

26th November, 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:- Investors Presentation

Dear Sirs,

Please find enclosed herewith a copy of the presentation made at Investor and Analyst Meet 2018 held on Thursday, 22nd November, 2018 at Sofitel Mumbai BKC at 04.00 p.m.

This is for the information of the exchanges and members.

Thanking you

Yours faithfully

For **Sutlej Textiles and Industries Limited**


Manoj Contractor

Company Secretary and Compliance Officer



Encl: a/a



Sutlej Textiles and Industries Ltd.

Charged to Grow Higher

Investor & Analyst Meet 2018

22 Nov 2018

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Sutlej

Creation of a Strong Foundation over the years



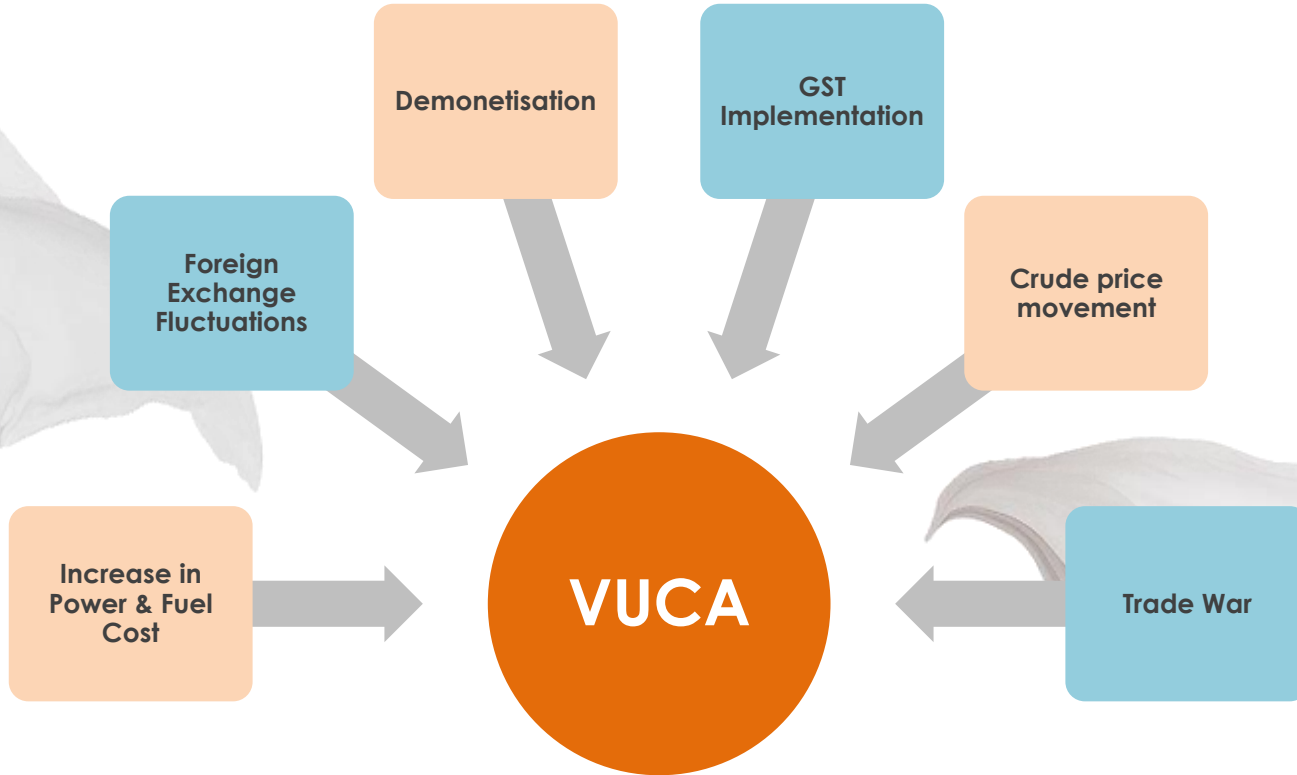
Year gone by...

