

02nd August, 2018

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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Re:- Results Presentation

Dear Sirs,

Please find enclosed herewith a copy of the presentation with respect to the Un-audited Financial Results of the Company for the quarter ended 30th June, 2018.

Thanking you

Yours faithfully

For **Sutlej Textiles and Industries Limited**



Manoj Contractor

Company Secretary and Compliance Officer



Encl: a/a

SUTLEJ TEXTILES & INDUSTRIES

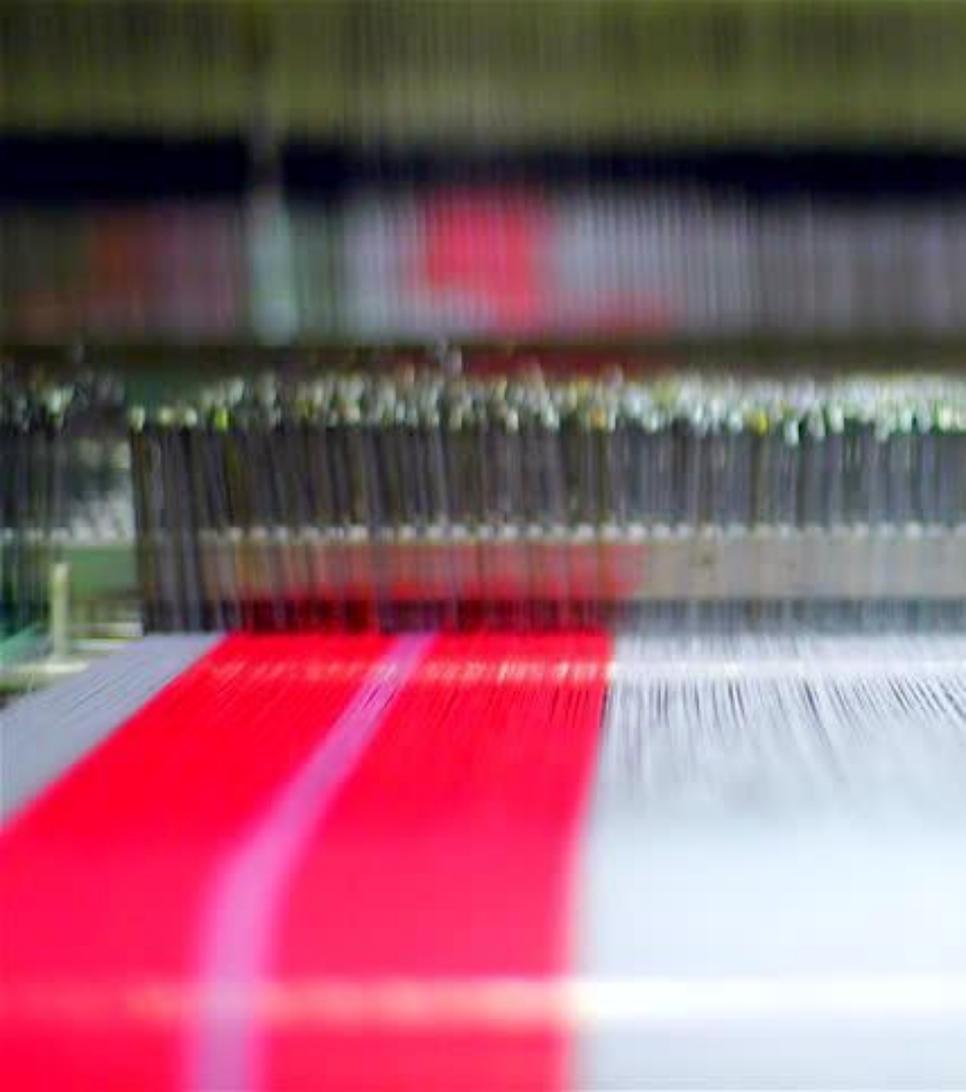


Charged to Grow Higher

A decorative white flourish, resembling a stylized 'S' or a scroll, is located below the tagline.

