

sutlej
textiles and industries limited



INNOVATING FOR A
SUSTAINABLE
GROWTH

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Innovation is an integral part of each and every step at Sutlej. Our ideas are tested with utmost precision before we integrate our insights into product development. Our relentless drive has ensured we deliver sustained product innovations.

We follow a policy of continuous modernisation and upgrade our machines regularly; this has led us to having latest state of the art plant and machinery. Our best-in-class technology at manufacturing plants has resulted in the reduction of conversion costs, batch changeover time and defects. This has enhanced our production flexibility, quality, efficiency and asset utilisation.

Our innovation laboratories constantly work on creating new shades and blends in step with emerging fashion trends. We do this by engaging with our clients in domestic and international markets through a process of design collaboration. We highly value the needs of our customers and create products around emerging design and colour trends that matches consumer preferences.

We have been able to enhance our overall production and quality over the years as we continue to grow sustainably. Our resilience is derived from the ability to understand customer needs, create differentiated products, invest in enduring relationships, reduce costs, and enhance quality

MESSAGE FROM CHAIRMAN



The global economic and fashion trends always throw up fresh challenges for the textile industry. India's textiles industry is favourably positioned to seize the opportunity offered by the changing competitive landscape. At Sutlej, we are excited about the opportunity that regional and global markets present.

We believe that organisations with a definitive technological advantage and scale are best positioned to address the increasing demand from newer markets. We have hence focused our strategy on product innovation, capacity leadership and attaining cost efficiencies.

At Sutlej, we proactively invested in upgrading technologies to keep pace with changing preference for fabric construction, fibre selection and processing needs. We are developing newer blends and shades in sync with evolving design trends. The result is that we are now a one stop textile solutions provider servicing varied customer needs.

We have continued to invest in enhancing our capacity to ensure leadership amongst competition and also lend the ability to meet customer requirements with faster response and versatility of product range.

Our endeavour has always been to bring in best-in-class technologies, available globally. This has helped us improve our product quality and attain higher productivity. Besides, our plant efficiency levels have climbed significantly, ensuring higher return

on capital employed. We are continuously producing at efficiency levels, at par with global best standards. This has been achieved due to streamlined processes, utilisation of latest machineries and an efficient workforce. As a result, we have sustained our profitability by focusing on operational efficiency and capacity enhancement.

Our aim is to penetrate deeper into international markets and strengthen our identity across the globe. Our quest for enhancing stakeholder value will drive our expansion into emerging and hi-tech segments across the textile value chain. The desired growth would be achieved through greenfield ventures, strategic investments and acquisition of business units offering synergy.

Our recent expansion plans for supplementing spinning capacity in Cotton Mélange,

Cotton Blended Dyed Yarns and doubling Home furnishing fabric capacity has been commissioned on time. We are hopeful that this will help us to deliver our growth targets.

Going forward, we will remain buoyant on the fundamentals of this industry. With our sharpened focus on value added yarn business coupled with recast strategy for home furnishing segment will enable us to deliver sustainable performance. Our long-term focus on product development and manufacturing efficiencies provides a competitive advantage, and places us uniquely for the next level of growth

C.S. Nopany
Chairman

WORLD OF SUTLEJ



NO. 1 SPUN-DYED YARN MANUFACTURER IN INDIA

STRENGTHENING OUR LEGACY

Sutlej Textiles and Industries Ltd. (STIL) was promoted by late Dr. Krishna Kumar Birla and represented the textile interest of KK Birla Group. The Group is one of the most respected business houses in the country and has contributed immensely to the growth of modern India.

STIL has inherited the legacy of Sutlej Industries Limited, which was founded as Sutlej Cotton Mills Limited in 1934, and subsequently changed to Sutlej Industries Limited in 1995. At Sutlej, we leverage our rich multi decade sectoral experience and market understanding to grow our value added yarns business in domestic and export markets, and build a sustainable unique position for home furnishing business.

OUR VISION

We have set our sights on becoming a global textile frontrunner, providing wide spectrum solutions to the textile industry, from speciality yarns to fabrics; thereby maximising value for our clients and in turn, becoming their preferred partner.

