envisage that the yarn prices should also behave in the similar manner. So, at Sutlej we continue to focus on our well-diversified value-added product portfolio and the balance sheet of the company will aid us to capitalize on the opportunities

going ahead. In the end, I must say that our strong roots have led us to withstand the storm in the recent past which will help us to grow stronger in the coming future. Thank you very much and I can now open the floor for question and answer session.

**Moderator:** Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question may press "\*" and "1" on the touchtone telephone. If you wish to remove yourself from the question queue you may press "\*" and "2". Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. We take the first question from the line of Prerna from B&K Securities. Please go ahead.

**Prerna:** Thank you for the opportunity. Sir congratulations on a good set of numbers in restricted environment of operations. I would like to understand a few of macro environment that is going on in the textile industry. First of it, you mentioned that anti-dumping duty, the impact of viscose will be clear in a week's time, could you just help us understand what happened when the anti-dumping duty on PTA was removed by the government? If you could just help us understand the impact on the sector which polyester industry has witnessed and eventually we can understand viscose as well much better?

**Updeep Singh Chatrath:** When anti-dumping duty on PTA was removed, immediately there was some reaction in terms of the pressure on the polyester prices, but I think polyester prices over a period of time have rebounded. I am talking about the fibre prices. We did not see too much impact for polyester prices going forward from the removal of anti-dumping duty on PTA. Today, the prices are at almost the same level in case of Reliance.

**Prerna:** In terms of global competitiveness as compared to what we were pre-anti-dumping duty in polyester and post anti-dumping duty removal on polyester, export prospects, I am just trying to understand from that perspective as well?

**Updeep Singh Chatrath:** The companies in India who are manufacturing polyester fibre they should have gone up in their exports as well because they are more competitive now getting the raw materials from outside and also having a sort of a situation where there is alternative supplier of raw materials of PTA. So, definitely their exports should have gone up, this is my estimate.

**Prerna:** Okay, and how has it changed for blended yarn players the scenario whether PC cotton, PC yarn and all they have seen better demand and better competitiveness in the export market post removal of anti-dumping duty?

**Updeep Singh Chatrath:** Yes, the PC yarns over a period of time, I would not say that it is only related to anti-dumping duty, but yes the blended yarns in the polyester blend have done well over the last

quarter even in export as well as in Indian market. That is one area and that is mainly due to the thrust of the people on MMF and also the support of government on MMF. I think the PC has done well over the last one year in India as well as in exports. Now people have better access to a polyester fibre from other companies as well because they are also competitively importing some raw materials from outside India.

**Prerna:** Okay and Sir how is the demand with respect to MMF basically blended yarn? We understand cotton has seen a sharp improvement in demand due to China plus one alternative sourcing that is playing out, but how is the same for PC, PV, yarn that you are witnessing from the global markets and from Indian fabric manufacturers who might be exporting or using in domestic market?

**Updeep Singh Chatrath:** The PC and PV are two different segments and two different I would say categories. In case of PV, the demand was a little bit skewed in case of India because there was lockdown and the formal wear was not being produced. As such, we saw skew in this demand especially of the PV yarn. As far as export is concerned, another major player in export for the PV market is Turkey, so we saw that in export also there was a little pressure on PV during this period because of no formal wear everywhere because of the lockdown, whereas in case of PC we see that there has been a considerable better demand than PV because it also goes for knitting and all, so PC has witnessed a better demand over the last quarter as compared to the PV yarns.

**Prerna:** Okay, and will the profitability will also differ materially between PC, PV, and cotton yarns, and has the margins for dyed yarn started improving as compared to three to six months back?

**Updeep Singh Chatrath:** We see some improvement in margins of dyed yarns, but of course cotton yarns still remains the most profitable over the quarter and then comes the PC and then the last is PV because of the formal segment not being in place for the demand. So, cotton has been the driver I think for the spinning companies over the last one quarter.

**Prerna:** Okay, and Sir what will be your cotton inventory at the end of March as well as at the end of June in terms of number bales?

**Updeep Singh Chatrath:** We are covered till end of the season.

**Prerna:** Covered till end of the season and you covered it in the month of March only?

**Updeep Singh Chatrath:** No, as a policy we do that gradually and we did cover that towards the end of June.

**Prerna:** Okay, and Sir last question from my side would be now that we have seen heightened demand in the textile sector, would there be any expansion plans that you have figured out where there could be a great opportunity for growth for Sutlej Textiles?

