

**Press Release**

**Q1 FY15 Results**  
**Revenue at Rs. 492.06 crore, Up 11.1%**  
**EBITDA expands to Rs. 68.89 crore, Up 4.6%**  
**Net Profit improves to Rs. 35.74 crore, Up 26.8%**

**Mumbai, August 8, 2014:** Sutlej Textiles and Industries Ltd (STIL), a leading manufacturer of value added synthetic, cotton mélange yarns, fabrics & home textiles, has announced its results for the quarter ended 30th June 2014.

**Financial highlights:**

Particulars	(Rs. in crore)		
	Q1 FY15	Q1 FY14	% change wrt Q1 FY14
Revenue	492.06	442.96	11.1
EBITDA	68.89	65.86	4.6
Depreciation	15.01	16.98	(11.6)
EBIT	53.88	48.88	10.2
Interest	13.48	15.45	(12.8)
PBT	40.40	33.43	20.8
Tax	4.66	5.24	(11.1)
PAT	35.74	28.19	26.8
Diluted EPS (Rs.)	21.82	17.21	26.8

Revenue of the Company expanded to Rs. 492.06 crore during the quarter as against Rs. 442.96 crore generated during corresponding period previous year, an increase of 11.1% on account of improved realisations and better product mix. EBITDA for the period under review stood up by 4.6% at Rs. 68.89 crore as against Rs. 65.86 crore registered during the same period last year. PAT for Q1 FY 15 surged by 26.8% to Rs. 35.74 crore as against Rs. 28.19 crore during Q1 FY 14.

**Commenting on the results, Mr. C.S. Nopany, Chairman, Sutlej Textiles and Industries Ltd said "The Company's concerted efforts of focusing on specialty yarn products facilitated in maintaining growth momentum even during challenging time as demonstrated by our performance.**

*Further, while our attempts towards embedding a rigorous & business wide cost discipline benefits in making optimal utilisation of resources, our strong & innovative in- house R&D assists in widening our product mix thereby accentuating our ability in mitigating the cyclicity impact on the business.*

*While the economy faces multiple headwinds at present, primarily pertinent to sub-normal monsoon, we are optimistic that the commissioning of additional value added cotton mélange yarn spindles and modernization of existing capacities will aid in further consolidation of our position in the industry and enable us to deliver healthy financial performance going forward."*

## Key Developments

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### Rating agencies upgrades credit rating of bank facilities of STIL:

Credit Analysis and Research Ltd. (CARE), upgrades credit rating of bank facilities of STIL as under:

1. **CARE A+ (Single A+ Plus)** for long term Bank facilities (Term Loan) from CARE A- (Single A Minus) indicating adequate degree of safety regarding timely servicing of financial obligations and a low credit risk to these instruments
2. **CARE A1+ (A One Plus)** for short term bank facilities (Fund based and Non-Fund based) from Care A2+ (A Two Plus) indicating a very strong degree of safety regarding timely payment of financial obligations and carry lowest credit risk to these instruments

The upgrade in rating is reflective of the improved operational and financial performance of the Company

In addition, India Ratings & Research (IND-Ra), a Fitch Group Company has assigned a Long-Term Issuer Rating of '**IND A+**' with **stable outlook** – the rating is reflective of the Company's ability to withstand sectoral cyclicity.

The above ratings are reflective of STIL's leading position in the niche value added dyed yarn segment – synthetic and cotton mélange , a diversified product portfolio, strong financial profile and improving prospects of the sector.

### Update on Capacity Expansion and Modernisation Programme

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- Spinning capacity is being expanded by 30,672 spindles during the year; resulting in higher production of Cotton Mélange yarn, a value added product
- Company's expertise in managing projects will ensure scheduled completion of expansion project
- The Company has incurred approx. Rs. 116 crore till 30th June 2014 for the project
- In addition, the Company shall further invest an amount of approx. Rs 80 crore in FY 2015 towards technology up-gradation and debottlenecking, etc which shall lead to increase in efficiency and cost reduction

