sutlej
textiles and industries limited

SUTLEJ TEXTILES AND INDUSTRIES LIMITED
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13th May, 2025

BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001. **Scrip Code: 532782**	**National Stock Exchange of India Ltd.** Exchange Plaza, 5th Floor, Plot No. C/1, G-Block, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051. **Scrip Code: SUTLEJTEX**

Dear Sirs / Madam,

Subject: Transcript of Q4 & FY25 Earnings Conference Call

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 and year ended 31st March, 2025 which was held on Friday, 09th May, 2025. The same is also available on the website of the Company i.e. www.sutlejtextiles.com.

The conference call held on 09th May, 2025, as per the Transcript enclosed incorporates mainly the highlights of financial results upto 31st March, 2025, 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.

Yours faithfully
For **Sutlej Textiles and Industries Limited**

MANOJ VINOD CONTRACTOR
Digitally signed by MANOJ VINOD CONTRACTOR
Date: 2025.05.13 17:22:09 +05'30'

Manoj Contractor
Company Secretary and Compliance Officer

"Sutlej Textiles and Industries Limited Q4 & FY'25 Earnings Conference Call"

May 09, 2025

MANAGEMENT: **MR. ASHISH KUMAR - CHIEF EXECUTIVE OFFICER & WHOLE-TIME DIRECTOR, SUTLEJ TEXTILES AND INDUSTRIES LIMITED**
MR. RAJIB MUKHOPADHYAY - CHIEF FINANCIAL OFFICER, SUTLEJ TEXTILES AND INDUSTRIES LIMITED
MR. RANJAN CHAUDHARY - CHIEF OPERATING OFFICER, SUTLEJ TEXTILES AND INDUSTRIES LIMITED

Moderator: Ladies and gentlemen, good day and welcome to Q4 & FY'25 Earnings Conference Call for Sutlej Textiles and Industries Limited.

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 this conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

This call may contain some of the forward-looking statements that are completely based upon company's beliefs, opinions, and expectations as of today. These statements are not guarantee of future performance and may involve unforeseen risk and uncertainties. The company also undertakes no obligation to update any forward-looking statements to reflect development that occur after the statement is made.

I now hand the conference over to Mr. Rajib Mukhopadhyay – Chief Financial Officer. Thank you and over to you, sir.

Rajib Mukhopadhyay: Thank you. Good evening everyone and welcome to the earning conference call of Sutlej Textiles and Industries Limited for the 4th Quarter and year ended 31st March 2025. I am the Chief Financial Officer at Sutlej Textiles and Industries Limited.

With me on the call today is our new Chief Executive Officer and Whole-Time Director, Mr. Ashish Kumar along with Mr. Ranjan Chaudhary – Chief Operating Officer and Stellar IR Advisors, our Investor Relationship team. We have already uploaded the Investor Presentation and I hope everyone has had an opportunity to go through the same.

Let me start the call by giving you the Financial Highlights of the quarter, after which our CEO will update you on the business as well as the industry highlights.

Let me begin by acknowledging that the broader global and geopolitical context continues to shape the business environment, especially the textile industry. While uncertainty remains high, there are some signs for India that could support long-term growth in textiles and manufacturing. For now, we are maintaining a cautious 'wait and watch' approach.

Coming to our performance in Q4: This quarter has been better than the corresponding quarter of last year, reflecting the execution of strategic initiatives undertaken throughout the year. Our focus on reducing operational costs and improving efficiencies has helped our EBITDA for the year FY2025 to Rs. 65 crores from minus Rs. 13 crores witnessed in FY'24.

For Q4, our consolidated total income came in at Rs. 686 crores, which was higher by 3% on a year-on-year basis. Gross margin is at 42%. EBITDA for the quarter stood at Rs. 16 crores as against Rs. 13 crores in Q4 FY24. PAT was reported minus Rs. 13 crores against a loss of Rs. 26 crores in Q4'24.

For the full year FY'25, our consolidated total income came in at Rs. 2,699 crores as compared to Rs. 2,727 crores in the corresponding year. Gross margin improved by over 12% to Rs. 1149 crores. PAT was reported at minus INR 68 crores against minus Rs. 136 crores in FY'24.

We are continuously working on the cost optimization and strengthening the balance sheet. Our debt equity ratio remains consistently below 1. Currently, it is at 0.97. These ongoing efforts are aligned with our long-term strategic vision. And we believe their impact will become even more evident in the coming quarters.

