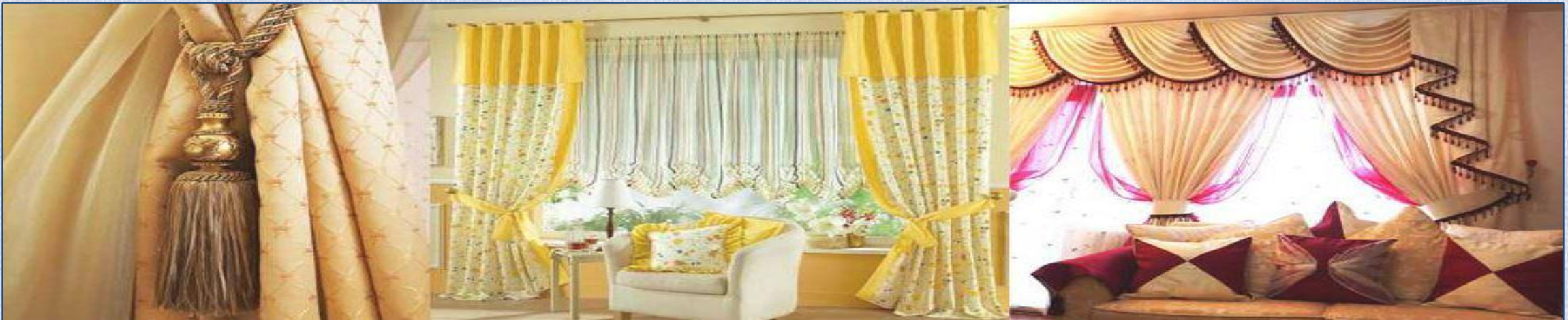




sutlej
textiles and industries limited

Results Presentation
Q4 & FY16



Certain statements in this document may be forward-looking statements which are based on some assumptions and expectations of future events. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, domestic or international economic developments, and many other factors that could cause the 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, amend, modify or revise these forward-looking statements to reflect subsequent events or developments.

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Annual Financial Performance

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Corporate Overview

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Segment Presence - Yarn & Home Textiles

