

23rd August, 2019

BSE Limited 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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Dear Sir / Madam,

Subject: Transcript of quarter ended 30th June, 2019 earnings conference call held on 08th August, 2019

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 30th June, 2019 which was held on Thursday, 08th August, 2019. The same is also available on the website of the Company i.e., www.sutlejtextiles.com.

The conference call held on 08th August, 2019, as per the Transcript enclosed incorporates mainly the highlights of financial results upto 30th June, 2019, 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





“Sutlej Textiles and Industries Limited Q1 FY20 Earnings Conference Call”

August 08, 2019



MANAGEMENT: MR. UPDEEP SINGH CHATRATH - DEPUTY CEO

MR. BIPEEN VALAME – WHOLE TIME DIRECTOR & CFO

Moderator: Ladies and gentlemen, good day and welcome to the Sutlej Textiles and Industries Limited Q1 FY2020 Earnings Conference Call. Before we begin, I would like to state that some of the statements made in today's discussion may be forward-looking in nature and may involve risks and uncertainties. Documents related to companies financial performance have already been uploaded on the exchanges. 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 call, please signal an operator by pressing '*' then '0' on your touchtone telephone. Please note that this conference is being recorded. I now hand the conference over to Mr. Bipeen Valame – Whole-time Director and CFO, Sutlej Textiles and Industries. Thank you, and over to you!

Bipeen Valame: Thanks and good afternoon everyone. I welcome you all to the Earning Conference Call of Sutlej Textile and Industries for Q1 FY2020 results. I have with me Mr. Updeep Singh Chatrath, Deputy Chief Executive Officer of Sutlej Textiles along with Stellar IR our Investor Relationship Advisory. The Investor Presentation has been uploaded on the Exchange and I hope everyone had an opportunity to look at the presentation.

Commenting on the performance during the quarter, the company reported consolidated total income of Rs.667 Crores, 5% growth as compared to Rs.636 Crores Q1 FY2019, the increase in sales was supported by increase in some realization in yarn segment. EBITDA margins stood under pressure showing a decline of 111 bps year-on-year on account of increase in key input cost. Cotton and recycled polyester witnessed 6% and 10% increase respectively while viscose and polyester witnessed modest increase during the quarter. Consolidated EBITDA for the quarter ended June 2019, was at Rs.50 Crores with EBITDA margin of 7.5% compared to Rs.55 Crores EBITDA margin of 8.61% in the quarter ended on June 2018. The company reported a net profit of Rs.7 Crores for the quarter ended June 2019 as compared to Rs.8 Crores in the corresponding previous quarter. Sales volume for yarn during Q1 FY2020 was 27,424 metric ton compared to 26,531 metric ton in Q1. Home textile division witnessed capacity utilization of around 77% in Q1 FY2020 as compared to 80% in corresponding previous quarter, while home textile production was 14 Lakhs meter in Q1 FY2020 as compared to 15.88 Lakhs meter in Q1 FY2019. Yarn export sales witnessed a modest decline of 3% for this quarter stood at Rs.191 Crores as compared to R.197 Crores in Q1 FY2019 while realization witnessed increase of 7% during the quarter.

Historically, we have maintained a discipline debt profile and I am happy to share that during this quarter compared to last quarter what we saw de-leveraging of our balance sheet to the extent of Rs.191 Crores. Our standalone total debt reduced to Rs.837 Crores compared to Rs.1028 Crores in Q1 FY2019. Our long-term debt has reduced by Rs.52 Crores while our short-term debt reduced by Rs.139 Crores with better working capital management. Our debt equity stood at around 0.88 as compared to 0.98 in FY2019. The current debt equity ratio is one of the lowest what we could achieve in difficult market

condition in past five years. I would now request Mr. Updeep Singh to share the business outlook and industry scenario and then we can open the floor for question and answer session. Thank you.

Updeep Singh:

Thanks Bipeen and good afternoon to everyone and thank you for joining us on this call. As you all are fairly aware of the challenges faced by the textile industry in general and the companies in spinning in particular. Today on this call, I would like to touch upon the key development parameters indicating improving fundamentals of the company apart from the challenges being faced due to sluggish demand scenario in the textile space. I would like to highlight some key parameters where Sutlej has achieved commendable improvement and how we are thriving in our efforts and putting in a lot of efforts towards improvement on our home textile segment.