- Past few quarters saw **unprecedented shift in structural changes** in Indian Economy with DeMo, GST, Liquidity Crises and Oil Prices
- **Trade war** between two largest economies in the world impacted global sentiments and growth projections
- It was challenging environment with **VUCA** (Volatility, Uncertainty, Complexity and Ambiguity) across industry and particularly for Spinning
- Input prices, Power Rates, Incentives, FX rates and interest rates all shown **high volatility impacting margins**
- We **responded decisively and effectively**
 - *Consolidating our position in Domestic and Export Markets*
 - *Stabilizing expansion at RTM and DGHT*
 - *Continued to work closely with the customers to meet their requirements*
 - *Focussed our efforts on R&D and Innovation for yarns and home textiles portfolio*
 - *Ensured high plant efficiencies and output from our tangible and intangible assets*
 - *Diversified our customer base and geographical presence*



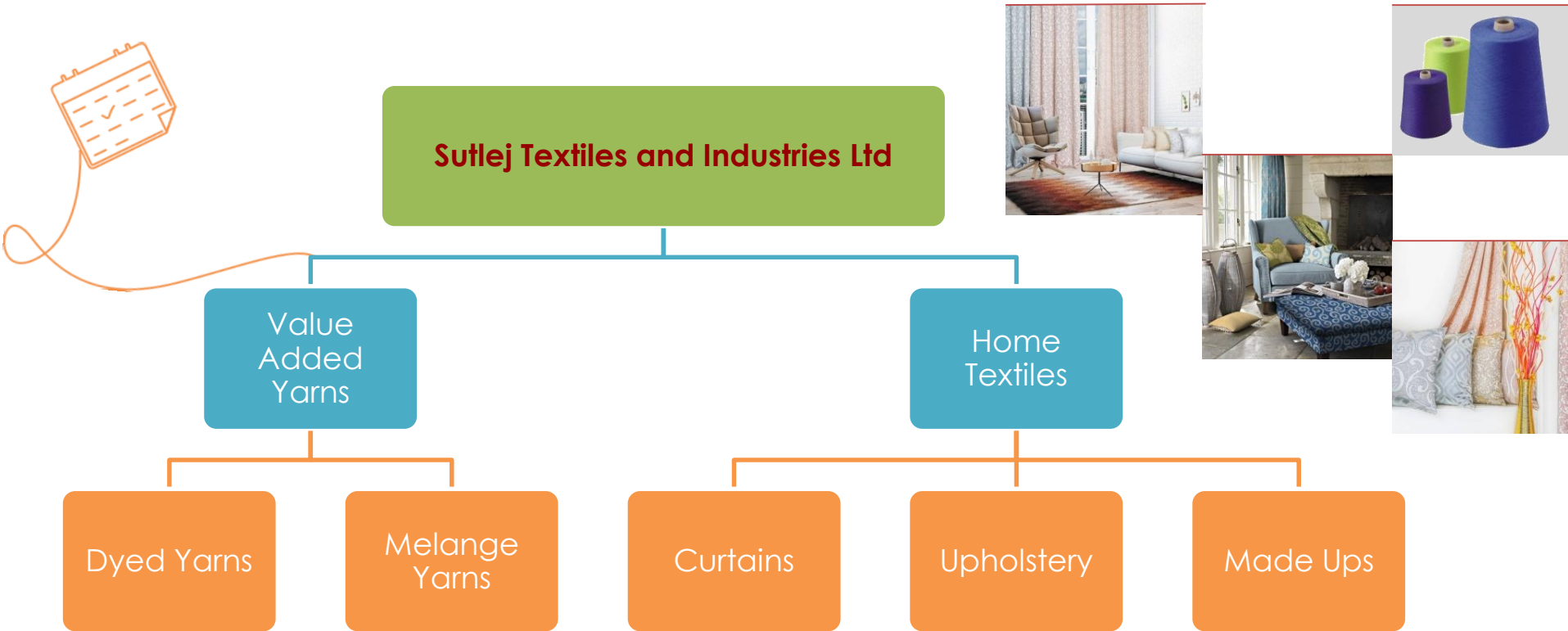
Our Business Model remained intact and future growth ready...

Headwinds in last 2 years



Witnessing Gradual Improvement in Business Environment

Business Verticals



Sutlej – Charged to grow higher

Focussed on Value Added Dyed yarns

Leading spun dyed & Melange
Yarn Manufacturer in India

sutlej
textiles and industries limited



Improving Operating Efficiencies

One of the best Capacity
Utilization in Industry
Better RM & Power through Green
Fibre and Solar Energy