Investor Presentation | August 2018

sutlej
textiles and industries limited



Agenda

- **Q1 FY19 Performance**
- **Sutlej at Glance**
- **Financial Highlights**



Q1FY19 Performance

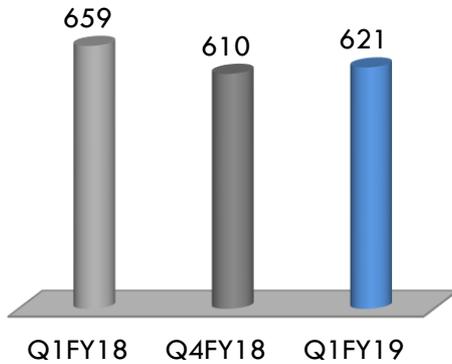
Key progress during Q1 FY19 and outlook

- Despite subdued demand during the quarter we saw some improvement in terms of Sales Volume (26,768 MT in Q1FY19 compared to 26,569 MT in Q4FY18) and Sales Realization (Rs 217 per Kg in Q1FY19 compared to Rs 213 per Kg in Q4FY18).
- We expect a revival and better demand in coming quarters
- Recent acquisition American Silk Mills shown Sales Growth of 11% with improved realization of 13% due to better product mix.
- We are very positive on home textile business and revisiting product mix & strategy for domestic and international markets
- Continuously investing in regular Modernisation for further improvement of efficiency and sustaining plant utilization
 - Invested ~Rs.7 crore during Q1FY2019, towards technology up-gradation and debottlenecking
 - Intends to deploy further amount of ~Rs.87 crore during the year towards technology up-gradation and debottlenecking, etc
- Proactive steps towards reduction in operating costs
 - Working on backward integration, Recycled Plant 80MT/Day with project cost of Rs 110 Cr. Expected COD in Q4 FY2019-20
 - Company had earlier installed a 2.1 MW solar power plant, now expanding 060 MW & internally evaluating on larger solar power plant do reduce dependency on high cost state electricity power supply



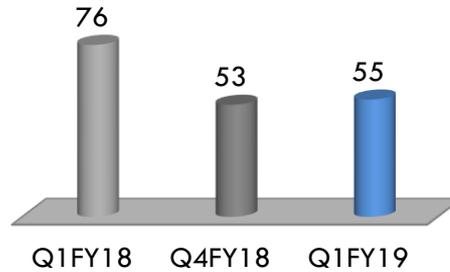
Q1 FY19 Financial Highlights

Total Income (Rs Cr)



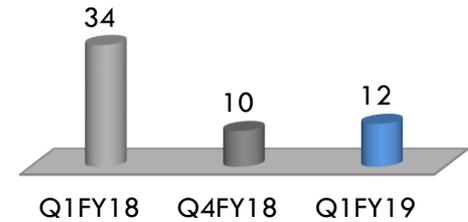
Sales improved marginally in Q1FY19 against Q4FY18

EBITDA (Rs Cr)



EBITDA improved marginally in Q1FY19 against Q4FY18

PBT (Rs Cr)



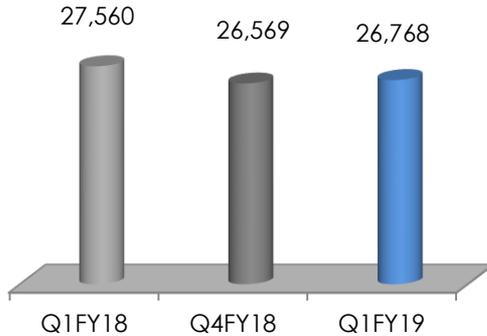
PBT improved marginally in Q1FY19 against Q4FY18

Key Performance Highlights – Q1 FY19

The Yarn segment continues to give 95%+ of Revenue Share

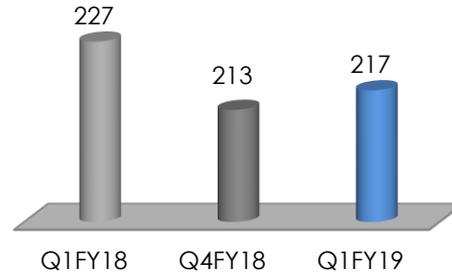
Yarn Sales (in MT)