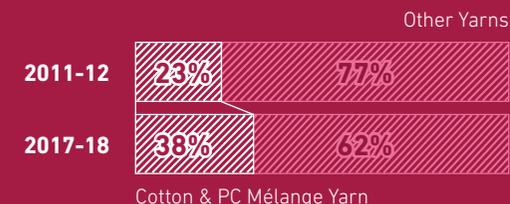
OUR MISSION

We believe that with time, we must constantly evolve as each accomplishment marks a new beginning, an inspiration to focus on 'the possibilities of tomorrow'.

As an organisation, we strive:

- To excel in our core areas of competence through consistent innovation
- To strengthen production efficiency through innovation and the use of latest technology
- To uphold and nurture the core values of transparency, accountability, empowerment, and good governance
- To consistently reduce our environment footprint
- To create consistent value for stakeholders by staying strong to our commitments

EVOLVING OUR PRODUCT MIX



ENHANCING OUR CAPACITY (SPINDLES)



* TOTAL CAPACITY OF SPINDLES AS ON MARCH 2018

1,46,208

SPINDLES FOR COTTON MÉLANGE YARN

9.6 MN. MTS/ANNUM

CAPACITY (HOME TEXTILES)

ECOLOGICAL MEASURES

22,132 KWH PER DAY

TOTAL ENERGY SAVED

2.8 MW SOLAR

ROOF-TOP SOLAR PLANT AT RAJASTHAN TEXTILE MILLS

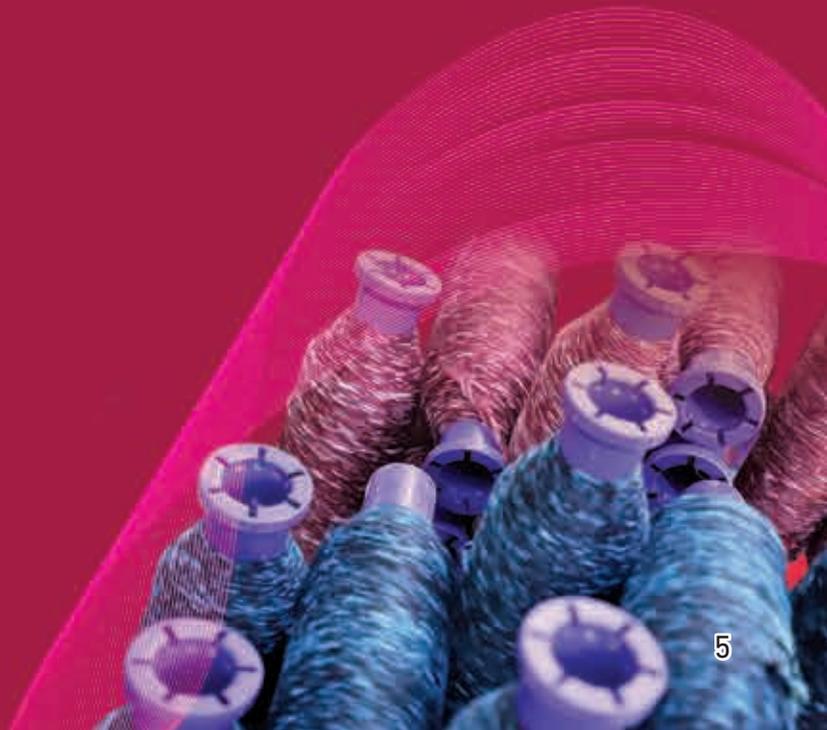
10,050 KLD ETP

CUMULATIVE WATER CONSERVATIONS OF 10,050 KLD THROUGH ETP AND 3850 KLD THROUGH ZLD

SUSTAINABLE SOURCING

USE OF ECO-FRIENDLY DYES AND PIGMENTS

USE OF ORGANIC COTTON AS RAW MATERIAL FOR SPINNING



WORLD OF SUTLEJ

BUSINESS AT A GLANCE

We are a leading manufacturer of value-added and speciality yarns in India. Since inception, we have dedicated ourselves to making superior spun yarns that have set industry benchmarks for innovation. We possess one of the largest product portfolios of spun-dyed and cotton-blended and cotton mélange dyed yarns.