Niche Home Textile

Curtains, Upholstery and Made ups

Growth Drivers

Home Textile
New Adjacent Segments
Inorganic Growth



Focussed on Value Added Speciality Yarns

Always opted for expansion into high value speciality yarns

Yarn Capacities

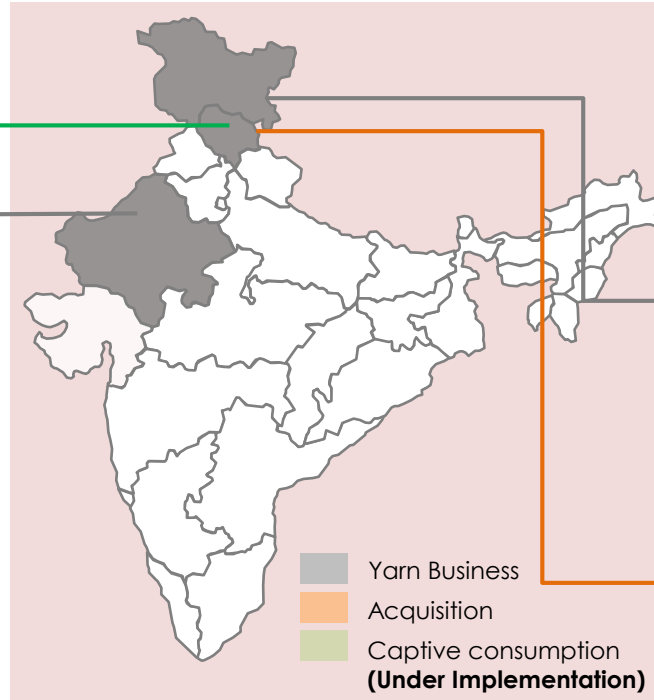
Bhawanimandi, Rajasthan

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

Baddi, Himachal Pradesh (Under Implementation)

- Green Fibre Plant
- 120 MT per day manufacturing Raw White & Black Recycle Fibre
- Exp. Commercial production Q1FY20-21

- Ability to handle variety of RM with different counts
- Work very closely with customer to fulfil requirements
- Manufacture to Sale and not to Stock



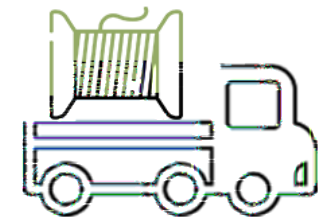
Nearly 32% of the spindleage and 67% of the fabric weaving machines commissioned in the last decade, assuring high technological relevance.

Kathua, J&K

- 1,09,010 Spindles (Cotton Mélange)
- 99,430 Spindles (Man-made Fibre)

Baddi, Himachal Pradesh

- 83,376 Spindles (Man-made Fibre)



Speciality Dyed Yarns – Backbone of our business

▪ **Leading Yarn manufacturer in India**

- 4,18,680 Dyed Yarn Spindles
 - 35% dedicated to Melange Yarn
 - 65% dedicated to various blends

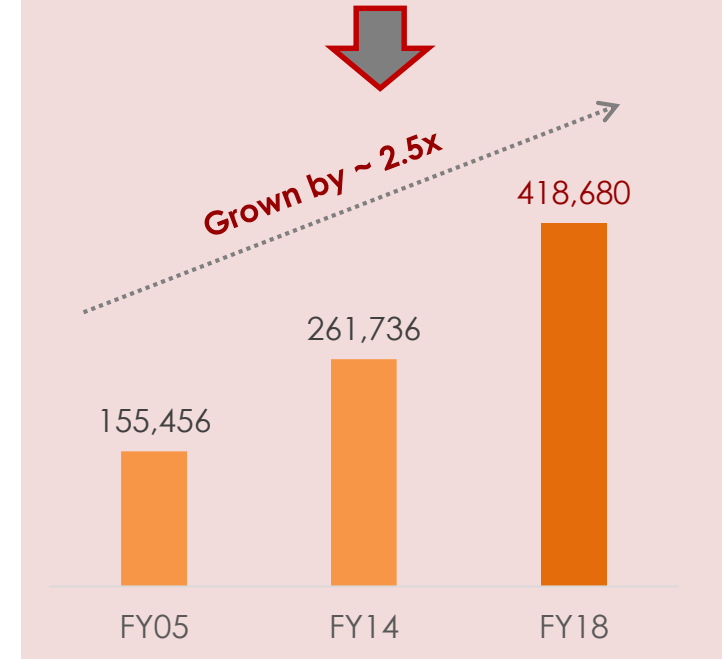
▪ **Well Diversified Product Portfolio**

- Marquee clients like Page Industries, Siyaram, Raymond, Donear, etc
- B2B business model with over 60% revenue from organized sector
- Robust Business Model with low concentration and diversified geographical spread
- Strong Brand Recall in Yarn Segment