Sales volume are improving from previous quarter

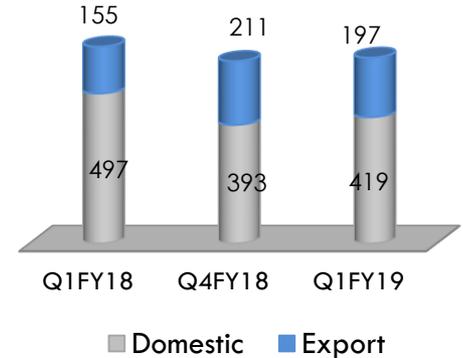


Average Yarn Realization (Rs/kg) in Q1FY19

Improvements in Realization from previous quarter shows are ability to price better



Export Revenue continues 30%+Shows our Market Diversification



Charged to Grow Higher



Profitability Highlights

Rs. in Cr	Q1FY19	Q4FY18	Q1FY18
Total Income	621	610	659
Raw Material Cost	354	354	380
Employee Cost	79	73	72
Other Expenses	133	131	130
EBITDA	55*	53	76
EBITDA Margin (%)	8.9%	8.6%	11.6%
Depreciation	27	27	26
Finance Cost	16	15	16
Profit Before Tax	12	10	34
Exceptional Items	0	0	0
Tax	3	1	11
Net Profit After Tax	9	10	24
Net Profit Margin (%)	1.4%	1.6%	3.6%
Earning Per Share (Rs.)	0.5	0.6	1.4

* include MTM/Reinstatement loss of Rs.7.84 Crore on outstanding foreign exchange exposure as on 30th June 2018

Executive Chairman's comments on Q1FY19 performance



Executive Chairman - Mr. C. S. Nopany

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

"The challenging business environment in the spinning sector continued in Q1 FY19 due to subdued demand and sluggish exports. While input costs continued to rise, product prices remained subdued. The decision by the GST Council to allow refund of accumulated input tax credit due to the inverted duty structure to fabric manufacturers is certainly a positive step which should alleviate the negative sentiment. Secondly, the recent depreciation of the Rupee will also improve export competitiveness and overall demand. I am hopeful that with these initiatives the worst is behind us and our diversified portfolio of value added products should enable us to deliver a better performance in the coming quarters."



Sutlej's Key Growth Areas

"Growth is a outcome of right actions and patience"



Stabilization of recently expanded capacities

Optimum utilization of newly added yarn capacity

- Post stabilization of newly added 35,280 spindles of melange yarn capacity, realization is expected to increase going forward

Increasing utilization of Home Textile capacity

- Home textile capacities were under utilized due to adverse market conditions ; envisage to increase the utilizations way forward
- Continuous shift of capacities from job work to in-house home textile manufacturing will bring growth in this segment

Stabilization of recently acquired Home Textile unit in USA

- Continuous focus on growth opportunities in USA market through American Silk Mills
- Focus on new designs and acquiring large customers
- Build synergy between Home Textile unit at India and American Silk Mills unit at USA



Proactive measures to achieve better cost efficiencies

Proposed new expansion to improve operational margins

- New Green Fibre project to manufacture polyester staple fibre will lead to savings in cost and better GST utilization

Installation of Solar Plant

- Installed Roof top solar plant of 2.1 MW at new unit in Bhawanimandi resulting ~40% less per unit cost compared to State Tariff
- Evaluating new Solar capabilities to reduce power cost further in RTM



Sutlej at Glance

“Our Focus towards value addition, helps us to be in a niche segments”

Sutlej Textiles - Overview

Largest

India's largest spun dyed Yarn Manufacturer
One of the leading manufacturer of Melange Yarn

Patronage of Renowned K.K.Birla group

Part of a reputed group with excellent corporate governance

Niche Presence

Manufacturing mainly all value added yarns
Presence in curtains and upholstery in Home Textile segment