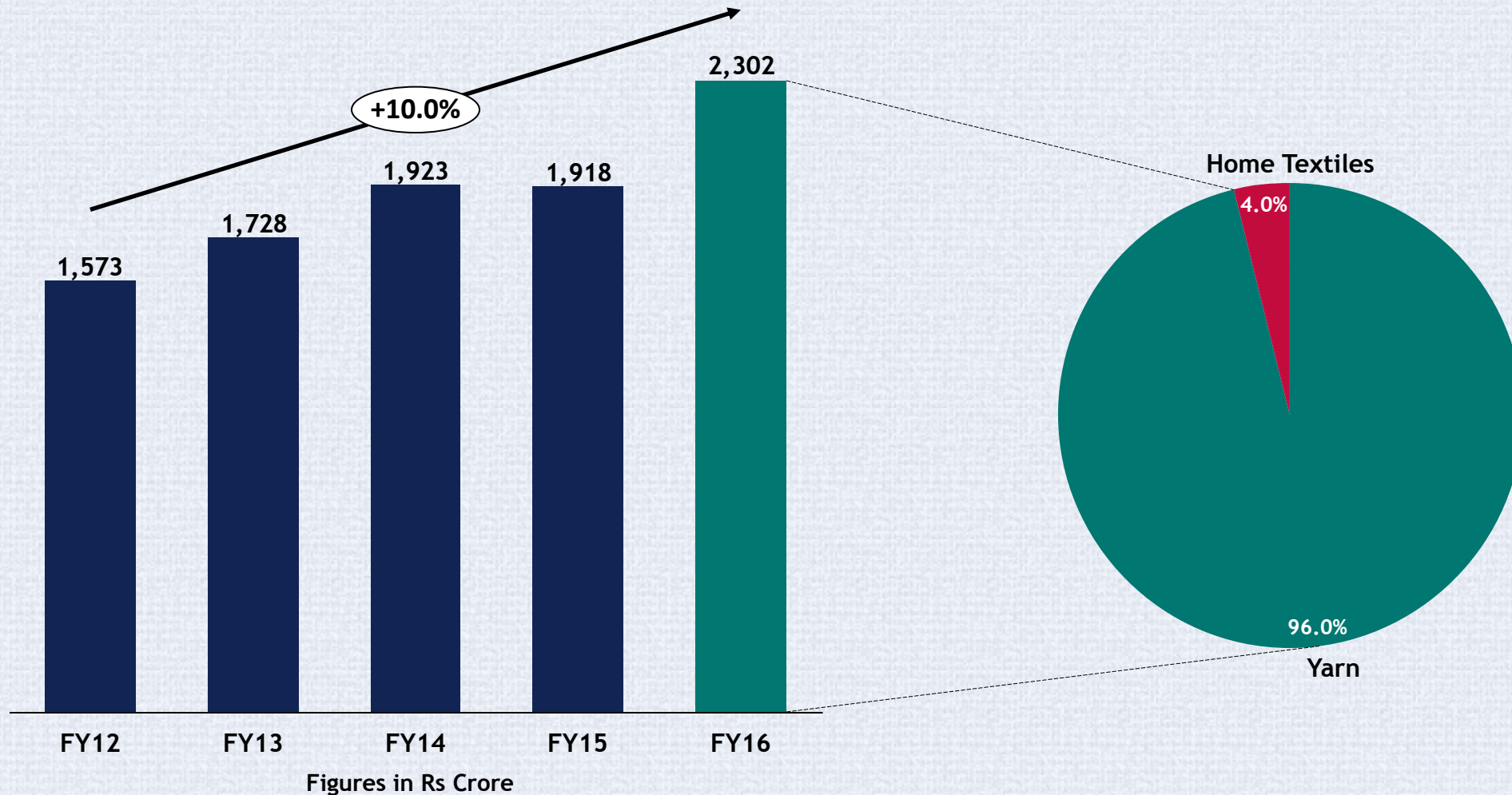
6

Business Outlook



Annual Financial Performance

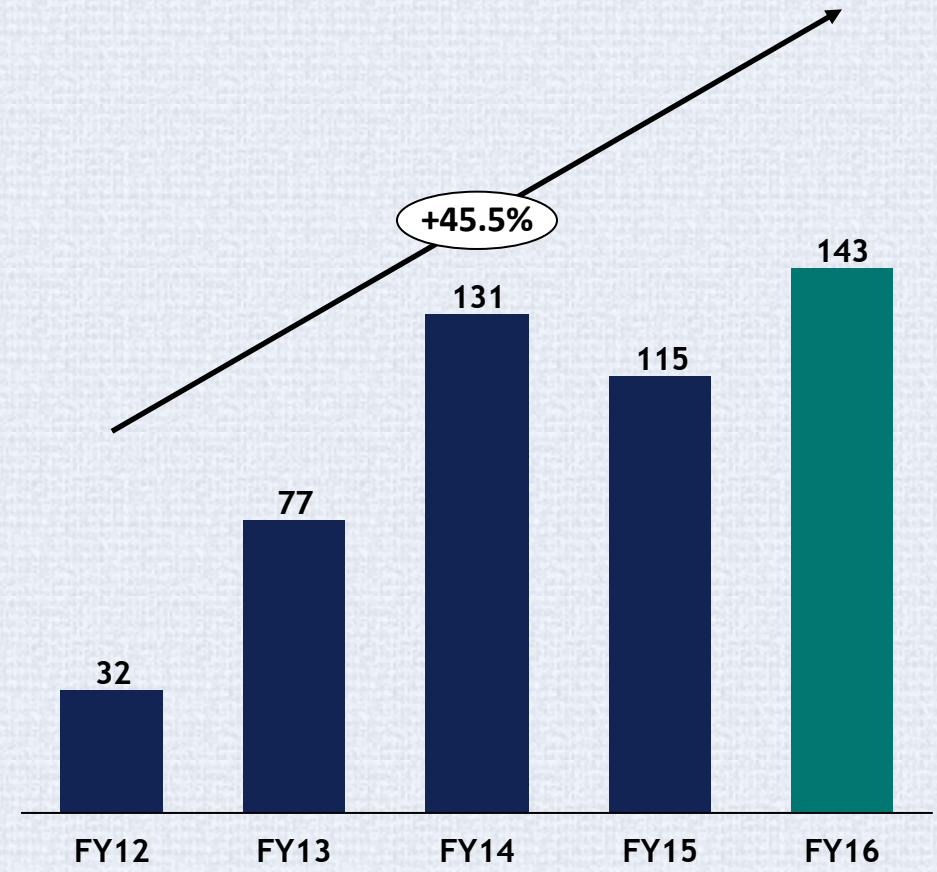