▪ **Strong Global Footprint**

- 30% Revenue from Export to over 65 countries
- Export to all major countries in the world
- Star Export House Status holder

Continuous Increase in Spindle Capacities





Niche Home Textile Presence

One of the few listed Curtains & Upholstery players

Home Textile - Emerging Business

▪ Focus on Curtains, Upholstery & Made ups

- Leading producer & exporter of Home Decor
- Acquisition of American Silk Mills (ASM), leading Design & Distribution in USA

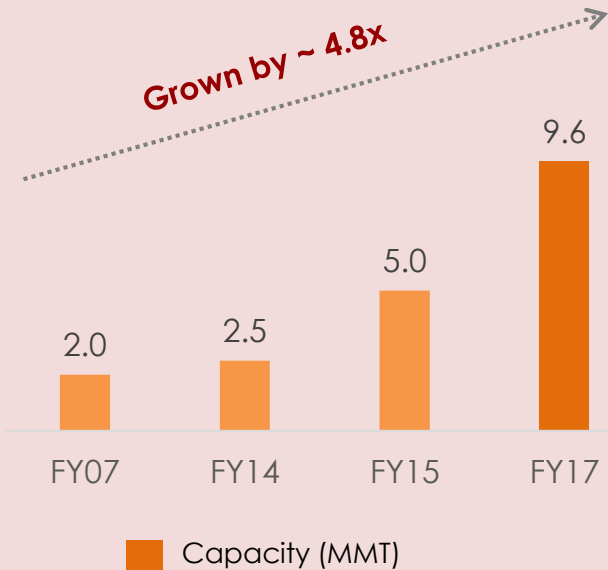
▪ Latest Technology in design & manufacturing

- State of Art manufacturing facility at Gujarat
- Capacity 9.6 Mn. metres/pa
- 126 dobby & jacquard looms including 36 looms with double width

▪ Strengthening Product Portfolio

- Leveraging ASM design expertise and US presence
- Focus on higher end markets in developed countries
- Building world class design capabilities
- Improving product mix and broadening product portfolio

Continuous Increase in Spindle Capacities



Strengthening Capabilities in Home Textiles

Enhance Manufacturing Capabilities

- Adding wider width printing machines
- Digital Printing capabilities
- Steaming & Washing
- Fancy Yarn
- Embroidery

Expanding Product Portfolio

- Better Designs
- Sheer Material
- Made-ups

Establish Geographic Presence

- Establishing office in Dubai to strengthen middle east operations

Improving Designing Strength

- Hired International Designers
- New designs with latest trend
- Latest design S/W

Leverage ASM Brand

- Over 100 years of industry experience with rich design archives
- Build Synergy to leverage designs

American Silk Mills (ASM)