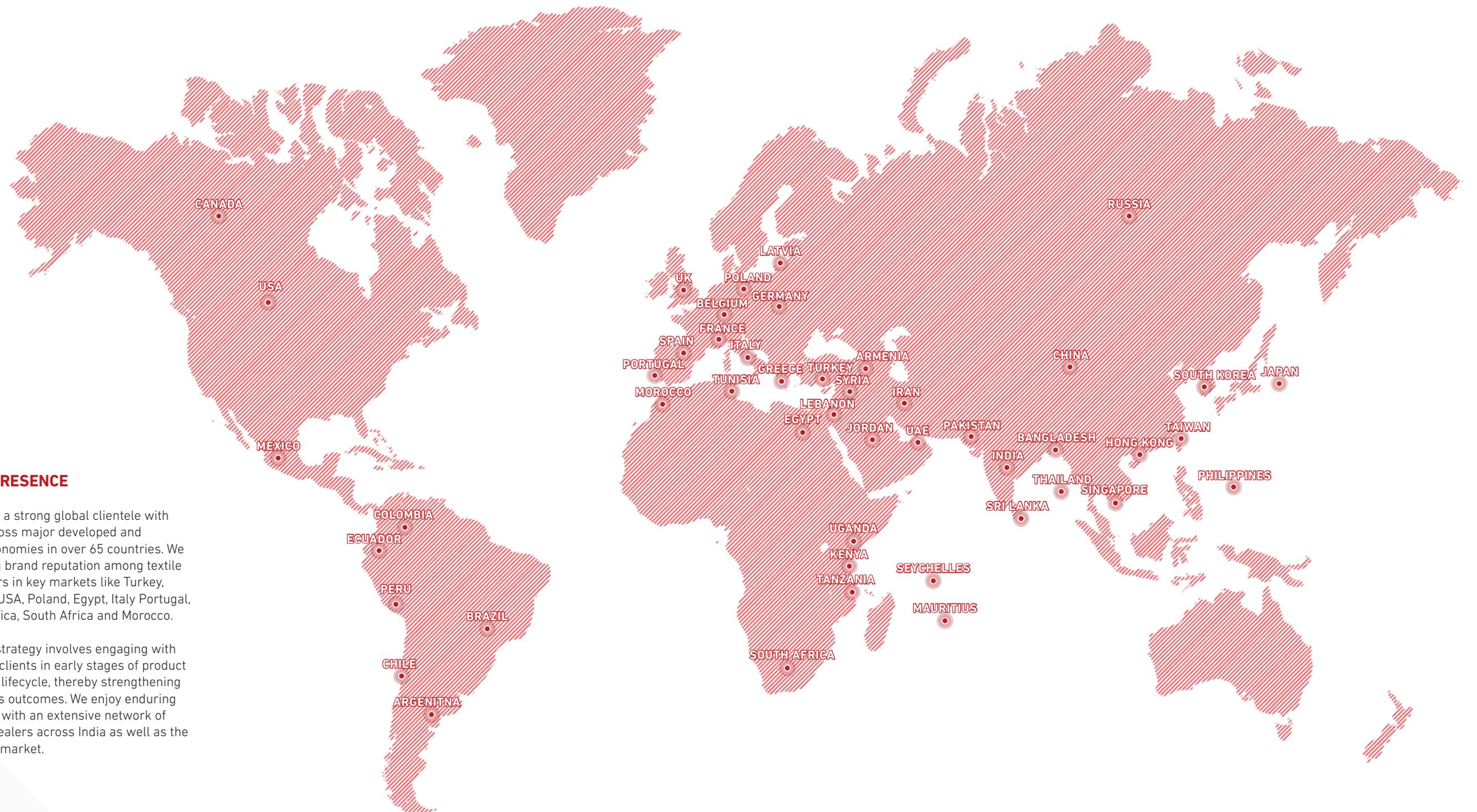
As part of product development, our company works with leading international and domestic brands to develop a range of fabrics in line with emerging design trends. Leveraging upon our understanding of the textile industry we entered the home textile segment in 2006. Our home furnishing business is growing at high double digits on the strength of planned investments in capacity addition.

Our state-of-the-art spinning mills are located at Bhawanimandi (Rajasthan), Baddi (Himachal Pradesh) and Kathua (Jammu & Kashmir), and home textile fabric division is at Bhilad (Gujarat). Exports contributed 30% to the Company's yarn revenues in 2017-18. We have built a strong global clientele with presence across major developed and emerging economies in over 65 countries.

MARKET PRESENCE

We have built a strong global clientele with presence across major developed and emerging economies in over 65 countries. We have a strong brand reputation among textile manufacturers in key markets like Turkey, Bangladesh, USA, Poland, Egypt, Italy Portugal, Colombia, Africa, South Africa and Morocco.