With that, I now request Ashishji to please take it forward with the business and industry updates.

Ashish Kumar: Thank you, Rajib, and good evening, everyone, once again. Thank you once again for joining us on today's earnings call for Sutlej Textiles and Industries Limited.

As the new Chief Executive Officer, I am grateful for the opportunity to lead this organization and work towards steady progress.

Let's start with the broader context: Global uncertainties and the recent escalations around the India Pakistan border continue to pose challenges. We are closely monitoring the situation and have contingency measures in place to ensure business continuity. We are also tracking the evolving global tariff situation, particularly in key markets like US, where potential changes could impact trade dynamics. While uncertainties remain, we are prepared to adapt as the situation evolves. Additionally, the earlier logistical disruptions have eased, stabilizing raw material flows and export timelines.

On the trade front, the recent India-UK free trade agreement offers potential opportunities for textile exports. Talks for an India-EU FTA are ongoing, which could further support India's role in global sourcing. We are also monitoring closely the US trade developments, where as of now, India appears relatively well positioned, though further clarity is needed. While global sourcing patterns are shifting, we are cautiously exploring ways to strengthen our supply chains and product offerings to the market.

From the global context point of view, the global textile cycle and apparel trade valued at about US $2.9 trillion in 2025 and is expected to grow to about USD 3.9 trillion by 2032. This is well supported by the government initiatives in India and we are currently looking at how do we make use of the facilities, which have been provided and extended to us.

Turning to our performance: Q4 FY'25 showed steady results reflecting efforts to refine our product mix earlier this year. This has contributed to improved gross margins compared to FY24.

Here is a brief look at our business verticals:

The yarn business, which is our largest segment, still faces ongoing global demand fluctuations. With apparel trends shifting towards casual wear, we are evaluating other textile segments while exploring modest opportunities in other segments of the textile world.

The home textiles, while this segment has performed well in quarter 4 of this year, and we have added new export customers. We are working to build on this cautiously, keeping in step with global design and sustainability expectations.

The fiber business, which is our poly-PET bottle conversion business, faced some supply chain and pricing challenges last year. However, we see this stabilizing from March onwards and we are working to ensure that we work at full capacity with almost 80% of our output being used internally for our yarn verticals.

Given the recent escalation in India-Pakistan tensions, we are adopting a highly cautious approach. We are prioritizing stability and closely monitoring developments to safeguard our supply chains and workforce. Our focus for FY'26 is to maintain operational resilience and pursue incremental improvements recognizing the uncertainties ahead. We are committed to delivering value for shareholders through disciplined execution.

Thank you for your support. I now request to open the floor for questions.

Moderator: Thank you very much. We will now begin the question and answer session. First question is from the line of Vikram Suryavanshi from PhillipCapital India. Please go ahead.

Vikram Suryavanshi: Hi, good evening sir. Just wanted to understand, I think there has been some restriction on trade between even India and Bangladesh also. So how do you see that playing out the market for particularly yarn segment in India? And second, with any opportunity what we can see the way we are seeing the FTA happening with the UK or something of whatever future FTA is coming up?

Ashish Kumar: Sure, so I think as you rightly pointed out, there are no restrictions, but I think there are some border, I mean movement restrictions which is posing some logistical challenges that the yarn cannot go through the regular land route. However, what we are doing is we had earlier also tried the sea option and we are working with our customers. So this basically elongates the lead time. But we are working with our customers to work in advance and mitigate this current challenge which is kind of being posed due to putting a restriction on land movement. As far as the FTA with UK is concerned, it's obviously a very welcome news for the entire textile industry. We are waiting for having some clarity on the entire mechanics, but this should definitely boost the trade between UK and India and give additional opportunities for the Indian textile industry.

Vikram Suryavanshi: Okay, got it. In terms of cotton, we have seen the significant fall in international cotton prices. In India, we have seen some correction but because of MSP, probably there is some limitation as well as the import duty. Is it impacting as spinning players or you see it's not a material impact on the overall profitability of spinning companies?

Ashish Kumar: As you rightly pointed out, yes, there is some price difference between let's say the international cotton pricing and India. However, the good thing is that there is stability in the pricing. Now with this stability, it helps us plan our markets, our product mix and it is definitely much better than what it used to be last year. So we see a) stability, this stability continuing even in this coming year; b) some price differential will remain, but I think with the stability in pricing, we will be able to kind of cover it through our product offerings.