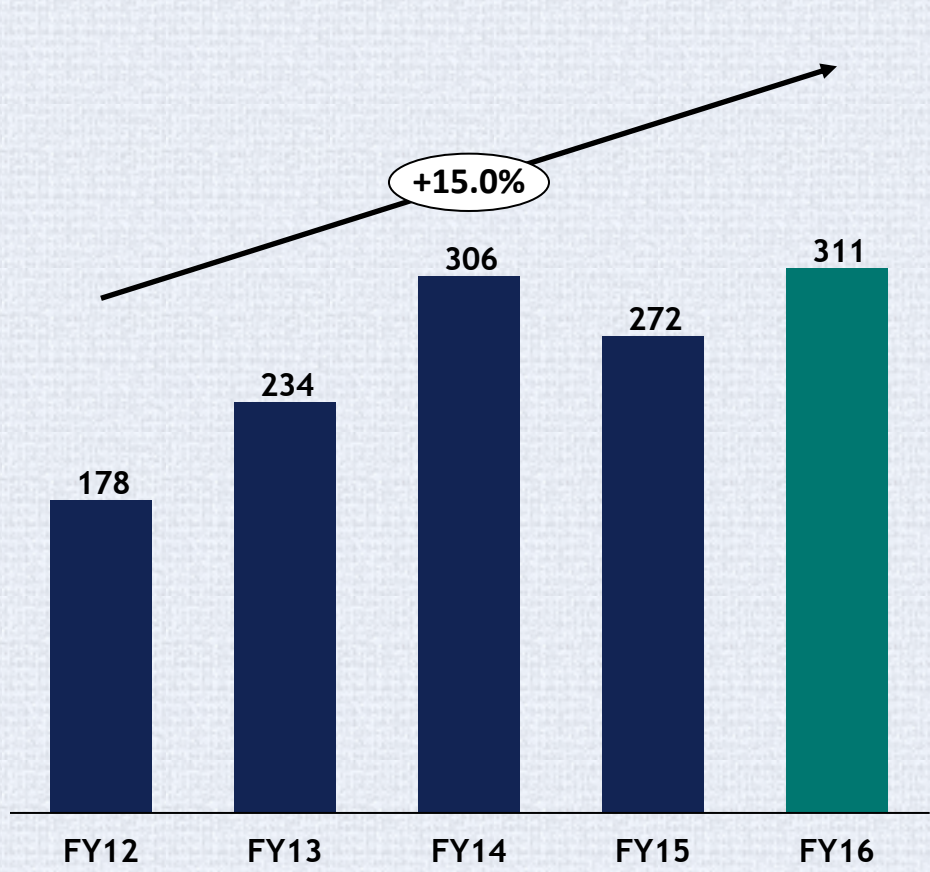
Total Income at new peak ...



... Highest ever profitability

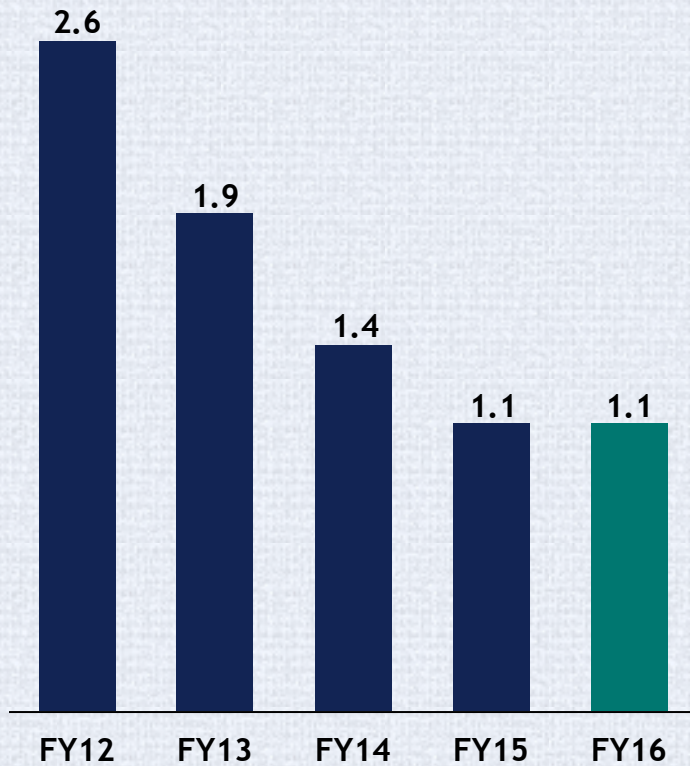
EBITDA (Rs Cr)