Exports to + 65 countries

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

Substantial Capacities

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

Reputed Cliental

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



Key Milestones

Commenced commercial production of 31,104 Spindles at Chenab Textile Mills, J&K to manufacture Cotton Mélange and Cotton Blended Dyed Yarn

Installed 12 MW Thermal Power Plant at Bhanwanimandi unit

Acquisition of Birla Textile Mills

35,280 spindles – commenced commercial production for Cotton blended dyed and Mélange Yarn at Rajasthan

9.6 MMPA - commenced production of Home Textile facilities at Gujarat

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

Invested USD 4.5 Million in Wholly Owned Subsidiary in USA

Entered into Home Textiles

Expansion of Kathua and Bhanwanimandi units by 35,400 spindles and 2,112 spindles to manufacture PV Dyed Yarn completed

Bhanwanimandi Expansion

Completed Expansion of 7,488 spindles for PV Dyed Yarn

12,672 Spindles added for manufacturing Cotton Yarn

2009-10

31,104 spindles added at Chenab Textile Mills

- J&K for value added cotton mélange and cotton blended dyed yarn

2014

2015-17

2017-18

2006-07

2008-09

Charged to Grow Higher 

Business Verticals

Value Added Yarn Segment

"our core strength"

95% Revenue contribution

India's **Largest** Spun-dyed & Cotton Melange Yarn manufacturer

4,18,680 spindles capacity

Cotton Melange Yarn Capacity 1,44,290 spindles

Marquee clients - **B2B business**

Optimum Capacity utilisation of **~95%**

Average counts of yarn **27.05**

Home Textile Segment

"our new growth opportunity"

5% Revenue contribution

Focus on **Curtains & Upholstery**

Capacity - **9.6 million metres**

Leading producer & exporter of Home Decor

Exports account of **24%**

Latest technology in design & manufacturing

State of Art Weaving and processing facility with total **126 loom including 36 looms with double width**

Best in class facilities

Location: Bhawanimandi, Rajasthan

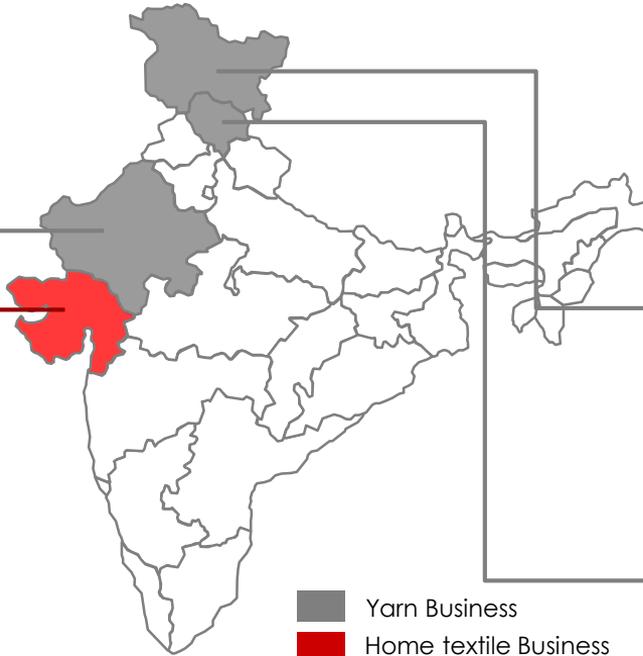
Capacity:

- 35,280 Spindles (Cotton Mélange)
- 91,584 Spindles (Man –made Fibre)
- Roof top solar plant of 2.1 MW

Location: Daheli, Gujarat

Capacity:

- 9.6 million metres p.a. (126 looms. Dobby 42 single width, rest all Jacquard)
- Processing facilities mainly 4 stenter, 28 jet, 24 jigger, 19 mechanical and various others



Location: Kathua, J&K

Capacity:

- 109,010 Spindles (Cotton Mélange)
- 97,900 Spindles (Man-made Fibre)

Location: Baddi, Himachal Pradesh

Capacity:

- 83,376 Spindles (Man-made Fibre)