## About Sutlej Textiles and Industries Ltd (STIL):

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Sutlej Textiles and Industries Ltd (STIL) (part of S&P BSE SMALL CAP Index) was incorporated in 2005 out of a corporate restructuring exercise wherein the textile divisions of Sutlej Industries Ltd and Damanganga Processors Ltd were demerged to create a single cohesive Company. STIL an ISO 9001:2008 certified is India's largest Dyed Yarn manufacturer and a leading player in value added yarn segment. The Company is focused on value added yarns namely – Dyed Yarn, Cotton Mélange yarn, Modal yarn, Tencel yarn, Bamboo yarn etc., and has a presence across value chain – Yarns, Fabrics and Home Textile. STIL by means of its versatile and vertically integrated facilities from spinning and weaving to dyeing and finishing and making of home textile furnishing enables it to excel in all stages of textile productions.

STIL has also been recipient of numerous prestigious awards recent one are **Niryat Shree – Gold trophy** award for its Export performance in 2009-10 (up 77% over the preceding financial year); **Gold trophy by SRTEPC** for Best performance for export of fabrics to focused Latin American countries in 2011-12 and **Silver trophy by SRTEPC** for second best export performance in spun yarn category in 2011-12.

STIL, by virtue of its presence across globe exports to 60 countries and presence across Australia, Argentina, Bangladesh, Brazil, Canada, China, Egypt, Germany, Greece, Hong Kong, Morocco, Pakistan, Panama, Philippines, Poland, Portugal, Sri Lanka, Turkey, United States of America, the United Arab Emirates (UAE), The United Kingdom and Vietnam, among others.

### For further information, please contact:

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### Disclaimer:

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other risk factors, viewers of this presentation are cautioned not to place undue reliance on these forward looking statements. Sutlej Textiles and Industries Ltd will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

## Media Release

### UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2014

(Rs. in lacs except per share data)

Sr. No.	Particulars	Quarter Ended			Year Ended
		30 Jun'14 (Unaudited)	31 Mar'14 (Audited)	30 Jun'13 (unaudited)	31 Mar'14 (Audited)
1	Income from Operations				
(a)	Net Sales/ Income from Operations (Net of excise duty)	46,991	47,033	43,820	184,841
(b)	Other Operating Income	2,215	1,154	476	3,221
	<b>Total income from Operations (net)</b>	<b>49,206</b>	<b>48,187</b>	<b>44,296</b>	<b>188,062</b>
2	Expenses				
a)	Cost of materials consumed	27,463	25,127	22,814	100,283
b)	Purchases of stock-in-trade	3,363	4,337	2,868	16,040
c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	268	1,110	1,560	(1,451)
d)	Employee benefits expense	4,133	4,013	3,679	15,801
e)	Depreciation, impairment and amortisation expenses	1,501	2,350	1,698	7,519
f)	Other expenses	8,272	7,603	7,594	30,732
	<b>Total expenses</b>	<b>45,000</b>	<b>44,540</b>	<b>40,213</b>	<b>168,924</b>
3	<b>Profit from operations before other income, finance costs and exceptional items</b>	<b>4,206</b>	<b>3,647</b>	<b>4,083</b>	<b>19,138</b>
4	Other Income	1,182	956	805	3,905
5	<b>Profit from ordinary activities before finance costs and exceptional items</b>	<b>5,388</b>	<b>4,603</b>	<b>4,888</b>	<b>23,043</b>
6	Finance costs	1,348	1,428	1,545	5,807
7	<b>Profit from ordinary activities after finance costs but before exceptional items</b>	<b>4,040</b>	<b>3,175</b>	<b>3,343</b>	<b>17,236</b>
8	Exceptional items	-	64	-	64
9	<b>Profit from Ordinary activities before tax</b>	<b>4,040</b>	<b>3,111</b>	<b>3,343</b>	<b>17,172</b>
10	Tax Expenses	466	1,046	524	4,034
11	<b>Net Profit for the period</b>	<b>3,574</b>	<b>2,065</b>	<b>2,819</b>	<b>13,138</b>
12	Paid-up equity share capital, Equity Shares of Rs.10/- each	1,638 #	1,638 #	1,638#	1,638 #
13	Reserves excluding Revaluation Reserves				44,610
14	<b>Earnings Per Share (Not annualized) (Rs.) #</b>				
	- Cash	29.64	26.22	26.77	124.18
	- Basic and diluted	21.82	12.60	17.21	80.19
A	<b>PARTICULARS OF SHAREHOLDING</b>	#	#	#	#
1	<b>Public shareholding :</b>				
	- No. of Shares	5,926,011	5,926,011	5,926,011	5,926,011
	- Percentage of Shareholding (%)	36.17	36.17	36.17	36.17
2	<b>Promoters and promoter group shareholding:</b>				
(a)	<b>Pledged/Encumbered</b>				
	- Number of shares	2,175,000	2,925,000	2,925,000	2,925,000
	- Percentage of shares (as a % of the total shareholding of Promoters and Promoter group)	20.80	27.97	27.97	27.97
	- Percentage of shares (as a % of the total share capital of the Company)	13.28	17.85	17.85	17.85
(b)	<b>Non-encumbered</b>				
	- Number of Shares	8,281,851	7,531,851	7,531,851	7,531,851
	- Percentage of Shares (as a % of the total shareholding of promoters and promoter group)	79.20	72.03	72.03	72.03
	- Percentage of shares (as a % of the total share capital of the company)	50.55	45.98	45.98	45.98