Net Profit (Rs Cr)

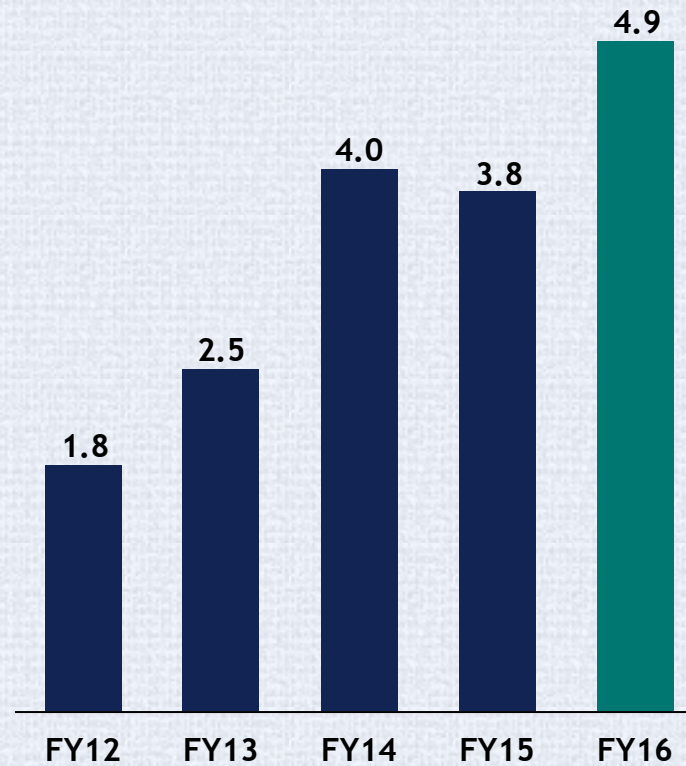


... and strong leverage position

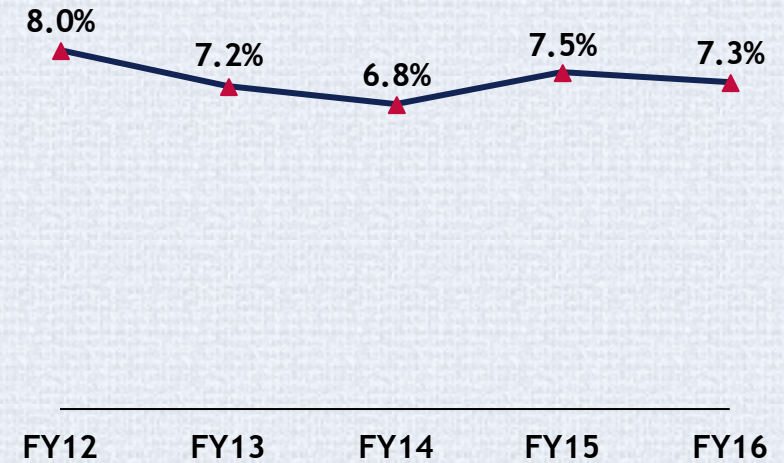
Improving Total Debt / Equity Ratio



Robust Interest Coverage

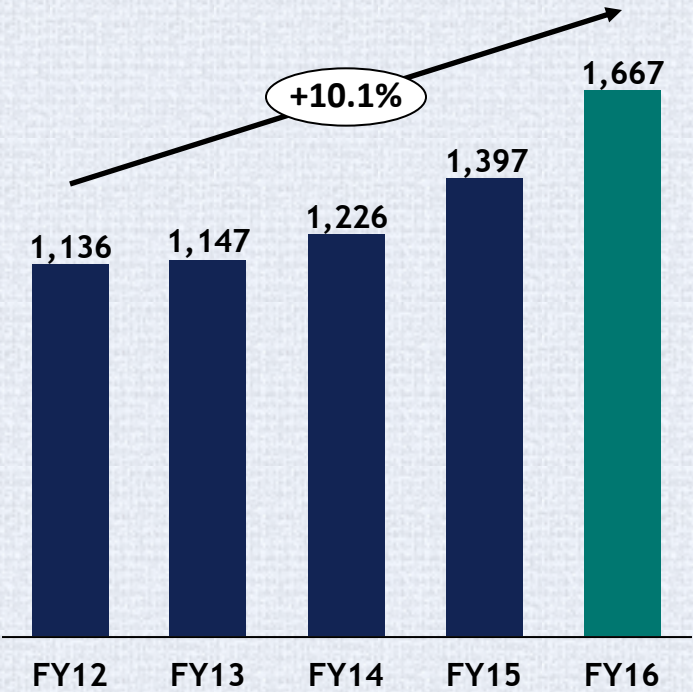