Marquee Clients over the Globe

MARKS &
SPENCER

JCPenney

FABRIC TO FASHION
Siyaram's

DONEAR

LENZING
Modal

LYCRA

sears

ADITYA BIRLA
GRASIM

pantaloons

COOLMAX

ARROW
USA • 1851



Page Industries

ARVIND

Raymond



Driven by Experienced Team

Board of Directors

Mr. C.S. Nopany

Executive Chairman

Mr. U.K. Khaitan

Independent

Non Exec Director

Mr. Amit Dalal

Independent

Non Exec Director

Mr. Rajan Dalal

Independent

Non Exec Director

Ms. Sonu Bhasin

Independent

Non Exec Director

Mr. Rajiv K. Podar

Independent

Non Exec Director

Mr. Rohit Dhoot

Independent

Non Exec Director

Key Executives

Mr. S.K. Khandelia

President & CEO

Mr. Updeep Singh

Deputy CEO

Mr. Bipeen Valame

WTD and CFO

Mr. Manoj Contractor

CS & Compliance Officer

Increasing global foot prints



Progressively **widened** global footprint with presence in 65 countries



Entered geographies with growing preference for **value-added yarns & Home Textile segment**

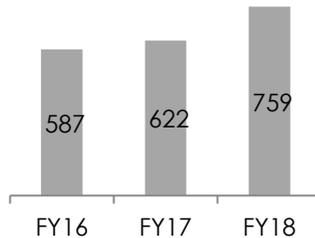


Exports contribute **~30%** to total revenue

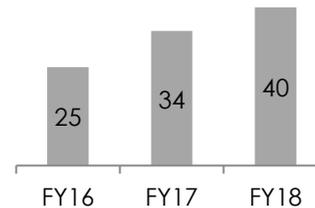


Competitive export realisations

Yarn Exports (Rs. Cr)

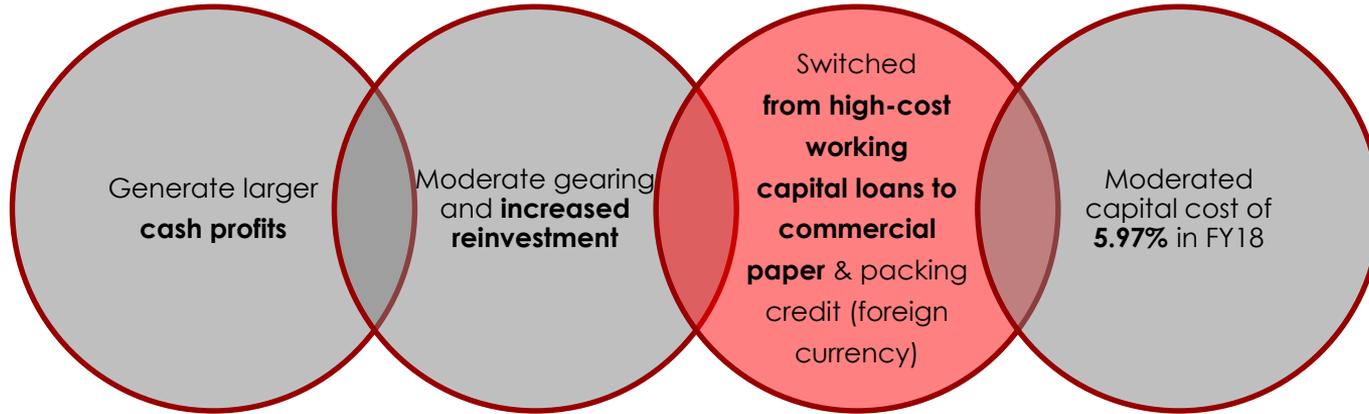


Home Textile Exports (Rs. Cr)



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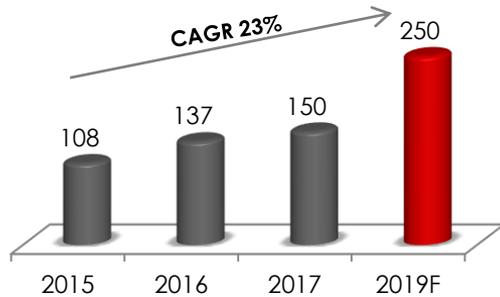
Comfortable Balance Sheet



