

Press Release

9M FY 2015 Results
Revenue stood at Rs. 1,410.07 crore
EBITDA of Rs. 203.76 crore
Net Profit at Rs. 88.04 crore

Mumbai, February 6, 2015: Sutlej Textiles and Industries Ltd (STIL), a leading manufacturer of value added dyed yarns (synthetic & cotton mélange) and home textiles, has announced its results for the quarter and nine months ended 31st December 2014.

Q3 FY 2015 performance overview compared with Q3 FY 2014

- Revenue decreased to Rs. 459 crore from Rs. 464 crore
- EBITDA stood at Rs. 67 crore compared to Rs. 86 crore
- Net profit decreased to Rs. 22 crore from Rs. 40 crore
- EPS amounted to Rs. 13.32 as compared to Rs. 24.35

9M FY 2015 performance overview compared with 9M FY 2014

- Revenue increased to Rs. 1,410 crore from Rs. 1,399 crore
- EBITDA stood at Rs. 204 crore compared to Rs. 236 crore
- Net profit decreased to Rs. 88 crore from Rs. 111 crore
- EPS amounted to Rs. 53.74 as compared to Rs. 67.59

Commenting on the results, Mr. C.S. Nopany, Chairman, Sutlej Textiles and Industries Ltd said *“Our focus in the value added dyed yarn segment has enabled us to maintain business momentum despite the severe challenges being faced by the Textile Industry. In addition, renewed focus on increasing presence in Home Textile segment should help improve our product mix going ahead.*

Despite some near-term headwinds, we believe that our efforts towards optimizing utilization levels, adherence to stringent cost discipline along with continuing strategic initiatives should help us deliver sustainable growth going forward.”

Key Developments

Capacity Expansion and Modernization Programme

- Commenced commercial production of Value Added Cotton Mélange and Cotton Blended Dyed Yarn from its additional 31,104 spindles at its unit - Chenab Textile Mills, Kathua (J&K) w.e.f. 1st November 2014.
- Total yarn spinning capacity stands at 293,544 spindles, of which ~96,000 spindles are utilized to manufacture Cotton Mélange and Cotton Blended Dyed Yarn.
- Onset of operations from this additional capacity will result in improving the proportion of high margin niche Cotton Mélange and Cotton Blended Dyed Yarn product in the overall product mix.
- Further, the Company has invested ~Rs. 55 crore as on December 31, 2014 out of Rs. 80 crore earmarked for FY 2015 towards technology up-gradation and debottlenecking, etc. which shall lead to increase in efficiency and cost reduction.

Augmenting Home Textiles Division

- Expanding operations in Home Textiles division at one of the Company's units viz, Damanganga Home Textiles, Daheli, Bhilad, Gujarat. Post completion, the capacities in its existing facility will increase to 9.6 million metres p.a from 2.5 million metres p.a. at present.
- Project cost - Rs. 88.50 crore.
- Work on the project is progressing as per schedule; expect to be complete by FY 2016.
- Increased presence in Home Textile segment will result in further strengthening of Company's end to end operations – Yarn to Home Textile.

Commercial Paper

- Post successful repayment, the Company re-issued Commercial Paper (CP) of the same quantum amounting to Rs. 60 crore at a reduced rate of interest.
- The CP carried a rating of CARE A1+ by Credit Analysis & Research Limited (CARE) – indicative of strong degree of safety regarding timely payment of financial obligations. Instruments with this rating are considered to carry lowest credit risk.
- The issuances of CP will enable the Company to lower interest outgo.

Award for Export Performance

- The Company was felicitated with the esteemed **“Niryat Shree”** award by Hon'ble President of India on December 01, 2014 at Vigyan Bhawan, New Delhi for achieving 71% growth in exports in FY 2010-11 over 77% exports in FY 2009-10.
- The Company was also presented the prestigious **“SRTEPC”** award by Shri Santosh Kumar Gangwar, Hon'ble Minister of State for Textiles (Independent Charge) on December 09, 2014 in Mumbai for second highest exports of Spun yarn for the year 2013-14.

About Sutlej Textiles and Industries Ltd (STIL)

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, Tencil yarn, Bamboo yarn, Linen blended yarn etc., and has a presence across the value chain.

STIL has also been recipient of numerous prestigious awards like Niryat Shree – Gold trophy award for its Export performance in spun yarn; Gold trophy by SRTEPC for best performance for export of fabrics to focused Latin American countries and Silver trophy by SRTEPC for Second best export performance in spun yarn category.

STIL, by virtue of its presence across globe exports to 60 countries and have 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.

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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.

SUTLEJ TEXTILES AND INDUSTRIES LIMITED

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UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST DECEMBER, 2014

