

11th August, 2020

BSE Ltd. 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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Sub: Outcome of Board meeting

Dear Sirs,

The Board of Directors at their meeting held today i.e. 11th August, 2020, have *inter-alia*, considered and approved the Un-audited Financial Results (Standalone and Consolidated) of the Company for the quarter ended 30th June, 2020, along with the Limited Review Report (enclosed).

The meeting commenced at 12.00 noon and concluded at around 12.45 p.m.

The above results are also available on the Company's website at www.sutlejtextiles.com

You are requested to kindly take note of the above.

Thanking you

Yours faithfully

For **Sutlej Textiles and Industries Limited**



Manoj Contractor
Company Secretary and Compliance Officer



Encl: a/a

SUTLEJ TEXTILES AND INDUSTRIES LIMITED

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

Tel.: (07433) 222052/82/90 , Fax (07433) 222916, Email : hoffice@sutlejtextiles.com

WebSite: www.sutlejtextiles.com, CIN - L17124RJ2005PLC020927

Standalone Statement of Financial Results FOR THE QUARTER ENDED 30 JUNE 2020

		(Rs. in crores except except share data)			
Sr. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Previous accounting year ended
		30.06.2020	31.03.2020	30.06.2019	31.03.2020
		Unaudited	Audited (refer note 4)	Unaudited	Audited
1	Revenue from operations	188.02	528.92	648.64	2,379.43
	Other income	5.49	8.47	7.27	25.29
	Total income	193.51	537.39	655.91	2,404.72
2	Expenses				
	Cost of materials consumed	102.18	261.81	352.99	1,242.50
	Purchases of stock-in-trade	5.71	25.48	23.49	94.38
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	(2.51)	6.62	13.00	1.99
	Employee benefits expense	54.02	86.32	85.04	345.79
	Finance costs	11.72	10.94	13.06	44.94
	Depreciation and amortisation expenses	20.26	25.64	24.64	99.53
	Other expenses :				
	-Power and fuel	27.06	54.73	63.80	243.49
	-Others	26.62	76.51	66.78	273.08
	Total expenses	245.06	548.05	642.80	2,345.70
3	Profit/(loss) before exceptional items and tax	(51.55)	(10.66)	13.11	59.02
	Exceptional items (refer note 3)	-	4.36	-	4.36
4	Profit / (loss) before tax	(51.55)	(15.02)	13.11	54.66
	Tax expenses				
	Current tax	-	(1.99)	2.72	9.53
	Deferred tax	(17.12)	(2.85)	1.83	9.01
	Total	(17.12)	(4.84)	4.55	18.54
5	Profit/ (Loss) for the period (A)	(34.43)	(10.18)	8.56	36.12
	Other comprehensive income				
	Items that will not be reclassified to profit or loss				
	Remeasurement of defined benefit plans	0.33	1.08	0.09	1.34
	Tax adjustment on above	(0.11)	(0.36)	(0.03)	(0.45)
6	Total other comprehensive income for the period (B)	0.22	0.72	0.06	0.89
7	Total comprehensive income/(loss) for the period (A + B)	(34.21)	(9.46)	8.62	37.01
8	Paid-up equity share capital (Face value of Rs.1 per share)	16.38	16.38	16.38	16.38
9	Other equity				954.62
10	Earnings per equity share (Rs.)				
	- Basic and diluted	(2.10)	(0.62)	0.52	2.20



SUTLEJ TEXTILES AND INDUSTRIES LIMITED

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SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES

(Rs. in crores except except share data)

Sr. NO.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Previous accounting year ended
		30.06.2020	31.03.2020	30.06.2019	31.03.2020
		Unaudited	Audited (refer note 4)	Unaudited	Audited
1	Segment revenue :				
	(a) Yarn	184.28	506.71	618.89	2,265.55
	(b) Home textile	3.86	22.41	29.75	114.08
	Total	188.14	529.12	648.64	2,379.63
	Less: Inter segment revenue	0.12	0.20	-	0.20
	Revenue from operations	188.02	528.92	648.64	2,379.43
2	Segment result :				
	Profit/(Loss) before tax and finance costs from each segment				
	(a) Yarn	(28.33)	13.24	34.21	128.41
	(b) Home textile	(10.97)	(14.44)	(5.88)	(26.12)
	Total	(39.30)	(1.20)	28.33	102.29
	Less : Finance costs	11.72	10.94	13.06	44.94
	Exceptional items	-	4.36		4.36
	Add : Other un-allocable income net of un-allocable expenditure	(0.53)	1.48	(2.16)	1.67
	Profit/(loss) before tax	(51.55)	(15.02)	13.11	54.66
3	Segment assets:				
	(a) Yarn	1,776.11	1,872.66	1,787.81	1,872.66
	(b) Home textile	201.42	204.69	199.82	204.69
	Add: Un-allocable assets	40.22	40.17	60.28	40.17
	Total assets	2,017.75	2,117.52	2,047.91	2,117.52
4	Segment liabilities :				
	(a) Yarn	826.74	876.29	864.54	876.29
	(b) Home textile	89.55	97.36	97.01	97.36
	Add: Un-allocable liabilities	164.67	172.87	130.91	172.87
	Total liabilities	1,080.96	1,146.52	1,092.46	1,146.52