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

- **Stabilizing Operations**

Working on improving margins

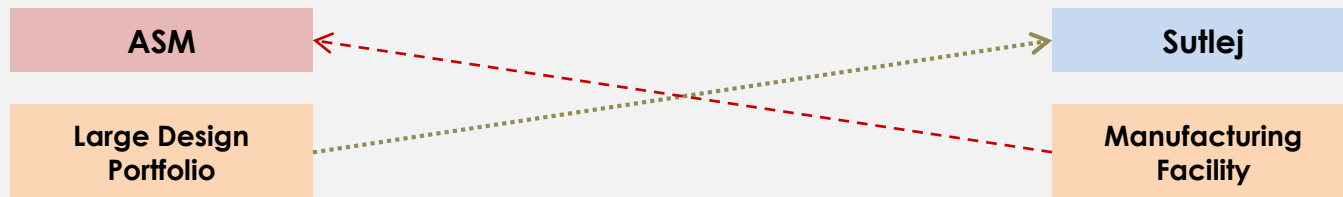
- **Building Customers Confidence**

Re-gaining customer confidence lost due to liquidity position before acquisition

- **Introduced New Product Portfolio**

Launched new product portfolio in July and Sept 2018

- **Integration in Manufacturing with Sutlej's Domestic Home Textile Facility**

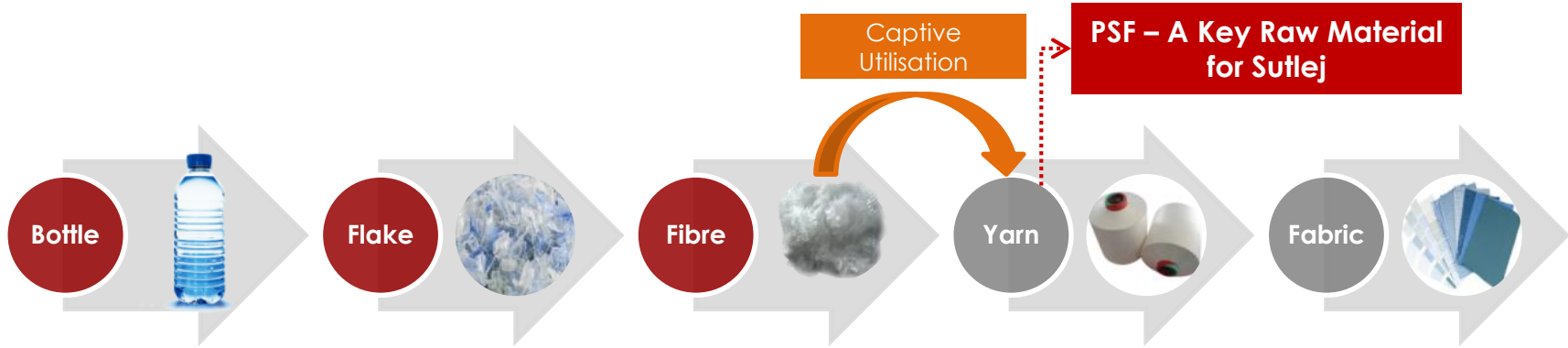




Improving Operating Efficiencies

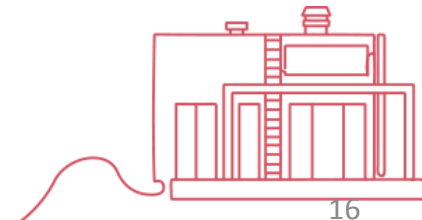
Our disciplined approach towards growth have always helped us to achieve new heights

Backward Integration into Green Fibre



Description	Details
Capacity	120 MT / Day
CAPEX	Rs. 189 crore
Location – land acquired	Baddi, Himachal Pradesh
Expected Commercial Production	Q1FY20-21

Fulfil 75% of Captive Requirement of Key Raw Material PSF



Focus on Reducing Energy Cost

- Installed **Roof Top Solar plant of 2.1 MW** at new unit in Bhawanimandi, Rajasthan, additional **capacity of 0.60 MW** under commissioning
- **Resulting ~40% less per unit cost compared to State Tariff**



Solar Plant at Bhawanimandi, Rajasthan

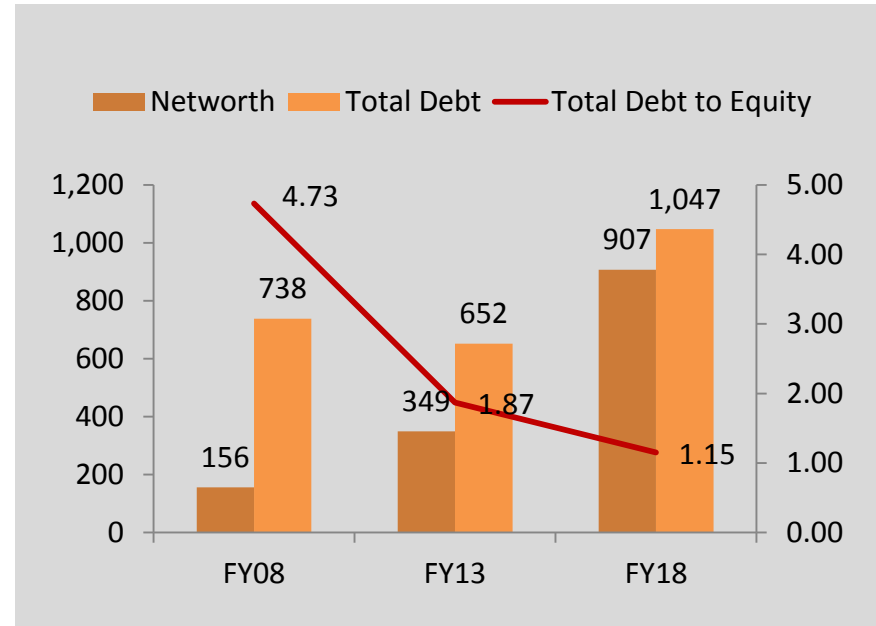
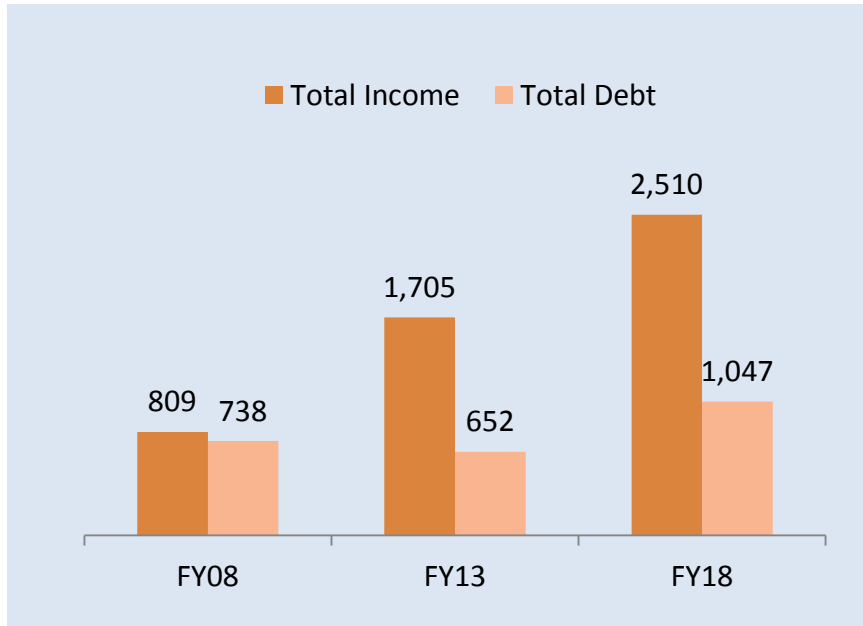