Looking at the overall economic challenges in India, slowing of consumption, significant drop in garment exports and slow down in global economy, Sutlej has actually performed reasonably well in this quarter. The main challenge which has come in from US-China trade war which has impacted global economy and also textile industry, since US is the largest producer and exporter of cotton and China has imposed 25% duty on the US cotton which has resulted in a drop in international cotton prices to almost \$1.15 per kg and the futures to almost now 60 cents, which has come down by almost 40% in last couple of months. In the past one month, the prices have dropped for the cotton in India as well and the prices for the raw material for the polyester synthetic fiber and the recycled fiber has also dropped due to the drop in oil prices. The company continued to consolidate its position and work on operational efficiencies, which is evident from the overall drop in debt level and we could reduce our debtors and we could reduce our inventories to the extent of almost 17% to 18% in this quarter as compared to last quarter.

Utilization we could achieve in this quarter is almost the same as that of last quarter and the major reason for, I would say a little less utilization as compared to what it is achievable is due to the labor shortage which we faced and in fact the whole spinning industry faces unprecedented labor shortage in the month of May and June, which is now being corrected. Because of that, we could achieve at the same levels what we did in the last quarter in the corresponding year. So this is one of the actions which we are taking for the future betterment in the company in the operational efficiency to how do we tackle this going forward and as a result, we have increased our on-role strength and we are also getting into some of automation where we could reduce the dependency on our work force. So overall, I would say the company did well on the spinning side.

Now on the home textile side, we are facing challenges in the segment because of the overall demand, which has come down and most of the consolidation happening in US market because of the home textile jobbers and furniture manufacturers getting consolidated, the overall demand which is little sluggish on the residential side. So we are facing that sort of challenge in the home textile business. I am pleased say that with this American Silk Mill which we acquired and now

we have got a new CEO, who is an industry person who comes with a lot of experience from the same industry so there we are now consolidating our assets and getting into new markets, new products, and above all the synergy which we are creating between Sutlej in India for our manufacturing facilities with American Silk Mills there because we will be one of their leading suppliers from India. So this synergy will help us in both phase, here in India as home textile as well as in American Silk Mill which will help us to increase our footprint in US as well.

This is what we are doing in this company now and I would like to conclude that we believe it is important to sustain challenges and move stronger towards path of growth in future and I think we are quite positive even in today's industry scenario where lot of textile mills, spinning mills are under pressure we are quite positive that we should be able to sustain and pass through this difficult scenario with good results going forward. Thank you.

Now the floor is open for question and answer session and over to the audience.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Abhishek Salunkhe from Thrivikam Investing. Please go ahead.

Abhishek Salunkhe: Thank you for the opportunity. I have quite a few questions. I want to understand how the PSF plant will help us become more efficient and how will it improve the margins, can you give example how we will improve our margin and from when it will start?

Updeep Singh: Now let me explain you this and I am very happy to inform that as of now, we are on stream to commission this PSF recycled polyester staple fiber plant in the last quarter of this year. So we are as on schedule on that. That is number one.

Number two, come to your question how this is going to help us. Major help which we are going get on this is two-fold, one that we have control over the raw material, staple fibre in which we have the quality control as well as the supply control, number one. Number two is we also would get a benefit in our operational efficiency at the spinning stage so overall if you look at with the commissioning of this plant we should have benefit of at least which is reflected in our numbers, it should be to the tune of 1% to 1.5% on the EBITDA level.

Abhishek Salunkhe: Okay 1.5% right from the day it starts operating or it will be more?

Updeep Singh: It will depend on the market scenario.

Bipeen Valame: So day one means what Mr. Updeep Singh ji said, is that last quarter we will commission, generally such a large capacity may take one quarter to get stabilized. So if you see we have said it will be commissioned in Q1 of FY2021.