Vikram Suryavanshi: Understood. And last question, would it be possible for you to share what would be our, say, buying price or end price for green fiber, typically for this bottles or basically whatever we import?

Ashish Kumar: So I think, you know, normally we don't discuss pricing or costing on these calls. But all I can say is that currently the bottles, this is a very unorganized sector. You don't have a regulated segment here and much of it depends upon the demand supply situation. So in summers, the price goes down because the availability of plastic bottles is higher. In the winters because the consumption of plastic bottles is little less, the price goes higher. It fluctuates.

Vikram Suryavanshi: Understood. But selling price will be in what range? Since we consume internally, it's not basically impacting us.

Ashish Kumar: No, sure. I think selling price is typically in the whatever the fresh virgin fiber is, this fiber comes at roughly a 5% to 8% discount to that.

Vikram Suryavanshi: Okay, got it. Thank you very much.

Moderator: Thank you. The next question is from the line of Aditya Sen from RoboCapital. Please go ahead.

Aditya Sen: Hi sir, thanks for the opportunity. So what is our blended capacity utilization as of FY'25?

Ashish Kumar: So sorry, Aditya, your question is how much is the capacity utilization? That's what you are asking, right?

Aditya Sen: For the full year FY'25

Ashish Kumar: So for the full year '25, our effective spindle utilization is close to about 90%, which is about 4% to 5% higher than the previous year.

Aditya Sen: And can you please throw some more light on how the demand is shaping or rather how it's shaped in Q4 and 2 months of Q1 FY'26?

Ashish Kumar: So, I mean, if you look at our product profile, we operate in three product segments as far as the yarn business is concerned. One is the cotton segment where we do 100% cotton and cotton blended. The second is the synthetic dyed segment and the third is obviously the grey segment of synthetic and cotton. So our specialty has always been the dyed fiber which is then spun into a melange yarn or the yarn dyed which we are kind of selling in. In those segments, I think there is reasonable strength and we are wanting to build on that. However, on the core synthetics which is grey, there obviously while there is a demand there is also a general shift from a spun synthetic to what you call as filament which comes out cheaper. So there are reasonable challenges.

Aditya Sen: Alright, so that was my question. Thank you.

Ashish Kumar: Thank you.

Moderator: Thank you. The next question is from the line of Kiran D from Table Tee Capital. Please go ahead.

Kiran D: I just wanted to check on the US business and generally what you're hearing from customers abroad. Given a lot of variability with many, many things, are you hearing customers cutting back on orders due to demand destruction? I am hearing prices in the US have gone up substantially for many, products, not just textiles, but across the product basket that the general consumer buys. So are you hearing of any demand destruction from US or the rest of the world market?

Ashish Kumar: So as of now, our demand, because you see, we operate in the yarn segment, which is just the upstream segment. And where the yarn get either converted into a product or it is further processed and then either to a fabric or direct to a garment and then the garment or the fabric converted into garment is what goes into the market. So as of now, our yarn business for US is currently looking stable on the product categories which we operate. But in general, your statement that yes, there is a little bit of cut down from the retailers, that seems to be true. What these retailers are actually doing is that they are working with the apparel companies to at least have some share in the base duty. So they are wanting to pass on some of that duty onto the converters or onto the apparel manufacturers. Because otherwise they will have to really increase because increasing further the retail price points in the US seems a little difficult. So they are looking at various ways and means to ensure that they maintain their margin. So I would say it's a very typical scenario where once we have more clarity, stability automatically will happen.

Kiran D: Got it, sir. So for now, the yarn piece is okay, stable and we're getting increasing business, but the end retailer is probably cutting on channel inventory and offering the fair cost.

Ashish Kumar: Yes, that is true.

Kiran D: Got it. Thank you, sir.

Moderator: Thank you. The next question is from the line of Dheeraj Thakur from Elara Capital. Please go ahead.

Dheeraj Thakur: Hello. Hi. Sir, I wanted to understand, do we have any current share in UK? And if yes, how big do you think and the opportunity of the FTA can be for the Sutlej? And do we have enough capacity to cater the upcoming demand?

Ashish Kumar: I think for the UK market, primarily we are targeting our home business, our home textile. We have some exposure there, but it is not very large. But the good part is that we were already in touch with a couple of retailers out there. And we think that in times to come, this business, at least the UK business, because the starting base is small, can very easily go 3x times for us in Sutlej home business.