PART I		(Rs. in lacs)					
Sr. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for current period ended	Year to date figures for previous period ended	Previous accounting year ended
		31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income from Operations						
(a)	Net Sales/ Income from Operations (Net of excise duty)	44898	44931	45454	136820	137808	184841
(b)	Other Operating Income	1000	972	927	4187	2067	3221
	Total income from Operations (net)	45898	45903	46381	141007	139875	188062
2	Expenses						
a)	Cost of materials consumed	25190	26651	26183	79304	75156	100283
b)	Purchases of stock-in-trade	1830	2034	5234	7227	11703	16040
c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	440	(964)	(3921)	(256)	(2561)	(1451)
d)	Employee benefits expense	4391	4401	4179	12925	11788	15801
e)	Depreciation, impairment and amortisation expenses	1790	1639	1754	4930	5169	7519
f)	Other expenses	8325	7825	7323	24422	23129	30732
	Total expenses	41966	41586	40752	128552	124384	168924
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	3932	4317	5629	12455	15491	19138
4	Other Income	949	860	1251	2991	2949	3905
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items(3+4)	4881	5177	6880	15446	18440	23043
6	Finance costs	1380	1200	1352	3928	4379	5807
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items(5-6)	3501	3977	5528	11518	14061	17236
8	Exceptional items	-	-	-	-	-	64
9	Profit/(Loss) from Ordinary Activities before tax (7-8)	3501	3977	5528	11518	14061	17172
10	Tax Expenses						
	-Current	735	888	1131	2420	2846	3589
	-MAT credit (Entitlement)/ Utilised	70	5	323	(37)	335	766
	-Earlier Years	-	(2)	-	(2)	-	(8)
	-Deferred (net)	514	38	84	333	(193)	(313)
11	Net Profit/(Loss) from Ordinary Activities after tax (9-10)	2182	3048	3990	8804	11073	13138
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-
13	Net Profit/(Loss) for the period (11-12)	2182	3048	3990	8804	11073	13138
14	Paid-up equity share capital (Face value of Rs.10 per share)	1638	1638	1638	1638	1638	1638
15	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year						44610
16	Earnings Per Share (Not annualised) (Rs.)						
	- Cash	27.81	28.87	37.55	85.64	100.01	128.85
	- Basic and diluted	13.32	18.60	24.35	53.74	67.59	80.19

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PART II							
Sr. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for current period ended	Year to date figures for previous period ended	Previous accounting year ended
		31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
A	PARTICULARS OF SHAREHOLDING						
1	Public shareholding :						
	- No. of Shares	5926011	5926011	5926011	5926011	5926011	5926011
	- Percentage of Shareholding	36.17	36.17	36.17	36.17	36.17	36.17
2	Promoters and promoter group shareholding:						
	(a) Pledged/Encumbered						
	- Number of shares	1275000	2175000	2925000	1275000	2925000	2925000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	12.19	20.80	27.97	12.19	27.97	27.97
	- Percentage of shares (as a % of the total share capital of the Company)	7.78	13.28	17.85	7.78	17.85	17.85
	(b) Non-encumbered						
	- Number of Shares	9181851	8281851	7531851	9181851	7531851	7531851
	- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	87.81	79.20	72.03	87.81	72.03	72.03
	- Percentage of shares (as a % of the total share capital of the Company)	56.05	50.55	45.98	56.05	45.98	45.98

	Particulars	3 months ended 31.12.2014
B	<u>INVESTOR COMPLAINTS :</u>	
	Pending at the beginning of the quarter	NIL
	Received during the quarter	7
	Disposed of during the quarter	7
	Remaining unresolved at the end of the quarter	NIL

SUTLEJ TEXTILES AND INDUSTRIES LIMITED

Regd. Office: Pachpahar Road, Bhawanimandi-326 502 (Rajasthan)

SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs. in lacs)

Sr. NO.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for current period	Year to date figures for previous period	Previous accounting year ended
		31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue :						
	(a) Yarn	43620	43328	44149	133500	133054	178913
	(b) Fabrics	2239	2855	2721	8181	8557	11588
	Total	45859	46183	46870	141681	141611	190501
	Less: Inter Segment Revenue	(39)	280	489	674	1736	2439
	Total Income from Operations (net)	45898	45903	46381	141007	139875	188062
2	Segment Result :						
	Profit/(Loss) before Tax, Finance costs and Exceptional items from each segment						
	(a) Yarn	4621	4847	6088	14464	16875	21747
	(b) Fabrics	(204)	(93)	(6)	(218)	(226)	(1112)
	Total	4417	4754	6082	14246	16649	20635
	Less : Finance costs	1380	1200	1352	3928	4379	5807
	Exceptional items	-	-	-	-	-	64
	Add : Other un-allocable income net of un-allocable expenditure #	464	423	798	1200	1791	2408
	Profit/(Loss) before tax	3501	3977	5528	11518	14061	17172
3	Capital Employed :						
	(Segment assets - Segment liabilities)						
	(a) Yarn	100516	102926	85727	100516	85727	97352
	(b) Fabrics	9309	10328	12375	9309	12375	11396
	Add: Un-allocated Corporate Assets/ (Liabilities) (net)	9128	6379	10658	9128	10658	1299
	Total	118953	119633	108760	118953	108760	110047

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

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Notes:

1. The Company has re-worked the depreciation with reference to the economic useful life of its fixed assets, based on technical advice in accordance with the provisions of Schedule II of the Companies Act, 2013. Consequently, there is no material impact in the depreciation for the quarter and nine months ended December 31, 2014.
2. During the first quarter of the financial year 2014-15, some stocks of finished goods in a godown were totally gutted by fire. In a separate incident, there was damage to some factory buildings & machinery and stocks due to a severe hailstorm. The Company has already filed claims for the above damages with the Insurance Companies. To reflect true and fair results for the quarter / nine months ended, the Company had accounted for part of the insurance claims of Rs.1119 lacs upto 30th September, 2014 and Rs.83 lacs during the current quarter, totaling to Rs.1202 lacs towards cost of finished goods 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 Company has commenced commercial production of its expansion project of 31,104 spindles from 1st November, 2014 to manufacture value added cotton mélange and cotton blended dyed yarn at its unit - Chenab Textile Mills, Kathua (J&K).
4. Previous period/year figures have been regrouped and rearranged wherever necessary.
5. 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 February 6, 2015. 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 : 06.02.2015

Dilip Ghorawat
Whole-time Director & CFO