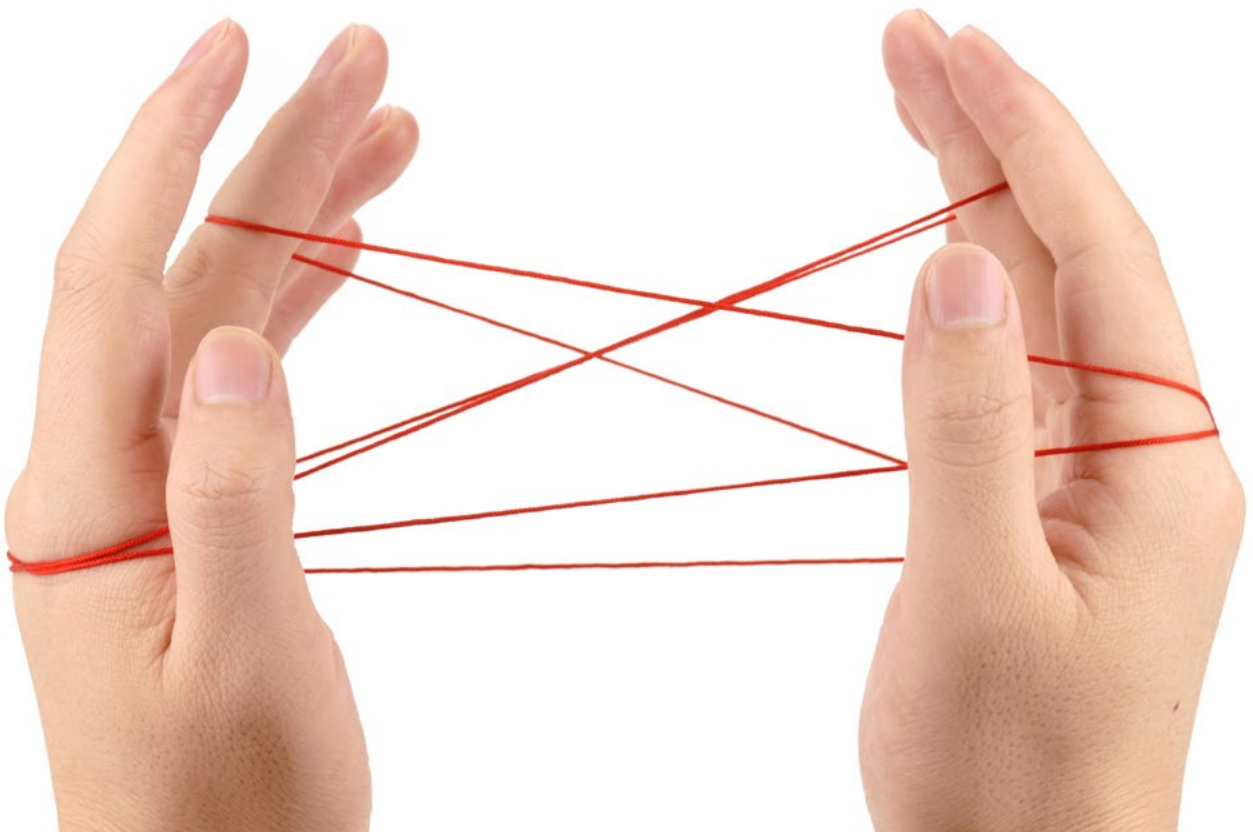


Adjusting to the New Normal

Sutlej Textiles and Industries Limited
Annual Report 2019-20



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Financial statements

Disclaimer

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions.

The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should kindly bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Adjusting to the New Normal

This is a highly uncertain world.

There is a premium on the need to be relatively insulated from the broad sweep of economic, social and sectorial challenges.

Similarly, there is a need to stay alive to emerging opportunities, restructure the business and enhance competitiveness.

At Sutlej, we have strengthened our resilience and agility with the objective to emerge as one of the last persons standing among competitors during the downtrend and among the first to recover.