- Abhishek Salunkhe:** Sir, actually in the key highlights you mentioned some of the key raw materials price increases can you please repeat it for me?
- Updeep Singh:** Yes, key material prices increase what we were mentioning is about, the polyester and the cotton prices we were mentioning. You want me to repeat the numbers or what?
- Abhishek Salunkhe:** The numbers actually?
- Updeep Singh:** So the percentile terms the cotton and recycled polyester witnessed increase of 6 & 10 % respectively, this is I am talking about quarter-on-quarter basis.
- Abhishek Salunkhe:** Oh, eventually and how has it been year-on-year?
- Updeep Singh:** What has happened is that now we are witnessing a drop in the pricing of polyester as well as the recycled polyester and as I mentioned the cotton prices also recently that is last one month has dropped.
- Abhishek Salunkhe:** Okay. Another question is was there any job work during the quarter?
- Updeep Singh:** Job work, we are doing only in Damanganga home textile that is home textile business. So we are continuing the job work in Damanganga because as you know we are having 126 looms so the capacity utilization as it goes up, the job work as a percentage will come down.
- Abhishek Salunkhe:** So when will you expect that we would completely shift job work to our own capacity utilization?
- Updeep Singh:** That will take at least in a realistic way I would say at least three quarters.
- Abhishek Salunkhe:** It will also help in margins as well right?
- Updeep Singh:** Once we get into the Europe, UK, and US markets because there the margins I mean better than the rest of the world and volumes are also more in US. So as we get there and we match their buying cycles so I think yes definitely we will have better margins in this market. So the problem from rest of the world especially the Middle East market is really bad and overall Middle East market and overall export even from India has come down on home textiles and there also the margin also not good. So we have to look at the markets other than this so US is one bet which most of the people are betting on.
- Abhishek Salunkhe:** Sir, are we losing out on any market share to Bangladesh and Indonesia for that matter?
- Updeep Singh:** Home textile business or yarn business?

- Abhishek Salunkhe:** Home textiles?
- Updeep Singh:** You see that Bangladesh is not very strong on our product line of home textile business, Bangladesh is very strong on bed and bath so in our hosiery and curtain it is mainly Indonesia which is stronger, Bangkok and Vietnam, so these are the countries which are strong in this area, of course other than China. So Bangladesh is mainly on bed and bath so we do not lose anything on Bangladesh as in our home textile segment.
- Abhishek Salunkhe:** Have we lost any market share Sir, Indonesia and Vietnam, Bangkok?
- Updeep Singh:** No because as of now we are not doing much, of course we did not lose any market share in other countries, we did lose in Middle East, but not to Bangladesh, but mainly to China.
- Abhishek Salunkhe:** Okay. Alright, thank you so much.
- Updeep Singh:** Welcome.
- Moderator:** Thank you. The next question is from the line of Perna Jhunjhunwala from B&K Securities. Please go ahead.
- Perna Jhunjhunwala:** Hello sir, I wanted to understand the demand scenario for various segments of yarn that you operate in like cotton and blended yarn. How is the price movement impacted in the quarter and what is the scenario in the near term planning out?
- Updeep Singh:** Very good question. I start with the cotton and cotton mélangé. In this quarter, we have faced unprecedented decline in this mélangé especially. Mélangé business in this quarter and I think going forward we have seen a little bit shift towards the solid color. So mélangé has been hit worldwide and especially when we compete with mélangé, we at Sutlej mainly compete with companies not only from India, but mainly from China. There are a couple of companies in China who have a capacity of almost 15 lakhs spindles and when they have to sell their yarns and especially with the duties coming up in US and all that, now they are selling their yarn that is very low prices. So of course, they have scale and they have the capacity to sell. So we are competing with these two companies who are having a spindleage of almost 20 to 25 lakhs put together and there, yes, we are facing this issue on mélangé yarn and overall demand in mélangé has come down over a period of time in the last quarter and the brands are mainly in the last quarter mainly on the solid colors so this is one area where demand has been sluggish.
- Second if you look at the polyester yarns, there has been because of the downward trend in staple fiber prices, the overall demand in yarn over the quarter has been little bit low, people have been waiting for this to buy because when the fibers are coming down, people do not buy immediately. They keep on waiting as it is coming down, because if it does not come down

steeply it comes gradually so this has impacted on the overall synthetic yarn demand over the last one quarter, but we see that with this festival season coming up, in the next quarter we should be able to do better on the synthetic yarns, both the polyester and the blended yarns. So as far as yarn is concerned, we see that in the next couple of quarters we should have better visibility for synthetic yarns as compared to cotton.