Dheeraj Thakur: Okay, so currently how much share do you think we have like 1% or 2% or very negligible?

Ashish Kumar: No, so what I mean what we do in the export segment, you know, because what happens is that some of the retailers which we work are global retailers and they have presence worldwide. So we continue to ship to all destinations for their requirements. So of our export segment, I think we will be exposed to Europe in general around 6% to 7% and in UK maybe 50% of that.

Dheeraj Thakur: Okay, understood. So do you think we have enough capacity to cater the upcoming demand?

Ashish Kumar: So, in the home textiles, they are, let's say 2-3 pieces, one is the weaving capacity, the second is the processing capacity. Processing capacity, we definitely have quite large. As far as the weaving is concerned, and the yarn capacity also we have within our system. As far as the weaving is concerned, we could always look at leasing certain assets based on the market demand and make use of the last mile value addition in processing in-house and cater to the demand as it increases.

Dheeraj Thakur: So we have the processing capacity and for the weaving we could lease out?

Ashish Kumar: Yes, so because we already have yarns, we already have processing, the mid process of weaving we could easily lease out or do a contractual weaving and then bring it back. So capacities are elastic.

Dheeraj Thakur: I understood. Thank you.

Ashish Kumar: Thank you.

Moderator: Thank you. The next question is from the line of Himanshu Bisani from Pinpoint X Capital. Please go ahead.

Himanshu Bisani: Hello, sir. Thanks for the opportunity. Sir, I actually wanted to understand the outlook on current domestic demand and pricing scenario. What is our outlook on that?

Ashish Kumar: So in these segments we operate and you know this is true to all segments, in domestic there is there is always this pressure on the pricing because I think the formats which are doing pretty well in India are the hyper retail formats which offer value to the customers. So there is always pressure on the pricing because the demand is the maximum out in that segment.

Himanshu Bisani: Okay. And sir, continuing on that, so in our introduction, we have also mentioned that we are also looking at new segments to explore. So are you also looking that in terms of margins because we are operating at 90% and we are not throwing margin that we used to do earlier. So what are your thoughts on that?

Ashish Kumar: So I think, constantly upgrading our product mix, because most of our products currently go for apparel application. What we have done consciously and gradually is moving or adding other segments into our kitty. Like, know, there is, there's a whole carpet segment. There's an automotive segment. There are other segments and technical textiles. So we are currently incubating products which may have applications beyond apparel, which we think are going to drive value for us in times to come.

Himanshu Bisani: Understood sir, so we are diversifying from basic apparel business to different applications.

Ashish Kumar: Yes.

Himanshu Bisani: So what would be our gestation period or what we can say is when it could come into numbers or what is that basically kind of seeing it significantly into our topline?

Ashish Kumar: So I think typically what happens, transitions depending on the product category we are, takes anything between 6 to 9 months because in certain technical products, there is also this element of certification, because the products have to be certified and the whole certifying process itself is anything between 6 months to a year. But quick wins here will be moving into segments which are lateral, but can give us higher realization, like moving into the carpet industry, which can happen in 3 to 6 months. Putting in new products like what we have worked around and we are currently working like, looking Australian product which is similar to a cotton product but behaves like wool and can have different applications, putting in a little bit of acrylics into our entire mix and catering or kind of coming up with a newer product for even the apparel segment, but in a different category. So those are the things which are kind of in the pipeline which we are currently baking and it's a journey, right? I mean, we have already started on that path. We will continue to work on this and possibly based on what the market receptivity is, decide on the final product mix.

Himanshu Bisani: Understood sir, so last lastly are we looking to add, have significant CAPEX for this thing and what are we looking at margins after we begin on the journey?

Ashish Kumar: So I think, let me answer this in two parts. Whatever CAPEX which we are doing, so basically the spinning process more or less remains the same. What we are putting our CAPEX is more to ensure we remain competitive in terms of upgrading our infrastructure and moving into machines which are required to deliver the products as per the market requirements. So, while the capex is more to remain more cost competitive, the nature of acceptance or the acceptance of these products will define how we amplify our journey towards that.

Himanshu Bisani: Understood, sir. Thank you so much and good luck.

Ashish Kumar: Thank you.

Moderator: Thank you. The next question is from the line of Avnish Burman from Vaikarya. Please go ahead.