Our product strategy involves engaging with downstream clients in early stages of product development lifecycle, thereby strengthening their business outcomes. We enjoy enduring relationships with an extensive network of agents and dealers across India as well as the international market.



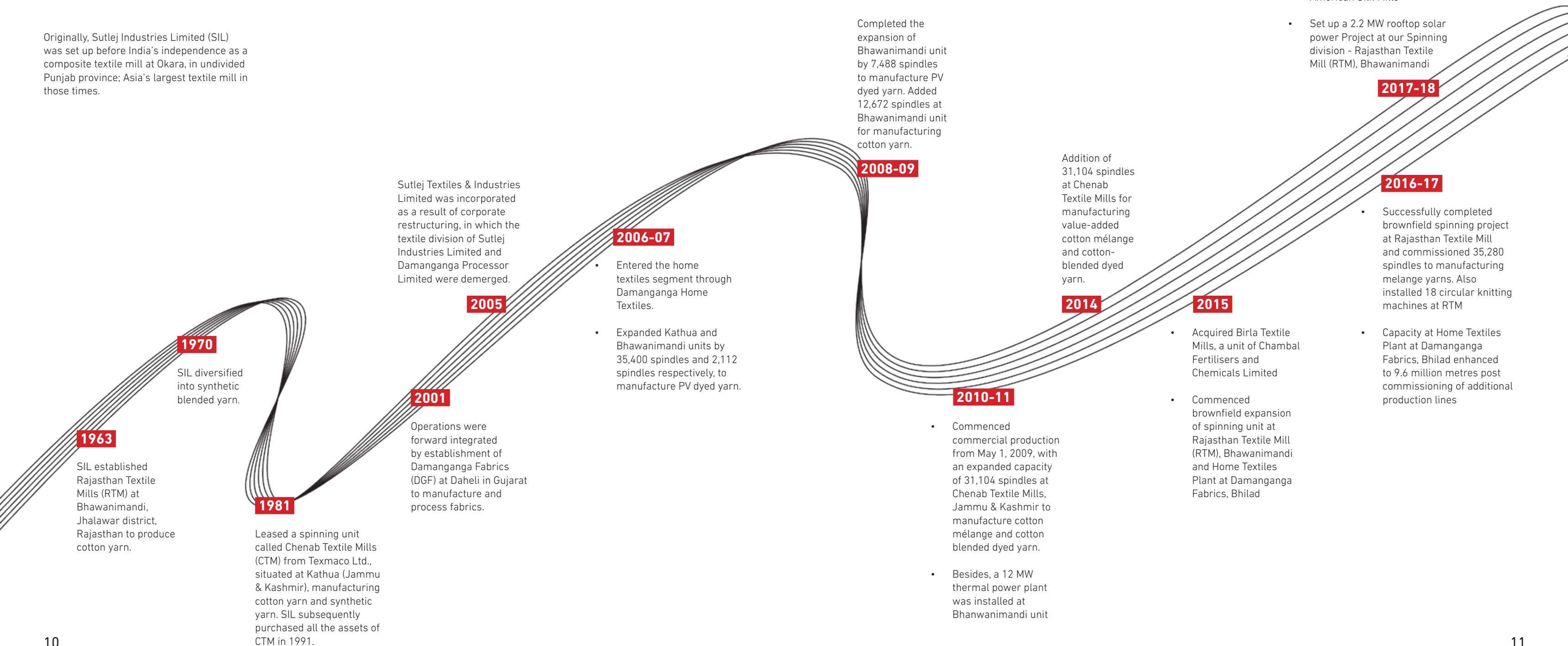


growth

Sutlej has grown to be the leading manufacturer of value-added and speciality yarns in India. We have the capability to accelerate capacity creation at the lowest cost in the shortest time. We follow both linear and non-linear growth strategies for building our capacity. The success of this approach is exemplified by the all-round growth we have witnessed in terms of capacity, product value and presence.

THE JOURNEY OF OUR PROGRESS

Originally, Sutlej Industries Limited (SIL) was set up before India's independence as a composite textile mill at Okara, in undivided Punjab province; Asia's largest textile mill in those times.



MANUFACTURING FACILITIES

Our manufacturing units are located in Rajasthan, Jammu & Kashmir, Himachal Pradesh and Gujarat. Our total spinning capacity is **418,680 spindles at the close of 2017-18**. Nearly 32% of the spindleage and 67% of the fabric weaving machines were commissioned in the last decade, assuring high technological relevance.