Sutlej 2.0 – Growth Strategy

Charged to grow higher backed by a strong Foundation

Always Focused on Disciplined Growth



Growth financed from Re-investment of Profit

Well Placed for next Growth Phase

- Effective control on key Raw material cost

Backward Integration



- Integration with ASM
- Product Portfolio expansion to strengthen Home Textiles Business

Growth in Home Textile with better Margins



- Opportunities into Forward Integration
- Opportunities in new Speciality Yarns

Exploring New Segments



- Strong Balance Sheet
- Generate better Return Ratio's

Inorganic Growth opportunity



Great Leadership Leads to Great Success



MR. C.S. NOPANY
EXECUTIVE CHAIRMAN



MR. S.K. KHANDELIA
PRESIDENT & CEO

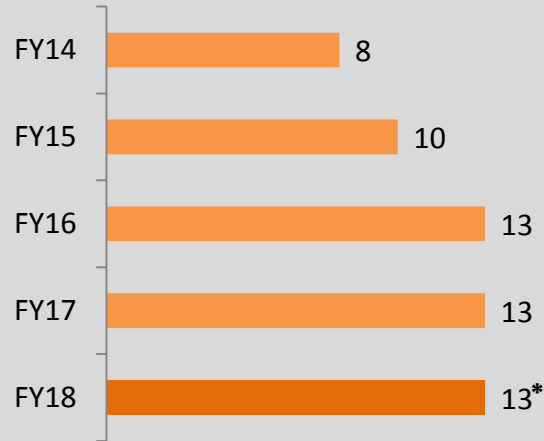


MR. UPDEEP SINGH CHATRATH
DEPUTY CEO

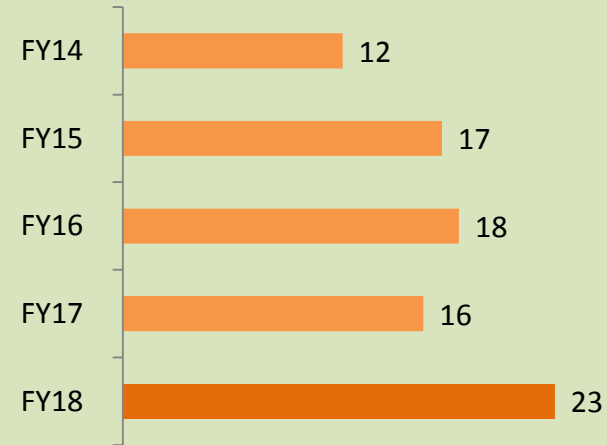


Enhancing value for Stakeholders

Dividend Per Share (Rs)



Dividend Payout (%)