Avnish Burman: Hi, good evening. I just have two questions on your exports and specifically exports to the US. The product that you're exporting, is that subject to a 10% tariff as of now? Is the understanding correct?

Ashish Kumar: That's right. So, there are two ways our products get exported. One is obviously the direct yarn which kind of goes in there and the other is finally the conversion of yarn into a fabric and then conversion into a garment which attracts a particular base duty.

Avnish Burman: Okay, so the I mean after Trump's liberation day the incremental tariff is on which of these two products, I mean the incremental 10% tariff.

Ashish Kumar: So incremental is on all categories as of now because that's the base which has been put in but I mean we are hopeful that as the bilateral kind of comes into picture. we will see where we stand.

Avnish Burman: So as on now as the products are getting shipped who's bearing that 10% extra tariff?

Ashish Kumar: So I think that's what, okay, my earlier response was that, we are looking at, I mean, it is a question of negotiation. Now, in the end apparel segment, they have kind of agreed for a 50-50 with the converters or the exporters. In our case, since the value addition is in any case nominal, anything between 15%-20% coming to us and balance being borne by them or as the case may be depending on what the requirements are, it's in that range.

Avnish Burman: So fair to assume that if there is let's say a tariff brunt to be borne, the consumers are not taking the entire thing. I mean, the decision has been taken by the industry to kind of absorb it in the supply chain.

Ashish Kumar: So while obviously we are pushing it back, but what happens is that, looking at the evolving scenario, we all need to, depending on the product category, depending upon the margin you have on the product, depending on the retailer to whom you are servicing, depending on the long-term relationship which you have. we all, I mean the industry has to take a little long-term view on how to approach this.

Avnish Burman: Yes, understood. My second question is on, nobody really knows how this tariff thing will settle. But let's say India lands up in a better spot as compared to China, Vietnam or Bangladesh. In that case, do you see a possibility of market share shifting between the countries like either from China to India or Bangladesh to India or Vietnam to India, for the US?

Ashish Kumar: For sure. So I think there are two things. Most of the retailers today are realizing and it is not that it has come because of this duty or the tariff trade or tariff war which has just happened, they all have realized that they need to also have a geography mitigation strategy. So as of now, if you see the share of apparel as far as India is concerned with compared to Bangladesh, China is obviously a giant out there, Vietnam and others is relatively less. So there is obviously a lot of upside which could come to India in the apparel trade for US and also for UK as we kind of move forward. And this is not necessarily a result of the tariff war, but also because brands want to have a secure supply chain and they have to have a business continuity mechanism in place. So short answer, India is poised to grow. We are in the right position. We are in the right place. India is mostly cotton upwards, on the garmenting side. The bigger challenge or the bigger opportunity, let's say, for India is to also look at non-cotton fabric processing and non-cotton setting up fiber in India which can be processed and then the segments of active wear, segments of protective textiles, segments of auto industry applications will become more available for the country.

Avnish Burman: Understood. Thank you so much. This was very clear.

Ashish Kumar: Thank you.

Moderator: Thank you. The next question is from the line of Moksh Ranka from Aurum Capital. Please go ahead.

Moksh Ranka: Hello. I am relatively new to this company. So pardon me if I ask a question which is not relevant. So I look at the balance sheet of your company and I think it's like a do or die situation for the next few years, considering a lot of debt in our balance sheet and according to your comment, I think domestic market is at a lot of pricing pressure. So export is going to be a key driver for us. So what exactly is going to be a trigger for us to maybe deliver on at least some numbers, so that we can at least satisfy our debt or something like that?

Ashish Kumar: So I think, Rajib, your question is that we have a larger debt on our balance sheet, is that what you're saying?

Moksh Ranka: Yes.

Rajib Mukhopadhyay: So larger is a very kind of a general word, mean, relative also. So I don't feel, in books, we have a term loan of Rs. 450 crores and working capital is at Rs. 418 crores. So I don't see that to be a kind of a very abnormally high or abnormally low. It is exactly the way it should have been. Working capital for debtors plus inventory and creditors, if you do. Net working capital is exactly in the same level of the loan level. So I don't see that to be kind of, that is a high debt organization.