Adjusting to the new normal at one end;

Strengthening profitability and sustainability at the other.

Corporate snapshot

Sutlej Textiles and
Industries Limited.

Resilient enough to have
endured across 9 decades.

Agile enough to have
responded with speed to
emerging opportunities.

Vision

We have set our sights on emerging as a front-runner in the realm of global textiles by providing end to end solutions– from yarns to home textiles. We aim to create maximum value for our customers so as to emerge as their partner-of-choice.

Mission

We believe in challenging our limits and overcoming them. We also believe that as time changes, one must evolve one's thinking.

Our track record, helping strengthen our foundation

Sutlej's roots date back to pre-Independence India; the Company is one of the flagship companies of multi-business conglomerate promoted by the late Dr. K.K. Birla. Over the years, the Company has emerged as one of India's largest integrated textile manufacturing companies, manufacturing synthetic, natural, mélange and blended yarns, all types of spun yarns and home textile furnishing.

Our capacities have enhanced our preparedness

The Company has units located in Rajasthan, Jammu & Kashmir, Himachal Pradesh and Gujarat. Over the years, the Company has exponentially scaled up its capacities. The Company's total spinning capacity was around 4.20 lakh spindles at the close of 2019-20; daily production was 286 tonnes of dyed synthetic and blended yarns, cotton mélange and cotton blended mélange and dyed yarns, as well as yarn from specialty fibres (modal, tencel, bamboo, coolmax, fancy yarns like siro spun, siro compact, lycra twisted, core spun, double core yarn, etc.) in single ply, double ply and multi-fold.











The Company's total spinning capacity was around 4.20 lakh spindles at the close of 2019-20

Business verticals



Manufacturing capacities

Units	Location	Products	Capacity (TPA)
 Rajasthan Textile Mills (RTM)	Bhawanimandi, Rajasthan	Cotton yarns and man-made fibre yarns including mélange yarns	 35,280 spindles of cotton blended mélange yarns 90,384 spindles of manmade fibre yarns
 Chenab Textile Mills (CTM)	Kathua, Jammu & Kashmir	Cotton yarns and man-made fibre yarns including mélange yarns	 109,154 spindles of cotton blended mélange yarns 101,446 spindles of manmade fibre yarns
 Birla Textile Mills (BTM)	Baddi, Himachal Pradesh	Cotton yarns and man-made fibre yarns including mélange yarns	 20,976 spindles of cotton blended mélange yarns 62,400 spindles of manmade fibre yarns
 Damanganga Home Textiles	Daheli, Gujarat	Home textiles furnishings	 9.6 million metres per annum 126 dobby and jacquard shuttle-less looms



Our product portfolio evoked sustainable margins

The Company is a one-stop shop for all kinds of spun dyed yarns manufactured from natural or man-made fibres across any blend and any shade in the count range of 6s-60s.



Our marquee clients have validated our quality

The Company's prominent marquee clients comprise Jockey, Westside, Marks & Spencer, Brandix, Arvind, Raymond, Donear, Siyaram's, Arrow, Grasim Bhiwani (GBTL), Digjam, JC Penney, Monte Carlo and Welspun Ind., among others.



Our financial robustness has helped strengthen our credit rating

Sutlej's short-term rating was maintained at A1+ and long-term rating at A+, by CARE Ratings, validating business health.



Our quality standards are driven by credible accreditations

The list of certifications that the Company has is given below :

ISO 14001 : 2015, ISO 45001 : 2018, ISO 50001 : 2018, ISO 9001 : 2015, ISO 13485 : 2016, Global Recycle Standard (GRS), Global Organic Textile Standard (GOTS), Oeko-Tex Standard 100, Supima Certificate, Fair Trade Certification, Organic Content Standard (OCS) Certificate, SA8000:2014 - Social Accountability



Our widening network has enhanced product accessibility

The Company enjoys enduring relationships with an extensive network of agents and dealers across India and the international markets. The Company exports products across major developed and emerging economies around 60 countries; it has developed a strong reputation among textile fabric manufacturers in key markets like USA, EU, UK, Turkey, Bangladesh, Latin America, Africa, etc.