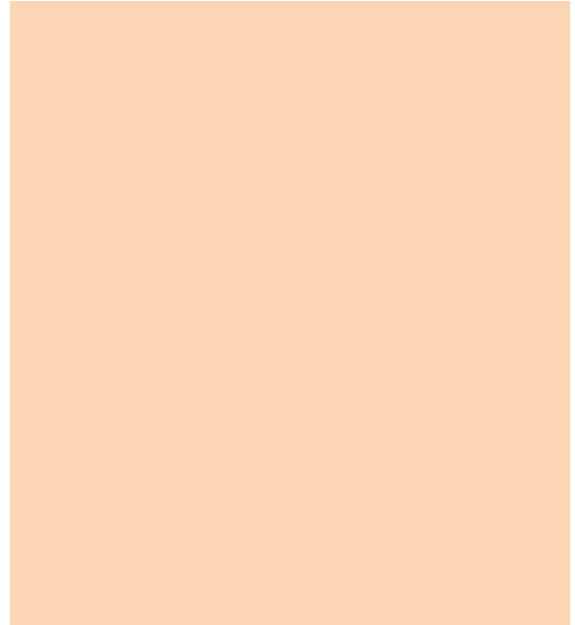
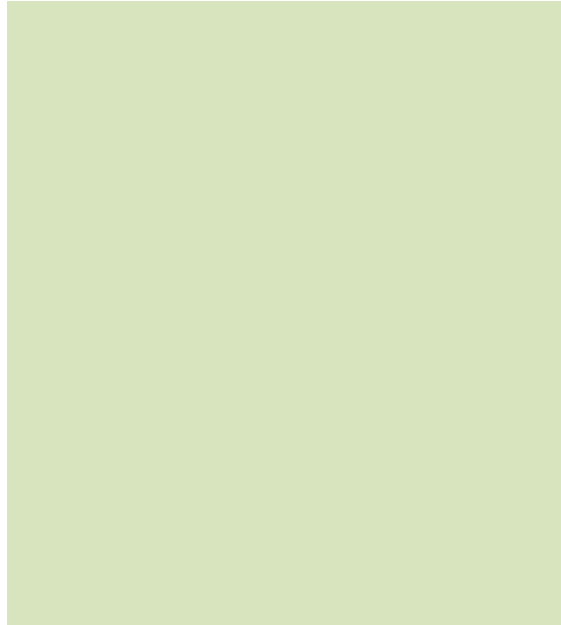
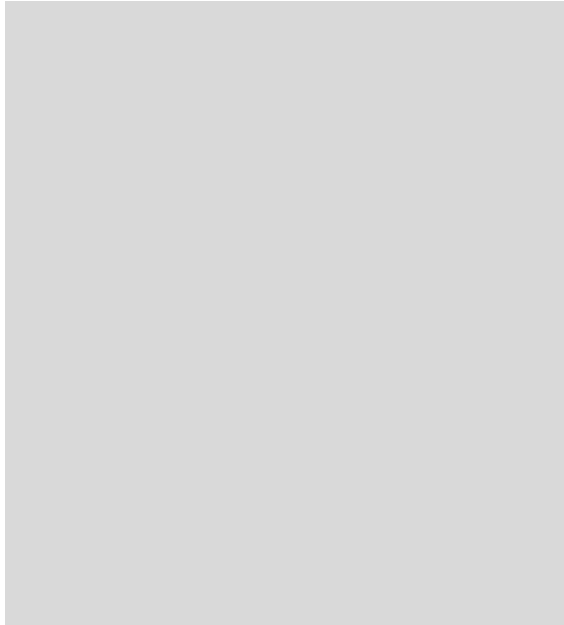
* Dividend declared Rs.1.30 on FV of Rs.1 per share post split.