Notes:

1. The above unaudited standalone financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 10 August 2020 and 11 August 2020 and have been reviewed by the statutory auditors of the Company. These results have been prepared in accordance with Indian Accounting Standard ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with the relevant rules thereunder and in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
2. The outbreak of COVID-19 and resultant nationwide lockdown by the Government of India in the month of March 2020 lead to temporary shutdown of all the manufacturing facilities of the Company. Since then the Government of India has progressively relaxed lockdown conditions and has allowed the Industry to resume its operation in a phased manner.

As a result of lockdown during the quarter ended 30 June 2020, the Company's operations and financial results have been adversely affected. Therefore, results for current quarter are not comparable to previous corresponding period financial results. The revenue from operations and operating profit for the current quarter have significantly decreased. The decrease is primarily attributable to COVID -19 related market volatility during the current quarter. The Company made assessment of possible effect that may result from pandemic basis internal and external information available up to the date of approval of these results on the carrying amount of property, plant and equipment, Investments, Inventories, Accounts Receivables and reassessed the realizability of Minimum Alternative Tax credit as at 30 June, 2020. The Company does not anticipate any challenge in its ability to continue as a going concern or meeting its financial obligations. Management is confident that it will be able to utilise MAT Credit against future tax liability. The Company will continue to closely monitor any material changes in future economic conditions and its impact on the business of the Company.

3. Exceptional items amounting to Rs.4.36 crore for the quarter ended 31 March 2020 includes following in view of outbreak of COVID-19 and resultant lockdown by the Government:
 - a. Write down of finished goods to net realizable value amounting to Rs.3.32 crore due to sharp decline in raw material prices.
 - b. Marked to market loss (MTM) of forward contracts due to non-execution of export orders amounting to Rs.0.69 crore.
 - c. Interest and employee's costs capitalization for ongoing projects suspended due to lockdown amounting to Rs.0.35 crore.
4. The figures for the preceding 3 months ended 31 March 2020 as reported in the above standalone financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.



5. The review report of the statutory auditors is being filed with BSE Limited and National Stock Exchange of India Limited. For more details on unaudited financial results, visit investor relation section of our website www.sutlejtextiles.com and financial results at Corporate section of www.bseindia.com and www.nseindia.com.

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



A handwritten signature in blue ink, appearing to read "Bipeen Valame".

(Bipeen Valame)

Whole-time Director & CFO

Place: Mumbai
Date: 11 August 2020

B S R & Co. LLP

Chartered Accountants

Building No. 10, 8th Floor, Tower-B
DLF Cyber City, Phase-II
Gurugram – 122 002, India

Telephone: +91 124 7191000
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Limited review report on unaudited quarterly standalone financial results under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of **Sutlej Textiles and Industries Limited**

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Sutlej Textiles and Industries Limited ('the Company') for the quarter ended 30 June 2020 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Attention is drawn to the fact that the figures for the three months ended 31 March 2020 as reported in these standalone financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

B S R & Co. LLP

6. We draw attention to Note 2 to the standalone financial results, which describes the uncertainties, the Company is facing as a result of COVID-19 which is impacting business operations. Our opinion is not modified in respect of this matter.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Place: Gurugram
Date: 11 August 2020

Rajiv Goyal
Partner
Membership No. 094549
ICAI UDIN : 20094549AAAAFQ5830

SUTLEJ TEXTILES AND INDUSTRIES LIMITED

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

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WebSite: www.sutlejtextiles.com, CIN - L17124RJ2005PLC020927