We ventured into the home textiles segment in 2006 to address the growing demand for premium home textiles. The Damanganga Fabrics Plant is equipped with state-of-the-

art equipment to produce furnishing fabrics, curtain fabrics, upholstery fabrics and made-ups.

In the last few year, we focused our efforts on enhancing capacity in home textiles segment. The unit's installed capacity is 9.6 million metre per annum (mmpa). The increase in number of weaving looms is supplemented with corresponding increase in wide-width processing capacity, new yarn-dyeing facility, chenille yarn unit and enhancement of ETP capacity.

UNITS	LOCATIONS	PRODUCTS	CAPACITIES
Rajasthan Textile Mills	Bhawanimandi (Rajasthan)	Cotton yarns and man-made fibre yarns.	35,280 spindles of cotton mélange; 91,584 spindles of man-made fibres
Chenab Textile Mills	Kathua (Jammu & Kashmir)	Cotton mélange yarns and man-made fibre yarns	110,928 spindles of cotton mélange; 97,512 spindles of man-made fibres
Birla Textile Mills	Baddi (Himachal Pradesh)	Cotton yarns and man-made fibres	13,418 spindles of PC mélange; 69,958 spindles of man-made fibres
Damanganga Home Textiles	Daheli (Gujarat)	Home textiles furnishings	9.6 million metres per annum, 126 shuttle-less looms





innovation

We create products around emerging lifestyle-driven consumer preferences in collaboration with our innovation laboratories. In doing so, we have been able to grow the market for niche products as opposed to merely addressing existing demand. We have created two robust business verticals, which in combination accelerates revenues, enhances margins and reinforces sustainability across business cycles.

OUR BUSINESS VERTICALS

YARN

We are the largest producer and one of the leading exporters of value-added synthetic and blended dyed spun yarn in India. We are also one of the prominent manufacturers of cotton blended dyed and mélange yarn in the country. Besides, we are among the few exclusive spinners in India to manufacture specialty yarns such as Modal, Lyocell, Tencel, CoolMax, Lycra. As a pioneer in developing a large variety of blends and shades, we are consistently catering to the ever-changing requirements of our clients.

Some of our yarns include polyester, acrylic, cotton mélange, injection slub yarn, neppy yarn, roving grindle yarn, siro spun, siro compact, lycra twisted, core spun and double core yarns, in single-ply, double-ply and multi-fold.

The ability of our company to continuously innovate on product offerings is an outcome of class-leading research done at our Yarn Development centres (YDC) separately

for cotton mélange yarns and synthetic yarns. These centres have machines from Blowroom to Finishing for quick preparation of samples of new yarn varieties. All required tests on fibre, yarn and process material are conducted for producing robust products. Another dedicated development lab for mélange yarn is in design phase equipped with miniature production process.

We have progressively emerged as a one-stop specialised yarn solutions provider for some of the most demanding market facing companies within India and the world.

HOME TEXTILES

The home textile division produces fabrics for upholstery & curtains and made-ups. This division is equipped with modern European manufacturing equipment, state-of-the-art design software, full-fledged testing laboratory, wide product range (furnishing fabrics and made-ups) and contemporary designs (based on enduring associations with reputed European studios).

Our product range comprises furnishing fabrics and made-ups of jacquard and dobby weaves, prints and sheers. Greige material is produced in various fibres like cotton, polyester, rayon blends, chenille, flax, silk, jute and linen; and yarn-dyed or piece-dyed as per requirement.

We also convert these fabrics into made-ups in our cut & sew unit. Besides, we have the capability to offer different kinds of finishes - fire retardant, bio finish, aroma finish, soil release finish, water and oil repellent finish and moth finish.

The division has full-fledged design and development centre for development of new fabric designs using different base materials, shades, weaves, textures as per consumer trends in domestic and international markets. The team of designers constantly engage with our key customers to evolve newer design collections corresponding to different price positioning.

AMERICAN SILK MILLS

INTRODUCTION TO ASM

American Silk Mills (ASM), established in 1896, is among the oldest and most respected American textile brands. It has a rich legacy of manufacturing upscale fabrics in the Italian tradition of silk production. With prowess in exquisite designing, weaving and distributing; ASM offers a range of unique textiles for the residential, contract, hospitality and furniture markets in the US.