Over commitment translated into awards and recognition

The Synthetic & Rayon Textiles Export Promotion Council (SRTEPC)

- **Gold Trophy for highest export of Synthetic Spun Dyed Yarn in FY 2018-19.**

The Cotton Textiles Export Promotion Council (TEXPROCIL)

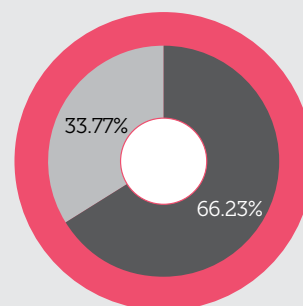
- **Gold Trophy - Highest Exports of Cotton Processed Yarn in FY 2018-19.**
- **Gold Trophy - Special Initiative & exports of sustainable cotton yarns.**

The Rajasthan Renewable Energy Corporation Limited (RRECL)

- **Rajasthan Energy Conservation Award – 2019, First Prize.**

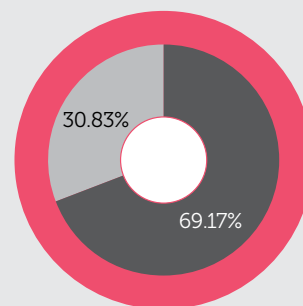


Revenue by geography, 2018-19



■ Domestic
■ International

Revenue by geography, 2019-20



■ Domestic
■ International

Sutlej. The big numbers

Our manufacturing capacities

Yarn capacities



Bhawanimandi, Rajasthan

35,280

Spindles (cotton mélange)

90,384

Spindles (man-made fibre)

2.7

MW roof-top solar plant



Kathua, J&K

109,154

Spindles (cotton mélange)

101,446

Spindles (man-made fibre)



Baddi, Himachal Pradesh

20,976

Spindles (cotton mélange)

62,400

Spindles (man-made fibre)

120

MT per day manufacturing of raw white and black recycled polyester staple fibre (under implementation)



Daheli, Gujarat

9.6

million metres per annum

126

shuttle-less looms

Speciality dyed yarn – National leader

419,640

Dyed yarn spindles

~34%

Dedicated to cotton blended dyed and mélange yarn

~61%

Dedicated to various manmade dyed blends

~5%

Various grey and/or other blends

Key milestones

2006-07

Entered the business of Home Textiles

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

2009-10

Commenced commercial production of 31,104 spindles at Kathua to manufacture cotton mélange and cotton blended dyed yarn

Installed 12 MW thermal power plant (Bhawanimandi)

2015-17

Acquired Birla Textile Mills

Commenced commercial production of 35,280 spindles for cotton blended dyed and mélange yarn at Rajasthan.

Increased production of Home Textiles at Gujarat with installed capacity from 2.5 million metres per annum to 9.6 million metres per annum

2019-20

Modernized the Home Textiles facility

2007-09

Completed Bhawanimandi expansion

Expanded PV dyed yarn by 7,488 spindles

Added 12,672 spindles for manufacturing cotton yarn

2014

Added 31,104 spindles at Kathua for value-added cotton mélange and cotton blended dyed yarn