Prerna Jhunjhunwala: Sir the demand so when there is lesser demand what about the production, is there a decline in production or we have been hearing about factory shutdown in spinning, so are there any factory shutdown at your end as well?

Updeep Singh: You are right. Luckily we did not have to do that. I mean we have the strength in our company because of flexibility with what we have. We could convert and even now we are converting some spindles from cotton to synthetic and that flexibility we have already created within us. So we do not have to shut out. Many factories are closing down in North India and South India mainly are the cotton spinning sector. So the cotton sector is being hit because of the declining prices of yarn, the less demand of cotton yarn and also the downward trend in cotton prices as well. It is mainly the cotton spinning companies, which are really hit on this and you would have read that almost cotton yarn export has dropped by almost 35% compared to same quarter last year. So 35% drop in cotton yarn export means a lot of for these mills and there is where they are facing problem and they are closing down. Some mills in South India are closing for almost three days in a week.

Prerna Jhunjhunwala: Oh three days in a week is a big shut down actually.

Updeep Singh: Yes it's a big shutdown the smaller mills and so it is basically the cotton sector or cotton spinning which is being hit adversely and we are lucky that we have the flexibility to interchange.

Prerna Jhunjhunwala: Sir what is protecting the blended yarn or polyester side of yarn business because the end segment continues to face slowdown for garments as a whole so what is protecting the polyester segment?

Updeep Singh: There are a couple of things, first thing is on the price side, if you look at overall synthetic spindleage in India, it is much lower than cotton spindleage so it is the cotton spindleage which is hit more because of this. If you look at the synthetic spindleage, synthetic spindleage is concentrated to only a few companies, I could name say about 10 to 12 companies who are known companies in the sector so that is one of the reason that cotton spinning is hit more number one. Number two, as compared to cotton, synthetic in India, we are still consuming synthetic more than the cotton. Whereas the worldwide trend is little different, reverse. So that is why we are little better in case of synthetic spindleage.

- Bipeen Valame:** Prerna just to add what Updeep ji said, what we are seeing is that because the state government has given various incentive to cotton spinning, the capacity gone up very high which is kind of created also a distortion. In our case if you see our spindlease, we have not increased the spindlease after 2017, we added only one plant of 35000 spindles in Bhawanimandi. So our total spindlease is 420,000 and we have a good blend of synthetic and we have blend of polyester and even cotton.
- Prerna Jhunjhunwala:** Okay.
- Updeep Singh:** With the dying capacity at all three spindlease.
- Prerna Jhunjhunwala:** Okay. So next few quarters you see that the profitability in the synthetic segment to be better than cotton?
- Updeep Singh:** I would say we should be able to maintain at a little better rate.
- Prerna Jhunjhunwala:** Okay. So yarn prices have fallen lesser than the polyester or manmade fiber prices is what we can assume?
- Updeep Singh:** See the problem is that this is that this is a falling trend in the fiber, the demand people wait for it, but now the question is that because we have festive season coming up there people may not like to wait and I think on the fiber side we are at the bottom now.
- Prerna Jhunjhunwala:** Sir, could you just give us some price levels of polyester and viscose currently and what they were about three months back, whatever period you have ready?
- Updeep Singh:** In February we had polyester at 104, in May it was 105, on 1st August it is 89.5, and in case of recycled it was 84, 85, and 68 respectively and viscose more or less remains stable at 167 around that.
- Prerna Jhunjhunwala:** Sir, then viscose prices are very higher as compared to cotton prices at this point in time because cotton prices have also fallen, is the demand sustainable for that fiber.
- Updeep Singh:** So now what is happening is that in viscose also international prices are getting dragged so now there is a correction internationally and has effected fiber internationally.
- Prerna Jhunjhunwala:** Okay. Understood sir. Sir, thank you for the answers. I will come back in the queue if there are any more questions.
- Updeep Singh:** Thank you so much Prerna.