ASM's products include innovative indoor and outdoor performance fabrics, fine jacquard textiles, multiple grades and styles of velvets, quality silks and Sensuede - an eco-friendly synthetic suede noted for its durability, impeccable and long-lasting comfort.

STRATEGIC ACQUISITION

In 2017, Sutej acquired ASM's Design, Sales and Distribution business along with its Brand, recognising that it offered a strategic fit for its growth plans in North American market. The High Point, North Carolina - based company brought with it original designs based on American sensibilities, an innate understanding of customer markets and unique product portfolio that includes dobby, jacquards, velvets and suedes using a variety of fibres like rayon, linen, cotton, polyester, silk and acrylic.

In addition to the operational synergy delivered by the acquisition, Sutej also benefited from the improved economies of scale. With the weight of Sutej behind its operations, ASM's facility now enjoys augmented investment in infrastructure and inventory, technology and creative capital, enabling it to retain its position as a design leader and enhancing its ability to create and source exquisite range of textiles more efficiently.

With the weight of Sutej behind its operations, ASM's facility now enjoys augmented investment in infrastructure, new product launches, technology and creative capital to expand its business.

DELIVERING QUALITY CONSISTENTLY

In a highly complex and ever-changing marketplace, we ensure our products meet consumer expectations, while complying with the required safety, regulatory and government standards. In our view, quality control is the prime enabler of quality assurance.

The company has well equipped most modern & state-of-art Quality Testing & Development equipment, managed by a team of qualified and experienced professionals. We have latest technological equipment like USTER – 5 Evenness Tester, HVI Spectrum, Tenso Jet-4, Advance Fibre Information System AFIS PRO –LMNT, Classimat-5 Yarn Fault Classifying System, Lab Expert System all from Uster, Lab Dyeing and Sample Development system including Auto Dispenser, Beaker Dyeing machines.

Some of our quality accreditations include:

- Our quality conforms with IS/ISO-9001:2015 norms.
- We have been bestowed the respected 'Usterised' license by Uster Technologies, Switzerland.
- We were conferred OCS-IN (Organic Content Standard), GOTS-IN (Global Organic Textiles Standard) and OekoTex Standard 100 certifications.

KEY STRENGTHS

INNOVATION

Innovation is integral to Sutlej textiles, the strength that has enabled the company to develop the widest range of products in spun-dyed, cotton blended and mélange dyed yarns. Innovation is driven by the needs of the customers who increasingly demand differentiated products to respond to new trends and consumer preferences. Every new innovation at Sutlej is tested to precision to evaluate and establish effectiveness before implementation. Our belief and commitment to innovation helps us remain the only one stop solutions provider servicing diverse customer needs.

CAPACITY STRENGTHENING

Capacity leadership is key to building a world-class organization in textiles. Its important to leverage on the economies of scale advantage from sourcing of raw materials to offering the widest range of products to our customers. We are able to work with flexibility in responding to customer demands because of our capacity advantage. It is also very useful in carrying out continuous product development and conduct product runs without affecting our order pipeline.

TECHNOLOGY UPGRADES

Technology advancements help improve production efficiency and offer better quality products. Sutlej is an active adopter of new technology across production, quality assurance and research & development. It helps us reduce conversion costs, batch turnover time and defects. It has also bestowed higher production flexibility, quality, efficiency and capacity utilization.

NURTURING RELATIONSHIPS

We have partnered class-leading brands of fibre suppliers and market intermediaries, besides textile brands. Our Long standing partnerships facilitate deeper client engagement, wider market reach and contributes significantly to the Company's growth.

WE ARE SUPPORTED BY WELL-KNOWN INTERNATIONAL BRANDS INCLUDING:



From Lenzing



From Invista



From Lenzing

ESFROM

From Lenzing



From Invista

LOW PILL PSF

From Far Eastern Textile Ltd.

SOME OF OUR KEY CLIENTS INCLUDE:



Its the way you make me feel



DIGJAM

MARKS & SPENCER

JCPenney

GRASIM

EASY DRESSING FOR THE SELF MADE MAN





inclusive growth

We have made investments over the years with the objective to remain attractively profitable and sustainable. We believe in addressing the needs of all our stakeholders and we have thus invested not only in responsible manufacturing but also in the areas of education, social infrastructure, healthcare and women's empowerment.