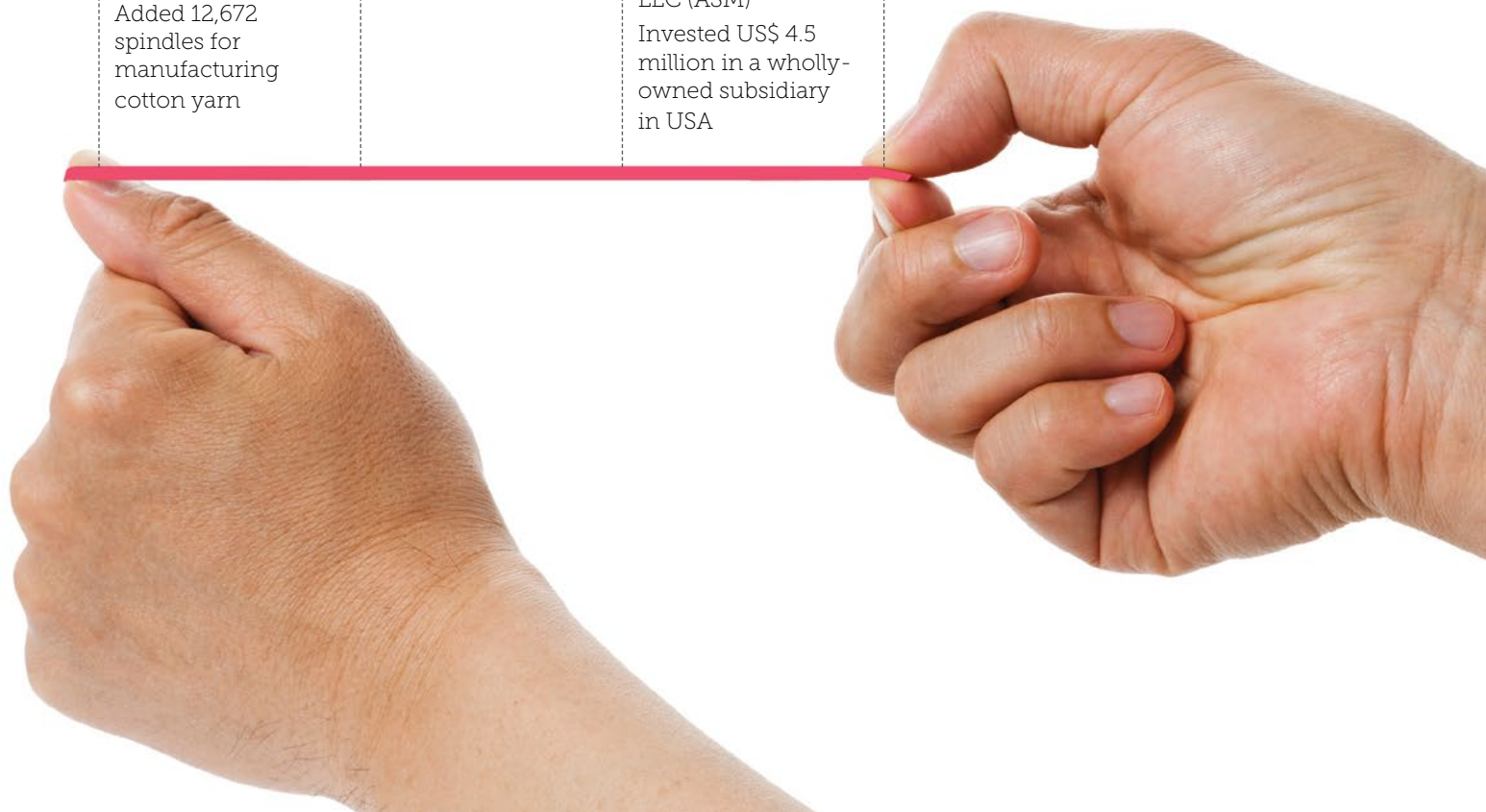
2017-19

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

Invested US\$ 4.5 million in a wholly-owned subsidiary in USA

2020-21

Integration into green fibre manufacture



Resilience and Agility at Sutlej are not just words...

They represent the spirit of a transforming Company

"At Sutlej, the usual is boring."

"Give us a project that is challenging"

"If it is a new idea then it is welcome!"

"We will create products that are innovative"

"Our focus is quality and environment responsibility; and not just quantity"

"There is only one benchmark that we follow: The best in the world"

"Just tell someone at Sutlej that it cannot be done... and see what reaction it evokes"