# After giving effect of Bonus Shares (Refer Note No.1)

**SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED**

( Rs. in lacs)

Sr. No.	Particulars	Quarter Ended			Year Ended
		30 Jun'14 (Unaudited)	31 Mar'14 (Audited)	30 Jun'13 (unaudited)	31 Mar'14 (Audited)
1	Segment Revenue :				
	(a) Yarn	46,552	45,859	42,322	178,913
	(b) Fabrics	3,087	3,031	2,644	11,588
	Total	49,639	48,890	44,966	190,501
	Less: Inter Segment Revenue	433	703	670	2,439
	Total Income from Operations (net)	49,206	48,187	44,296	188,062
2	Segment Result :				
	Profit/(Loss) before Tax, Finance Costs and Exceptional items from each segment				
	(a) Yarn	4,996	4,874	4,524	21,747
	(b) Fabrics	79	(888)	(199)	(1,112)
	Total	5,075	3,986	4,325	20,635
	Less : Finance costs	1,348	1,428	1,545	5,807
	Exceptional items	-	64	-	64
	Add : Other un-allocable income net of un-allocable expenditure #	313	617	563	2,408
	Profit before tax	4,040	3,111	3,343	17,172
3	Capital Employed :				
	(Segment assets - Segment liabilities)				
	(a) Yarn	101,389	97,352	81,603	97,352
	(b) Fabrics	10,766	11,396	12,265	11,396
	Add: Un-allocated Corporate Assets/ ( Liabilities ) (net)	5,083	1,299	11,584	1,299
	Total Capital Employed	117,238	110,047	105,452	110,047

# Results of the other segment have not been shown separately as the same is not material.

Notes :

1. Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting period commencing from 1st April, 2014, the Company has re-worked depreciation with reference to the economic useful life of its fixed assets as prescribed by Schedule II of the Act or re-assessed by the Company and consequently, the depreciation for the quarter ended June 30, 2014 is lower by Rs. 54 lakhs.
2. During the quarter, some stocks of finished goods in a godown were totally gutted by fire. In a separate incident, there was damage to some factory buildings and machinery (the assets) due to a severe hailstorm. The Company has filed claims for the above damages with the Insurance Companies. To reflect true and fair results for the quarter, the Company has accounted for part of the insurance claims of Rs.991 lakhs towards cost of stocks damaged by fire and expenses incurred for replacement of the damaged assets, instead of accounting on receipt basis as per earlier policy. The balance amount of insurance claim will be accounted for as and when received. The Management is hopeful of recovery of the entire insurance claim amount.
3. The figures of the previous period/year have been re-grouped/re-arranged and/or recast, wherever found necessary.
4. The above results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on August 7 and August 8, 2014. The statutory auditors have carried out a limited review of the above financial results.

By Order of the Board  
**For SUTLEJ TEXTILES AND INDUSTRIES LIMITED**

Place: New Delhi  
Date: 08.08.2014

**(Dilip Ghorawat)**  
**Whole -Time Director & Chief Financial Officer**