- Moderator:** Thank you. The next question is from the line of Nimesh Shah from Shah Investment. Please go ahead.
- Nimesh Shah:** Thank you for the opportunity. My question is related to our home textile segment. I wanted to know that what will be the kind of utilization level in this quarter.
- Updeep Singh:** In the coming quarter, we should be able to have better utilization, we should be in the range of about 80% in this quarter, Q1 is about 77%
- Nimesh Shah:** Okay Sir and what is the contribution of the job work in the home textile division?
- Updeep Singh:** In percentage you are asking right?
- Nimesh Shah:** Yes.
- Updeep Singh:** 30% to 33%
- Nimesh Shah:** Okay. Sir, consistently we are giving EBITDA loss in this segment, so going forward what is our strategy to make at least EBITDA positive?
- Updeep Singh:** There are couple of things in this, number one is recently now we have added some value-added products there because the capacity of this plant was basically measured in terms of the meterage now we have gone in for value addition. For example we have put in our printing, which is going to be in place in this month and also wider width. In order to complete our basket we are getting to improve our product basket and design. There are couple of things which we are doing on the designing because we have tied up with the international companies for the designing as well as the latest trends what are going in the European and US markets and also with our synergy with American Silk Mill that is going to be our major thrust, because we are launching a product in US through the American Silk Mills which is going to be called as ASM Loft and this whole of the product will be manufactured in India by us. So we will have that benefit to sell this product through American Silk Mills in US under the brand name of Loft and that is one of the thing and one more thing which we are doing now is to get a brand name for us. So far as we were not considered as brand in this segment so now we are in the process of get into the branding and also some way get closer to the consumer, may not be direct retailing but through some sort of a channel partners we get into that where we have value for our products. So these are the few things, which we are doing and also we are getting into the more geographies, getting into more in US market and UK market where we have better margins.
- Nimesh Shah:** Okay. Thank you Sir. Sir, on branding part, how much are we expecting to spend on, have we sort any budget?

- Updeep Singh:** It is little different, I would say so far we are getting only into the name, brand and then launch the product, it is not a very high budget on this it will be covered well within our plants.
- Bipeen Valame:** So what we are saying is as we mentioned that we are not going in to retailing so we are not doing the branding if you are comparing let us say for example D'Décor. That is not the way we are approaching. What we are creating is that for our own collection what we are doing and selling in India or adjacent countries in export market we will have our own niche brand and we will push under the brand so internationally as Updeep Singh Ji mentioned that is ASM Loft so that brand we will run into United States, but in India what we manufacture and countries adjacent to India we will have our own collection and own name. So right now what we are doing is that we are selling through wholesales so those wholesalers are branding that collection so instead of that we will have our own part of it, part of it we have through our name.
- Updeep Singh:** But we continue with the wholesalers.
- Nimesh Shah:** Okay sir. Sir, what all new geographies are we targeting as such in immediate terms, say in a couple of quarters?
- Updeep Singh:** As of now we are not much present in Europe, we are targeting Europe, UK, and US in a bigger way and also we are now getting into markets like Russia and Australia, but the most advantageous market would be US, UK, and Europe.
- Nimesh Shah:** Through ASM only or through?
- Updeep Singh:** No we will go on our own, ASM is only with their ASM Loft, what we sell to them, but we will manufacture for them that will be only through ASM.
- Nimesh Shah:** Okay Sir. Sir any modernization capex you are planning for home textile for the year?
- Updeep Singh:** I would say it is not only modernization, but sort of value addition product making.
- Nimesh Shah:** And what will be that amount?
- Updeep Singh:** Where we would be adding printing, we would be adding wider width, and amount will be to the extent of almost Rs.64 Crores.
- Nimesh Shah:** Okay. Thank you sir. I will get back in the queue.
- Updeep Singh:** Thank you so much.

Moderator: Thank you. The next question is from the line of Dhwani Mehta from Sanghvi Investments. Please go ahead.

Dhwani Mehta: Hello Sir, good afternoon. Sir, I wanted to know on the revival of the home textile sector what is the growth expected on that line?

Updeep Singh: As I explained a bit earlier, this is our growth engine we need to get our act in order and get to the market so we have planned couple of things in strengthening this segment for us. Having said we are enhancing our manufacturing capabilities in terms of product basket for value addition, value addition in terms of the printing, in terms of the latest technologies on the wider width finishes and also the finishes for the functionals for example fire retardant and all these finishes, repellent finishes so we are upgrading all this in our setup so that we enhance our manufacturing capabilities. Also we are getting into better product portfolio that is through METAF through better design and I said prints, wider widths, this is on the product side. Then on the geography side we are getting into more aggressively in US, UK and Europe markets. Actually US market is good market in case we get into that with aggression so this is what we are doing and we are also leveraging our strength through American Silk Mills, which we acquired and we will be manufacturing product for them in India and launching in American Silk Mills through a brand called ASM Loft. So that is one part.