Consolidated Statement of Financial Results

FOR THE QUARTER ENDED 30 JUNE 2020

		(Rs. in crores except share data)			
Sr. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Previous accounting year ended
		30.06.2020	31.03.2020	30.06.2019	31.03.2020
		Unaudited	Audited (refer note 5)	Unaudited	Audited
1	Revenue from operations	191.81	536.40	659.60	2,416.65
	Other income	5.49	8.48	7.29	25.37
	Total income	197.30	544.88	666.89	2,442.02
2	Expenses				
	Cost of materials consumed	102.63	260.53	355.36	1,252.09
	Purchases of stock-in-trade	7.92	29.99	29.96	112.65
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	(2.51)	5.82	12.00	(1.88)
	Employee benefits expense	56.65	91.33	87.11	356.44
	Finance costs	11.99	11.17	13.19	45.70
	Depreciation and amortisation expenses	20.68	26.36	24.92	101.10
	Other expenses :				
	-Power and fuel	27.06	54.73	63.80	243.49
	-Others	28.20	79.21	68.64	281.73
	Total expenses	252.62	559.14	654.98	2,391.32
3	Profit /(loss) before exceptional items and tax	(55.32)	(14.26)	11.91	50.70
	Exceptional items (refer note 4)	-	4.36	-	4.36
4	Profit / (loss) before tax	(55.32)	(18.62)	11.91	46.34
	Tax expenses				
	Current tax	-	(1.99)	2.72	9.53
	Deferred tax	(17.09)	(2.83)	1.76	9.11
	Total	(17.09)	(4.82)	4.48	18.64
5	Profit/ (Loss) for the period (A)	(38.23)	(13.80)	7.43	27.70
	Other comprehensive income				
	Items that will not be reclassified to profit or loss				
	Remeasurement of defined benefit plans	0.33	1.08	0.09	1.34
	Tax adjustment on above	(0.11)	(0.36)	(0.03)	(0.45)
	Items that will be reclassified subsequently to profit and loss				
	Exchange differences on translation of operations into reporting currency	0.08	0.97	(0.21)	1.50
	Tax adjustment on above	-	-	-	-
6	Total other comprehensive income for the period (B)	0.30	1.69	(0.15)	2.39
7	Total comprehensive income/(loss) for the period (A + B)	(37.93)	(12.11)	7.28	30.09
8	Paid-up equity share capital (Face value of Rs. 1 per share)	16.38	16.38	16.38	16.38
9	Other equity				942.72
10	Earnings per equity share (Rs.)				
	- Basic and diluted	(2.33)	(0.84)	0.45	1.69

SUTLEJ TEXTILES AND INDUSTRIES LIMITED

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SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES

(Rs. in crores except share data)

Sr. NO.	Particulars	3 months	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Previous accounting year ended
		30.06.2020	31.03.2020	30.06.2019	31.03.2020
		Unaudited	Audited (refer note 5)	Unaudited	Audited
1	Segment revenue :				
	(a) Yarn	184.28	506.71	618.89	2,265.55
	(b) Home textile	7.65	29.89	40.71	151.30
	Total	191.93	536.60	659.60	2,416.85
	Less: Inter segment revenue	0.12	0.20	-	0.20
	Revenue from operations	191.81	536.40	659.60	2,416.65
2	Segment result :				
	Profit /(Loss) before tax and finance costs from each segment				
	(a) Yarn	(28.33)	13.24	34.14	128.41
	(b) Home textile	(14.47)	(17.82)	(6.91)	(33.76)
	Total	(42.80)	(4.58)	27.23	94.65
	Less : Finance costs	11.99	11.17	13.19	45.70
	Exceptional items	-	4.36		4.36
	Add : Other un-allocable income net of un-allocable expenditure	(0.53)	1.49	(2.13)	1.75
	Profit/(loss) before tax	(55.32)	(18.62)	11.91	46.34
3	Segment assets:				
	(a) Yarn	1,776.11	1,872.66	1,787.81	1,872.66
	(b) Home textile	236.57	242.58	229.16	242.58
	Add: Un-allocable assets	9.57	9.53	35.27	9.53
	Total assets	2,022.25	2,124.77	2,052.24	2,124.77
4	Segment liabilities :				
	(a) Yarn	826.74	876.29	864.54	876.29
	(b) Home textile	109.41	116.24	107.59	116.24
	Add: Un-allocable liabilities	164.93	173.14	130.99	173.14
	Total liabilities	1,101.08	1,165.67	1,103.12	1,165.67



Notes:

1. The above unaudited consolidated financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 10 August 2020 and 11 August 2020 and have been reviewed by the statutory auditors of the Company. These results have been prepared in accordance with Indian Accounting Standard ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with the relevant rules thereunder and in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015
2. The consolidated financial results of the Group are in accordance with the requirements of Ind AS 110 'Consolidated Financial Statements'. The consolidated financial results include results of Sutlej Textiles and Industries Limited and Sutlej Holdings Inc. and its step down subsidiary American Silk Mills, LLC.
3. The outbreak of COVID-19 and resultant nationwide lockdown by the Government of India in the month of March 2020 lead to temporary shutdown of all the manufacturing facilities of the Group. Since then the Government of India has progressively relaxed lockdown conditions and has allowed the Industry to resume its operation in a phased manner.