	FY12	FY14	FY17	FY18
Total Debt to Equity (x)	2.58	1.36	1.27	1.15
Average borrowing Cost (%)	8.18	8.55	5.88	5.97
Interest cover (x)	2.56	5.26	6.99	4.75

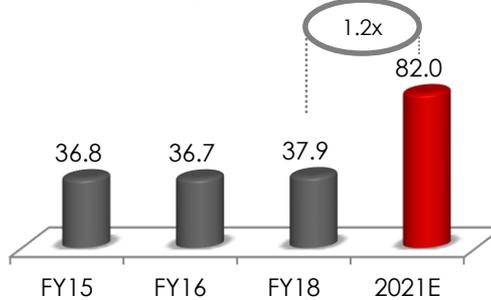
Huge opportunities Ahead

Textile and apparel industry in India (US\$ billion)



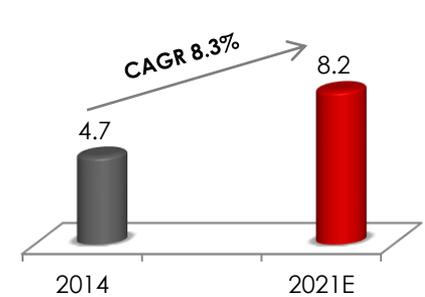
- Rising per capita income, favourable demographics and a shift in preference to branded products to boost demand
- Huge consumption demand expected in India

Textiles and apparel exports from India (US\$ billion)



- Favourable trade policies and superior quality to drive textile exports
- Increase in exports opportunities will lead to increase in Home Textile & Yarn business

Indian home textile industry (US\$ billion)



- India accounts for 7% of global home textiles trade
- India is a leader in the US and the UK, contributing 2/3rd to their exports