As a part of synergy with ASM because this is almost 100-year old brand in US so that is the synergy part of it and then we ourselves are going aggressively in US because the margins in US is little better than any other market in the world. So this is what we are doing in US we are going aggressively on this. Then in the designing part, as I have explained, we have hired international designers to help us to get to those designing and also designers from ASM are going to help us for American market and similarly we are gone in for latest designers and transfer them in other markets like UK and the last one which I discussed earlier was on the brand name. When we have a brand name, our brand name to get into this and we get near to the consumer, we are not going to stop selling to the distributors or the wholesalers, but we are also getting near to the consumers when we get into the retail shops, we will not have our own retailing but will be present under our own name in various shops across India and Nepal.

Dhwani Mehta: Sir I also wanted to know on the debt reduction, how are we planning to reduce the debt and also the cost of capital?

Bipeen Valame: There are couple of points that when we talk about debt reduction what has happened is that term loan side as you know that we are having a typically 100 to 110 Crores repayment, which we are able to meet on time and there is no challenge. On working capital what we are seeing is that reduction is happening because of the couple of points, one is better recovery from whatever money is stuck with the government on GST, TGD and the claims that we could recover I would say in an efficient manner. Two, we have also reduced our number of days outstanding in yarn

business which is 95% business currently. In terms of inventory also we saw the liquidation of inventory because as you know cotton season will now be approaching so we reduced the inventories, on polyester and viscose side also we have tightened the number of days outstanding on inventories, which has helped us to reduce the overall days in working capital also on year-on-year basis and also term loan that is what we are saying.

On cost of capital, as you know that in term loan that whatever we are having as a portion almost 50 to 60% is under TUF so we get interest subvention benefit. On borrowing side, being very a reputed company we are also getting very competitive borrowing rates in PCFC. So our bucket is always with PCFC than CC so we are able to get much better rate and in export also we get the domestic, export in Damanganga also we are getting PCINR with subvention so overall the cost if you see that it is almost like after benefit could be around in the range of 6.10%.

Dhwani Mehta: Do we have any plans to raise funds?

Bipeen Valame: When we talk about the fund raising per se we are not raising any funds, but what we have done is that we have definitely tied up to term loan for the two capex, one of course is the green fiber project for which we have tied up the loan for Rs.130 Crores and the capex for just now Mr. Updeep Singh Ji mentioned in Damanganga home textile modernization and product portfolio increase, there some capex will incur. As you know that in textiles there is always a routine capex to the extent of I will say Rs.50 to 55 Crores that is another capex. So I would not say we are into major capex cycle, but yes we have tied up the capex because in the current year that is FY2019-20 we will see increase in capex, but again if you see net increase, net increase will not be much because we also have a repayment of Rs.110 Crores.

Dhwani Mehta: Sir, do we plan to increase the spindle capacity going ahead?

Updeep Singh: I think that is not something we should be looking at this point of time.

Dhwani Mehta: Okay Sir, thank you.

Moderator: Thank you. As there are no further questions, I would now like to hand the conference over to Mr. Updeep Singh Chatrath for his closing comments.

Updeep Singh: Thank you very much once again for all the participants of this call and I must say that for us in Sutlej, we have always thinking and looking at how do add zeros to the business on the right side and I would like to show you all that we have all the ingredients in place for our business to grow and get to the next level, we have strategy, we leverage the opportunities, we have purpose, we have team in place, we have people in place, we have leadership team in place, and I must say that the team which Sutlej has and the dedicated team across the board, in the units, in the corporate office, in commercial functions, in the financial, I mean we have everything in place

and we have good set of business development and process management and financial control. So I would like to show you this and I am sure that will come out something better in the quarter by quarter and we will deliver the value. Thank you so much and I must thank all my colleagues here and all people from Stellar and all of you who participated in this call. Thanks a lot.

Moderator:

Thank you. Ladies & gentlemen, on behalf of Sutlej Textiles and Industries Limited that concludes today's conference. Thank you for joining us and you may now disconnect your lines.