**Updeep Singh Chatrath:** Yes, definitely. There are many things on the drawing board and backed by the government policies and the government's thrust on the textile sector, I think we are also envisaging that we can increase on certain areas, we can enter certain areas, so we are always open to that.

**Prerna:** Any colour you can give where the demand is very high and you could see some opportunity?

**Updeep Singh Chatrath:** It is always on the value addition I would say. We can always go for the value addition from the yarns.

**Moderator:** Thank you. The next question is from the line of Ritesh Poladia from Girik Capital. Please go ahead.

**Ritesh Poladia:** Thanks for the opportunity. As you said delta on the green fibre actually reversed. So, that would have a negative impact on the current financials?

**Updeep Singh Chatrath:** This is something we have to look at in terms of operational efficiency. We are not almost at the peak of our operational efficiency, so definitely yes. It is based on the delta between the raw material and the fibre prices. I think as these lockdowns open up and the fibre prices and the availability of bottles both increases, the demand for fibre is also increasing, so I think we should be able to do much better in this quarter.

**Ritesh Poladia:** Okay, and has the plant stabilized to your satisfaction or still the work is going on?

**Updeep Singh Chatrath:** As far as stabilization is concerned, the plant is stabilized and there is always a scope for improvement. I would say generally the plant is stabilized, but we need to aim at the world-class manufacturing for this plant.

**Ritesh Poladia:** Okay. Secondly, the volume was down 24% sequentially definitely because of the lockdown. Do you think July would have covered your peak utilization?

**Updeep Singh Chatrath:** Yes, as far as the utilization is concerned, we are covered in July, whereas uptake is concerned I think in this quarter we will cover up the entire deficit.

**Ritesh Poladia:** Okay. So, in Q4 FY2021 we completed about 28,700 tonnes of yarn. Will Q2 be more than that or it would be still lower than Q4 number?

**Updeep Singh Chatrath:** As far as sitting today, we are concerned with one month having passed in the quarter, I think we should be able to do almost the same.

**Ritesh Poladia:** Okay, and Sir final question, any updates on the home textiles, what is going on over there?

**Updeep Singh Chatrath:** On home textiles, as my colleague Bipeen said, because of these lockdowns and all, and this being a discretionary spend and mainly being sold at the retail stores, we had challenge during this quarter after as well. In fact, we were all stressed to go out by mid of April, but then because of this lockdown the entire retail chain was closed. However, still we managed to do good sales outside India. We did well in US and UAE, and this is a little long drawn process from your sampling to actually getting the order, still I feel that on export front we did better and I think with the opening up of malls and all retails in India now gradually we should be able to do better in this quarter, and going forward in the next quarters.

**Ritesh Poladia:** And how about domestic retail opportunity with the brand Nesterra?

**Updeep Singh Chatrath:** We saw a really good traction in the beginning when we launched this. Only in the month of May-June, there was a dip because of the closure of the retails, and now again we are sort of augmenting the launch, that means we are adding more good. We feel that in Q2 towards the end and Q3, Q4 we should have better traction in Nesterra. It is all in the brand building. It would take some time and I think we should be able to do good in this year.

**Moderator:** Thank you. The next question is from the line of Shruti Shah from Shah Investment. Please go ahead.

**Shruti Shah:** Good afternoon. Just a follow-up on the previous question on the home textile business, we are witnessing losses this quarter as well. Sir, when do you think that this business will be EBIT positive?

**Updeep Singh Chatrath:** Thank you Ms. Shah for asking this question. I feel that we should be getting to positive on the operational side, on the operational profit, and cash profits I think towards the Q4 of this year.

**Shruti Shah:** Okay, also Sir just one question on the yarn segment. As all these bigger brands like H&M and Zara are focusing on recycling yarn, are we looking at an opportunity in this segment?

**Updeep Singh Chatrath:** Yes, we already have that and in fact we are going to increase that because we are already certified as GRS in both our plants, fibre as well as we can give yarn certification as well, and other required certifications. I think we are now focusing more on this and that is an opportunity for us as well.