Source: IBEF

Charged to Grow Higher

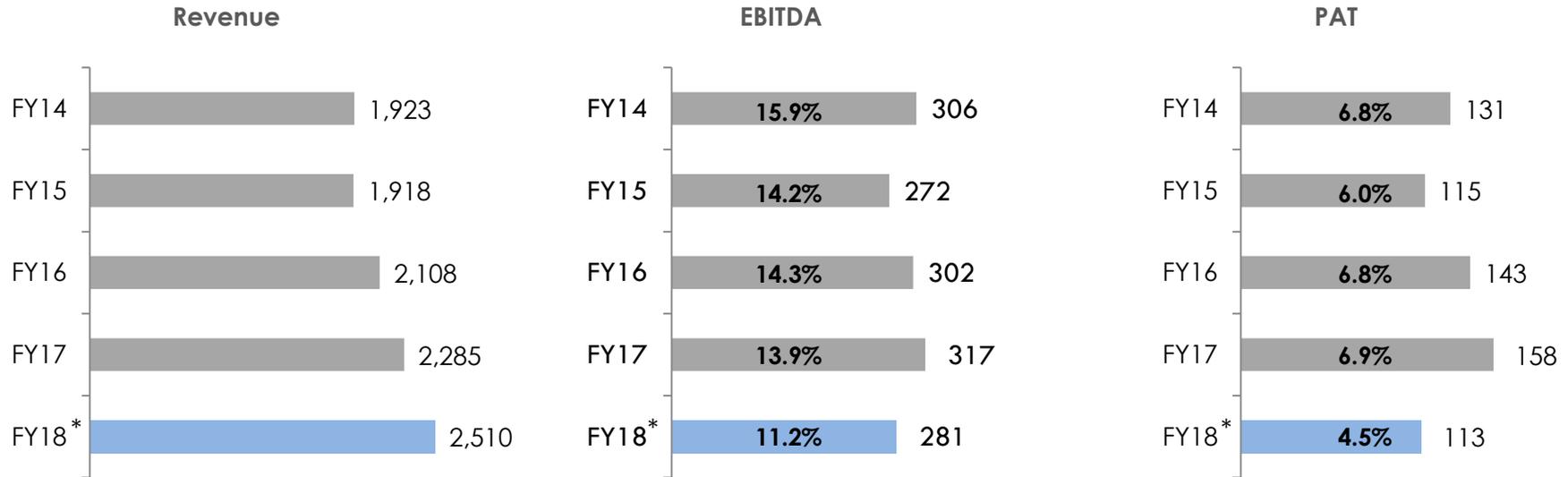




Financial Highlights

“Discipline financial leads to consistent growth of the company”

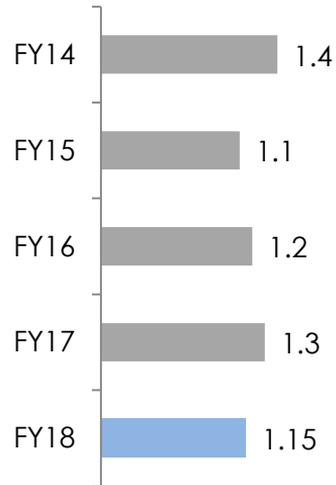
Enhancing value across the years



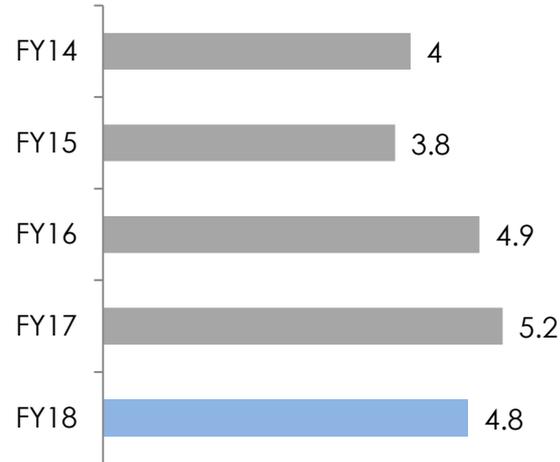
*The Company acquired American Silk Mills, LLC on 6 th November 2017 and hence FY 2017-18 is first year of consolidation

Maintained low leverage despite continuous expansion

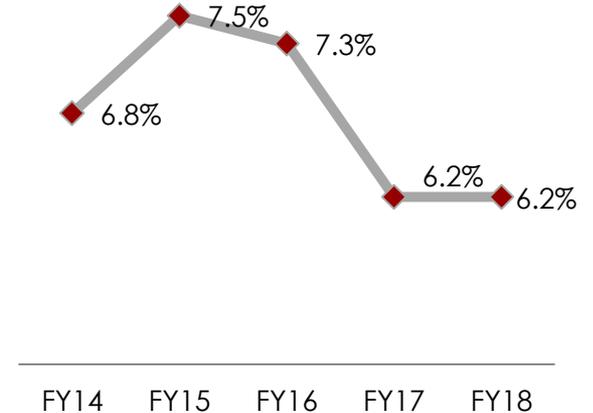
Comfortable Total Debt / Equity Ratio



Robust Interest Coverage



Average Interest Rate of Term Loans (After TUF)