Our Company's belief and value system is built on the principles of our founder, Dr. KK Birla, who has made extensive contributions as a philanthropist and educationist. Our business operations support various social responsibility initiatives. We contribute towards health, education and social causes in a responsible manner.

We aim to:

- Build a sustainable enterprise that effectively balances financial strengths with social and environmental responsibilities
- Reduce our environmental footprint by investing in eco-friendly and reliable technologies and practices
- Increase efficiency by optimum utilisation of resources and technology
- Work towards improving the quality of life by making the communities self-reliant in areas within which it operates
- Build lasting social capital through interventions in the infrastructure, healthcare, education, vocational domains and other social welfare initiatives
- Ensure welfare, growth and safety of all people associated with the Company

HEALTH

We regularly organise free medical camps at Buddi and Khanyara, the two nearby villages to our Kathua, Jammu and Kashmir facility. We also extend financial aid to Parichay Mahila Seva Sangh to promote Swachh Bharat Abhiyaan (Basic Hygiene & Health)

EDUCATION

We provide scholarships and cash awards to girl students to promote their education, in addition to distributing books and bags to deserving under-privileged students. Our Company has also built the Birla College at Bhawanimandi.

ENVIRONMENTAL PROTECTION

As part of our support for environmental causes, we have undertaken widespread tree plantation in our plant premises improving the green cover. We also funded the afforestation efforts in Kathua town, by adopting certain stretches of roads for implementation.

NEW PROJECTS PROMOTING SUSTAINABILITY

GREEN FIBRE

Sutlej has undertaken a project to manufacture Recycled Polyester Fibre or Green Fibre, at Baddi, Himachal Pradesh. This raw material used is PET bottles, which is recycled using a specialized conversion line to produce polyester fibre. The recycled polyester fibre is step towards a more sustainable manufacturing environment. The plant has a rated capacity of 120 tons per day. This greenfield project is expected to be commissioned by 2020-21.

The Recycled Polyester Fiber project will ensure consistent captive supply and of desired quality standards. This translates to improvement in quality of finished product, which can be achieved at better economics.