Depiction is for visual and comparative purpose only



Annexure - Financials

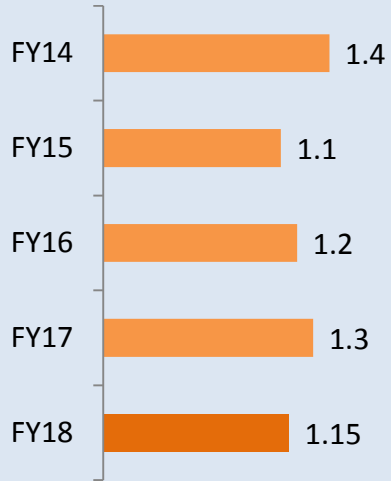
Performance Highlights



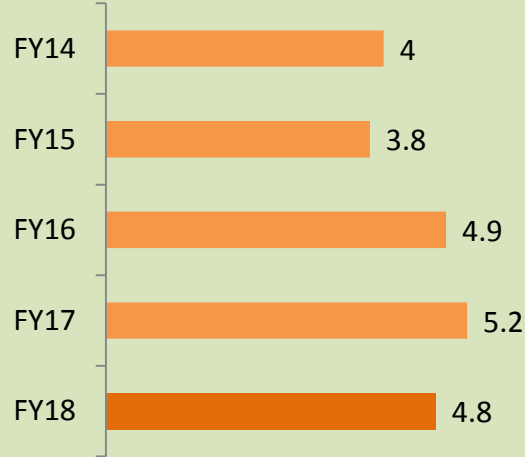
***The Company acquired American Silk Mills, LLC on 6th Nov 17 and hence
FY2017-**

Balance sheet Ratios

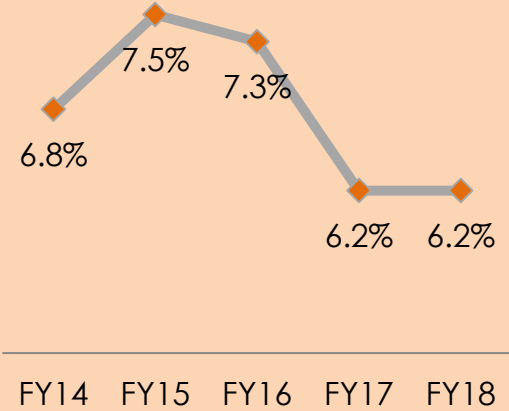
Comfortable Total Debt/Equity Ratio



Robust Interest Coverage

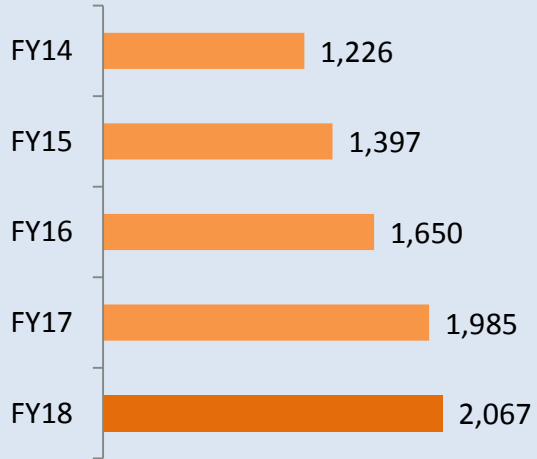


Average Interest Rate of Term Loans (After TUF)

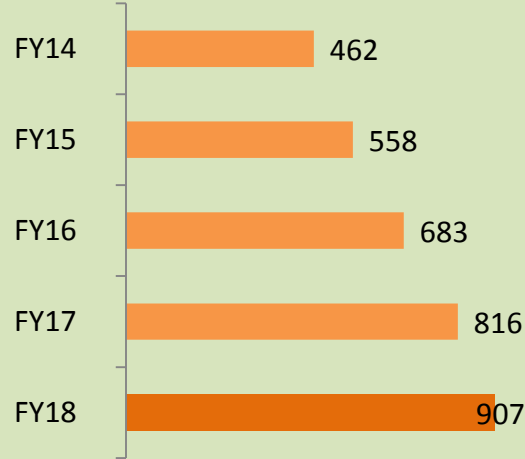


Balance sheet

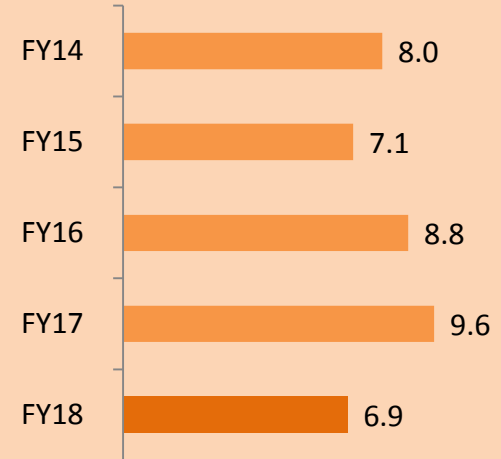
Gross Block (Rs Cr)



Net worth (Rs Cr)



Adjusted EPS (Rs.1 per share)





“WITHSTANDING FIRMLY DURING A STORM
HELP’S TO CHERISH THE SUNSHINE LATER”

THANK YOU!