Ashish Kumar: Okay. So I think there are two things, in a textile company, normally, I mean, these kinds of debt levels are considered good, but let me answer your second question which is more related to what is that we are doing to ensure, we kind of come out of woods and maintain and excel in this entire piece. So as I said, the focus is on a couple of things, upgrading our product mix. We were very focused on the apparel segment till now. We are trying to see what other segments we can service. That's one lever which we have identified. The second lever which we have kind of identified and are working on is how do we expand our home textile business which actually gives us, because it's a full product which is kind of coming in. The third is we are evaluating what are the newer things or areas where we can kind of go into where we really utilize our full potential of what we currently produce. So through a combination of these initiatives, I think we should definitely be moving in a desired direction, provided the global uncertainties remain calibrated.

Moksh Ranka: Okay, and one more question was, I have seen that most Indian textile companies are quite struggling geopolitically as compared to other countries like Bangladesh, China, which are quite dominant in textiles actually. So could you just give me some color exactly what are some issues we face and our cost competitiveness versus them?

Ashish Kumar: No, so I think, China is a different ball game. China still has a very high labor cost, but is still able to supply or be having a lion market share in textile space because of their product innovation. And they are not limited to the cotton supply chain, they are doing a lot of specialty products, which is going into the market and hence their market share. Bangladesh works on a different principle. They are basically a midstream textile activity, which is mostly focused on garmenting. So they don't have high CAPEX, as high CAPEX as what the textile companies have but still convert the textiles which they import from either India or anywhere around the world into garments and because of relatively low cost of labor they are competitive. India has inherent advantages on the cotton supply chain because the entire integrated supply chain is out here and more and more retailers are moving into flexibility, lead time crashing and all that particular value-added services which the Indian exporters can currently service. What needs to be seen is how India grabs the opportunity which comes to it, which is coming their way because of a China plus one strategy or let's say relative advantage which India will have with respect to the UK FTA or possibly in the US FTA which is where we will see the real colors after let's say two months from now.

Moksh Ranka: Thank you. That was quite helpful.

Moderator: Thank you, The next question is from the line of Hari Kumar S, an Individual Investor. Please go ahead.

Hari Kumar S.: Thank you for the opportunity, sir. My two questions are, how are the yarn spreads going through this year? And the second question is, when are we going to reach our historical margins of 11% to 13% going ahead, sir? Those are my two questions. Thank you.

Ashish Kumar: Sorry, what was your second question? Understood, but what was the first question?

Hari Kumar S.: Our historical margins were 11% to 13%, like when are we going to reach that level again, sir?

Ashish Kumar: Yes, that's the second question. What was the first question?

Hari Kumar S.: Yarn spread.

Ashish Kumar: Yarn spread? You see, what has happened is that there are certain fundamental shifts which have happened in the market space. So yes, we used to have that 11%, 12% gain, but there are certain fundamental shifts which have happened in the market space. Like, you know, the consumption patterns have changed. What we are now doing and what we have been working for the last few months and few quarters is how do we align and how do we change ourselves to meet the requirements of the evolving market there. So there we are changing our product mix. We are working on upgrading our off-product offerings. We would like to move from commodity yarn business to more value-added yarn business. And while ideally all of us would like to achieve the target which you are setting for us as quickly as possible, I think it's a journey which we will have to take it together. But we are confident that with the right team and also with what we have seen in the past few quarters, it's a journey. And from where we are, for now it looks a little far, I think the efforts will slowly but surely bear fruit soon.

Hari Kumar S.: Okay. About the yarn spread, sir.

Ashish Kumar: So the yarn spread, you said, right? Yarn spread means basically the kind of product mix which we have, right? Is that the question?

Hari Kumar S.: Yes, it's question to a yarn spread.

Ashish Kumar: So, we operate in three segments, right? One is the dyed yarn business, which is primarily cotton or cotton blends. The other is what we call as the synthetics dyed and the third one is the plain core polyester or core spun cotton. So obviously what we have realized is that the core spun and core polyester these are basically what we call as the drag products and we have clearly taken a decision that we want to reduce our exposure to the drag products and we want to focus on the hero products which currently are in the category of cotton dyed and cotton mélange but also work on new blends like aramids or acrylics and create new product heroes for us which can be the contribution driver as we move forward.

Hari Kumar S.: Thank you.

Ashish Kumar: Thank you so much.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.

Rajib Mukhopadhyay: Yes, thanks to everybody for your time and I am sure this update whatever we have tried to give you should help you to understand the company's performance and also the future prospects. Thank you very much.

Moderator: Thank you. On behalf of Sutlej Textiles and Industries Limited that concludes this conference. Thank you for joining us and you may now disconnect your line.