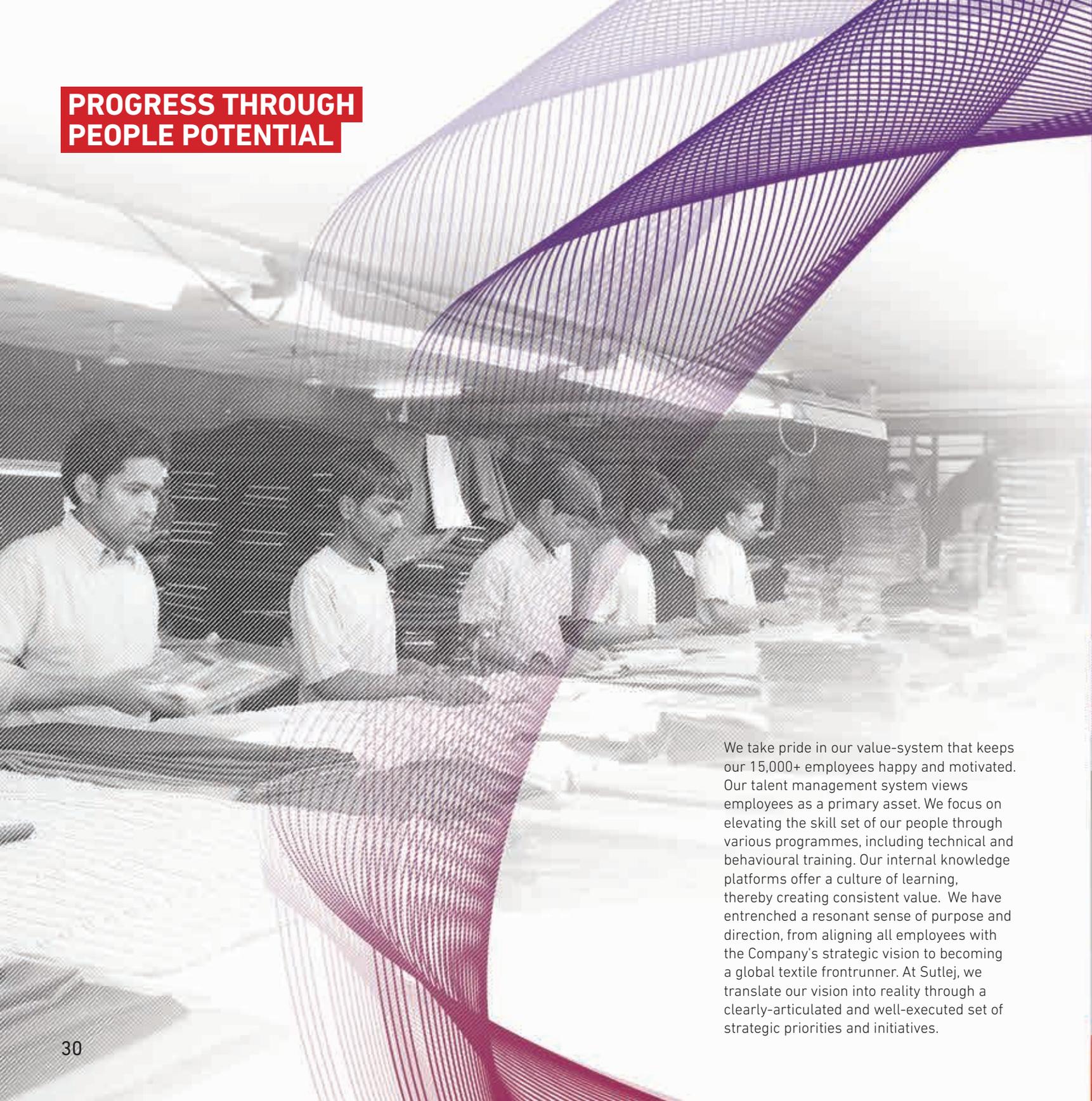
SOLAR POWER PLANT

Sutlej commissioned a 2.76 MWp rooftop solar plant at its spinning unit at Bhawanimandi, Rajasthan. The plant is spread over 2.7 lakh square feet of rooftop and is the largest single rooftop solar plant commissioned in Rajasthan, and one of the largest in India. The project has been executed using components of highest quality standards and will generate 4.15 million units of green power per year.

Solar power is truly a green source of power utilizing the natural source of energy and contributing significantly to reducing the carbon footprint. The economic importance of this project is that use of renewable energy reduces cost of power and thereby contributing to bottom line while making the best use of the idle and unused rooftops. The company would continue to explore more opportunities to invest in renewable energy as part of its growth strategy.



PROGRESS THROUGH PEOPLE POTENTIAL



We take pride in our value-system that keeps our 15,000+ employees happy and motivated. Our talent management system views employees as a primary asset. We focus on elevating the skill set of our people through various programmes, including technical and behavioural training. Our internal knowledge platforms offer a culture of learning, thereby creating consistent value. We have entrenched a resonant sense of purpose and direction, from aligning all employees with the Company's strategic vision to becoming a global textile frontrunner. At Sulej, we translate our vision into reality through a clearly-articulated and well-executed set of strategic priorities and initiatives.

OUR WELFARE PROGRAMMES

Our welfare programmes are designed to involve our employees and their families to be part of various cultural celebrations and sports events organised at our factory townships.

FREE MEDICAL CAMPS

We sponsor annual medical camps at our manufacturing units for employees and their families. These camps provide comprehensive health services.



TRAINING INITIATIVES

We have our training centre, 'MANAV VIKAS KENDRA', at all our units. Equipped with dedicated training faculties, the centre provides technical skill-based training as well as soft skill training. These skill enhancement measures ensure better productivity and quick operations management. Our training cell offers the following incentive schemes to trainees to encourage them on skill enhancement:

- Full attendance incentive scheme
- Monthly best trainee performance award – Attendance/ Skill pick-up/Behaviour/Uniform
- Fastest learner - Skill pick-up in quick time

PROGRESS THROUGH BRAND LEADERSHIP

- STIL has been honoured with the status of the Golden Trading House by the Government of India for exemplary export performance [3-Star Export House]
- Felicitated with Government of India's Niryaat Shree [Niryat Shree Gold Trophy in 2012, Niryat Shree Bronze Trophy in 2014]
- Recognised by FIEO, SRTEPC & TEXPROCIL with several Excellence Awards for export performance



sutlej
textiles and industries limited

Sutlej Textiles and Industries Ltd.
E-wing, 6th Floor, Lotus Corporate Park,
185/A, Graham Firth Compound,
Near Jay Coach, Off Western Express Highway,
Goregaon (East), Mumbai - 400 063
Maharashtra, India

www.sutlejtiles.com