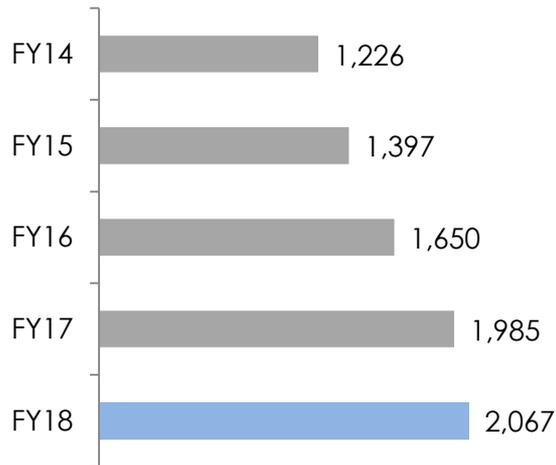


Charged to Grow Higher

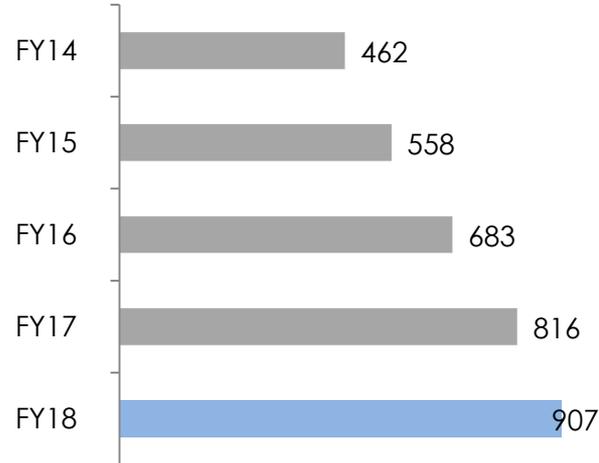


Continuous re-investment helps in better earnings growth

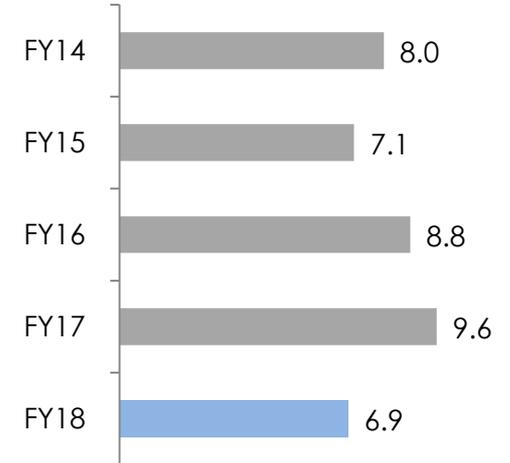
Gross Block (Rs Cr)



Networth (Rs Cr)



Adjusted EPS (Rs.1 per share)

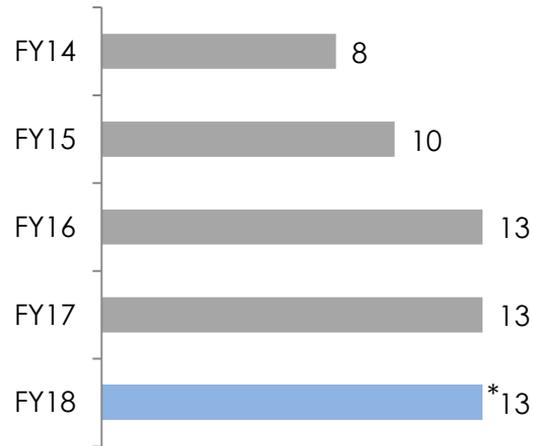


Charged to Grow Higher

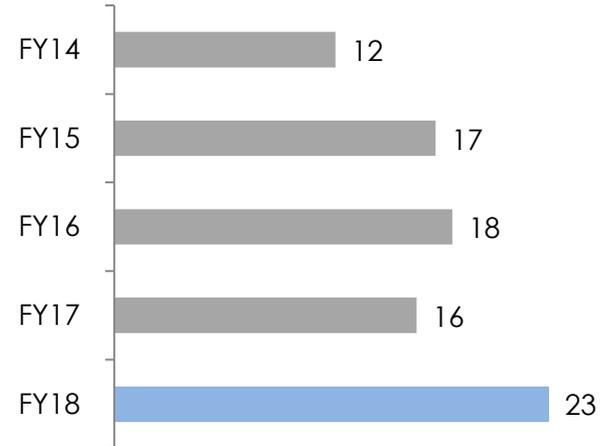


Enhancing value for Stakeholders

Dividend Per Share (Rs)



Dividend Payout (%)



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





sutlej

textiles and industries limited

**THE ONE STOP SOLUTION FOR
YARNS AND HOME DECOR**

Let's Connect



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textiles and industries limited

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 **STELLAR**
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