As a result of lockdown during the quarter ended 30 June 2020, the Group's operations and financial results have been adversely affected. Therefore, results for current quarter are not comparable to previous corresponding period financial results. The revenue from operations and operating profit for the current quarter have significantly decreased. The decrease is primarily attributable to COVID -19 related market volatility during the current quarter. The Group made assessment of possible effect that may result from pandemic basis internal and external information available up to the date of approval of these results on the carrying amount of property, plant and equipment, Investments, Goodwill, Inventories, Accounts Receivables and reassessed the realizability of Minimum Alternative Tax credit as at 30 June, 2020. The Group does not anticipate any challenge in its ability to continue as a going concern or meeting its financial obligations. Management is confident that it will be able to utilise MAT Credit against future tax liability. The Group will continue to closely monitor any material changes in future economic conditions and its impact on the business of the Group.

4. Exceptional items amounting to Rs.4.36 crore for the quarter ended 31 March 2020 includes following in view of outbreak of COVID-19 and resultant lockdown by the Government:
 - a. Write down of finished goods to net realizable value amounting to Rs.3.32 crore due to sharp decline in raw material prices.
 - b. Marked to market loss (MTM) of forward contracts due to non-execution of export orders amounting to Rs.0.69 crore.
 - c. Interest and employee's costs capitalization for ongoing projects suspended due to lockdown amounting to Rs.0.35 crore.
5. The figures for the preceding 3 months ended 31 March 2020 as reported in the above consolidated financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.



6. The review report of the statutory auditors is being filed with BSE Limited and National Stock Exchange of India Limited. For more details on unaudited financial results, visit investor relation section of our website www.sutlejtextiles.com and financial results at Corporate section of www.bseindia.com and www.nseindia.com.

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



A handwritten signature in blue ink, appearing to read "Bipeen Valame".

(Bipeen Valame)
Whole-time Director & CFO

Place: Mumbai
Date: 11 August 2020

B S R & Co. LLP

Chartered Accountants

Building No. 10, 8th Floor, Tower-B
DLF Cyber City, Phase-II
Gurugram – 122 002, India

Telephone: +91 124 7191000
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Limited Review Report on unaudited quarterly consolidated financial results of Sutlej Textiles and Industries Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

Board of Directors of **Sutlej Textiles and Industries Limited**

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Sutlej Textiles and Industries Limited (“the Parent”) and its subsidiaries (the Parent and its subsidiaries together referred to as “the Group”), for the quarter ended 30 June 2020 (“the Statement”), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (‘Listing Regulations’).
2. This Statement, which is the responsibility of the Parent’s management and approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “*Interim Financial Reporting*” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:
 - a) Sutlej Holdings Inc. (Wholly owned subsidiary)
 - b) American Silk Mills, LLC (Step-down subsidiary)
5. Attention is drawn to the fact that the figures for the three months ended 31 March 2020 as reported in these consolidated financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditor referred to in paragraph 7 (b) below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. (a) We draw attention to Note 3 to the consolidated financial results, which describes the uncertainties, the Group is facing as a result of COVID-19 which is impacting business operations.

(b) We did not review the interim financial results of wholly owned subsidiary and its step down subsidiary included in the Statement, whose interim financial results reflect total revenues of Rs 4.15 crores (before consolidation adjustments), total net loss after tax of Rs 3.81 crores (before consolidation adjustments) and total comprehensive loss of Rs 3.81 crores (before consolidation adjustments) for the quarter ended 30 June 2020, as considered in the unaudited consolidated financial results. These subsidiaries are located outside India whose financial results have been prepared in accordance with accounting principles generally accepted in the country in which the Company operates and which have been reviewed by other auditor under generally accepted auditing standards applicable in their country. The Parent Company's management has converted the financial results of such subsidiaries located outside India from accounting principles generally accepted in the country in which the Company operates to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Parent Company's management. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement in respect of matters stated in para 7 above is not modified.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Place: Gurugram
Date: 11 August 2020

Rajiv Goyal
Partner
Membership No. 094549
ICAI UDIN : 20094549AAAAFR5587