- Shruti Shah:** Okay, and how is the demand progressing in the Q2 of FY2022?
- Updeep Singh Chatrath:** As far as the yarn is concerned, yes. With the opening up of the market and also opening up of the formal apparel, I think we will have better demand in this quarter as compared to the last one. We have seen some traction already in this in the month of July.
- Shruti Shah:** Also Sir what would be the realization in Q2 onwards?
- Updeep Singh Chatrath:** I think our realization in Q1 has shown a considerable jump over the last quarter of 2021. In case of exports, the realization has increased by almost 19% and domestic by almost 11% or 12%. We feel that towards the end of this quarter we should be able to increase our realization in a single digit number at least.
- Shruti Shah:** Okay. Are we exploring opportunities in the technical textile segment?
- Updeep Singh Chatrath:** Yes, I mean we look at the industrial yarns, which also forms a part of the technical textiles as well. As a yarn supplier, yes, we are definitely looking at those opportunities.
- Shruti Shah:** Sir, if you could elaborate where are we exploring these opportunities?
- Updeep Singh Chatrath:** We are exploring these opportunities both in India and outside India on the yarn segment.
- Shruti Shah:** Okay. How is the demand scenario looking as of now considering the upcoming festival season in the next two quarters?
- Updeep Singh Chatrath:** We are a little bullish on that because with the festival season coming up we see there would be a surge in demand and also combined with the pent-up demand, but it all depends on how COVID plays with us. As of now, we feel that yes, there would be pent-up plus festive season demand coming up towards the end of this quarter and early next quarter.
- Moderator:** Thank you. The next question is from the line of Parith, an Individual Investor. Please go ahead.
- Parith:** Congratulations Sir, I am sorry I actually joined a little late, so I am not sure if this question has already been asked. Can you throw some light on the new green fibre plant? How is it going and can you quantify the benefit that has come due to in-house raw materials now in terms of your margin and what would be the contribution?
- Updeep Singh Chatrath:** Thanks Mr. Parith for asking this question. Our green fibre project, yes, it has stabilized well over the period of last quarter and we are having good utilization as well as the

recovery. As far as the quality is concerned, we are able to manufacture good quality and selling in house, and we are supporting our spinning mill on that. I think going forward we will certainly do better in operation. We are really stabilized as far as one of the good Indian fibre manufacturing mills is concerned. However, we aim at little bit better to do it world class which we would be doing very soon, and raw material prices for fibre has played a little bit of havoc for this sector because the bottle prices have really been roaring up. In May, it was in the range of Rs.34.75. Today it is in the range of Rs.46. So, there is a surge of almost 31% to 32%. Having said so, we feel that two things have happened for our in-house consumption. One, we have better control over the quality. We could make the quality what is required to do for the optimal spinning process. That part we did cover well in Q1 FY2022. Also, if you look at the numbers in terms of how much we would have gained I think in this quarter, we would have gained almost half a percent in terms of EBITDA, if Bipeen can correct me on this. I think almost at this point we would have covered almost 0.5% on our EBITDA margin.

**Parith:** Okay, is there any more headroom to go up?

**Updeep Singh Chatrath:** Yes, it all depends on the raw materials. We have to look at and we have to do some new products as well as we have to serve our spinning units in terms of their optimizing their profits.

**Moderator:** Thank you. The next question is from the line of Vidhi Jain, an Individual Investor. Please go ahead.

**Vidhi Jain:** First of all, many congratulations on the numbers. I wanted to understand the PLI Scheme that government is talking about. Do you think Sutlej is going to get any benefit out of that scheme?

**Updeep Singh Chatrath:** First of all, thank you very much for asking this question. This PLI Scheme if you ask basically it was for synthetic. This is man-made fabric and garment. This scheme is not meant for spinning. This is what as far as the scheme as it stands today. So, it says that you have to invest. As of now, the scheme says investment of almost I think Rs.600 Crores and a turnover in the first year and the second year it has to be a similar turnover, and then there are benefits and incentives on the profits. I think this is more of a scheme for the fabrics and garments. This will definitely have an impact on the yarn industry as well because when the fabric and garment segments grow in the India I think the demand for yarn would also increase. We do see that if people follow this scheme and take the advantage there will be a surge in demand for yarn as well. We are hoping to serve fabric and garment this way.

**Vidhi Jain:** Understood Sir. One more question, what are the new evolutions you are seeing at a ground level in the textile sector?

**Updeep Singh Chatrath:** At the ground level, what we are seeing is people are talking about technical textile, hygiene, and also in terms of what we call again it falls under technical textile only, what we call Meditek as well as Geogrid. These are the few things which are really happening. Also, people are looking at knitting as one of the sectors to grow and if that knitting comes with synthetic fabric you are covered under PLI as well. These are few sectors which I feel possibly that people are looking at. Of course, in India we are seeing a lot of expansion in spinning industry as well for what spinning has done good over the last nine months or three quarters, we see some sort of expansion coming up in that.

**Moderator:** Thank you. The next question is from the line of Prerna from B&K Securities. Please go ahead.

**Prerna:** I missed a few data points. What is the current utilization in our home textiles business?

**Updeep Singh Chatrath:** As of yesterday, it was in the 70s.

**Prerna:** Okay, and do you think we should be able to reach 100% utilization in this year?

**Updeep Singh Chatrath:** We can reach 100%, but this segment is such where 100% utilization is not possible because it is a fashion business. It is a design business. On one hand, we may have our own utilization a little less, but we would be doing it from the outsourcing as well. I do not expect 100% utilization in this segment. If we are able to achieve 85% plus, we are good.

**Prerna:** Okay, when you are near peak utilization in this business now...

**Updeep Singh Chatrath:** I think it all depends on what sort of designing we do and all that. In this segment, I expect that if we are able go up to 85% to 90% we are good to go.

**Prerna:** Okay. Do you think an expansion of yours will also make sense because it is still a very small proportion of our business and if this will only give more strength to our total top line and bottom line only if we expand it further?

**Updeep Singh Chatrath:** Business expansion, yes. Capacity expansion yes, we have to consider, but business expansion I am saying that yes, we have to do that. It may not be necessary that we have in-house capacity for that.

**Prerna:** Okay. We plan a capacity expansion in home textile business also going forward?

**Updeep Singh Chatrath:** This is a little too early to say. I would first like to achieve utilization of 85% plus.

**Perna:** Okay, and just wanted to understand whether addition of spinning capacity would make sense and in which segment given the government's thrust to increase garment and the home textiles and technical textiles which are finished products, largely exports, the domestic consumption hopefully would increase with reopening and we are seeing great demand for yarn going forward. Do you think that expansion of spinning would also make sense in the current scenario for Sutlej?

**Updeep Singh Chatrath:** Yes, you are right. We have to figure out which segment of spinning we have to go ahead with. Today, we are in melange yarns and value-added yarns on synthetic. We have to look at what is the appetite for spinning in the same segment or we need to go in the grey. It is a little too early for me to say that we would like to expand in spinning.

**Perna:** What will be the split of revenue between melange and value-added or PC, PV, can you share?

**Updeep Singh Chatrath:** It is almost equal.

**Perna:** 50% melange yarn and 50% value-added yarn is what you say in the yarn segment.

**Updeep Singh Chatrath:** If you look at cotton and PC melange, we are almost 40%.

**Perna:** Okay, the rest is our PC and PV dyed yarns.

**Updeep Singh Chatrath:** And some other value-added yarns as well.

**Moderator:** Thank you. The next question is from the line of Vidhi Jain, an Individual Investor. Please go ahead.

**Vidhi Jain:** Thank you so much. I just wanted to check we had a small capacity of knitting fabrics also. Do we envisage any growth in this segment in upcoming year?

**Updeep Singh Chatrath:** Yes, we do envisage something, but it will be a little too early for me to commit anything or to say anything. Yes, but it is a segment which would be looked at.

**Vidhi Jain:** Another thing Sir, Sutlej right now is in a very yarn heavy business, do we plan to grow in other value chains other than the home textiles?

**Updeep Singh Chatrath:** We are open to that.

**Vidhi Jain:** Any plans in this year?

**Updeep Singh Chatrath:** It all depends on the COVID situation.

**Moderator:** Thank you. As there are no further questions from the participants, I would now like to hand the conference over to Mr. Updeep Singh - President & CEO, Sutlej Textiles for closing comments.

**Updeep Singh Chatrath:** Thank you very much ladies and gentlemen for attending evening call for Sutlej Textiles for Q1 of FY2022. I hope that you have gotten all your queries answered. I wish you a very safe stay hereon and wish you all and your family a very good festive season coming forward. Thank you so much.

**Moderator:** Thank you. On behalf of Sutlej Textiles and Industries Limited that concludes this conference. Thank you all for joining us and you may now disconnect your lines.