Average Interest Rate of Term Loans (After TUF)

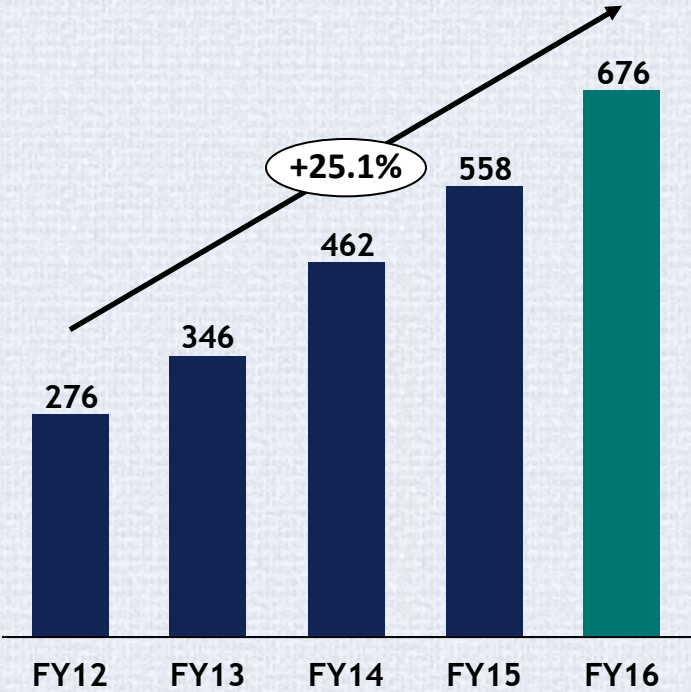


Strong Balance Sheet...

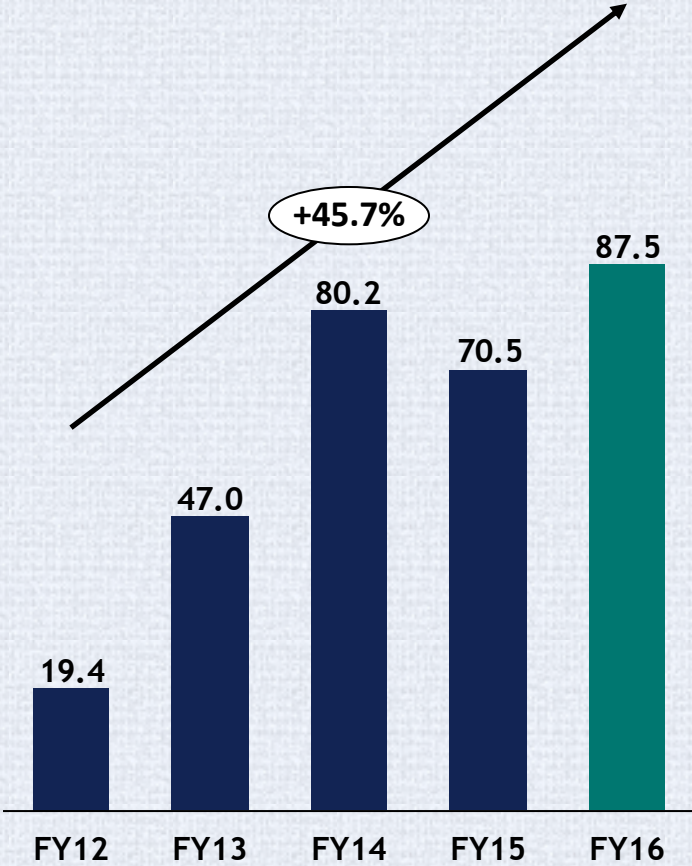
Growing Gross Block (Rs Cr)



Increasing Network (Rs Cr)



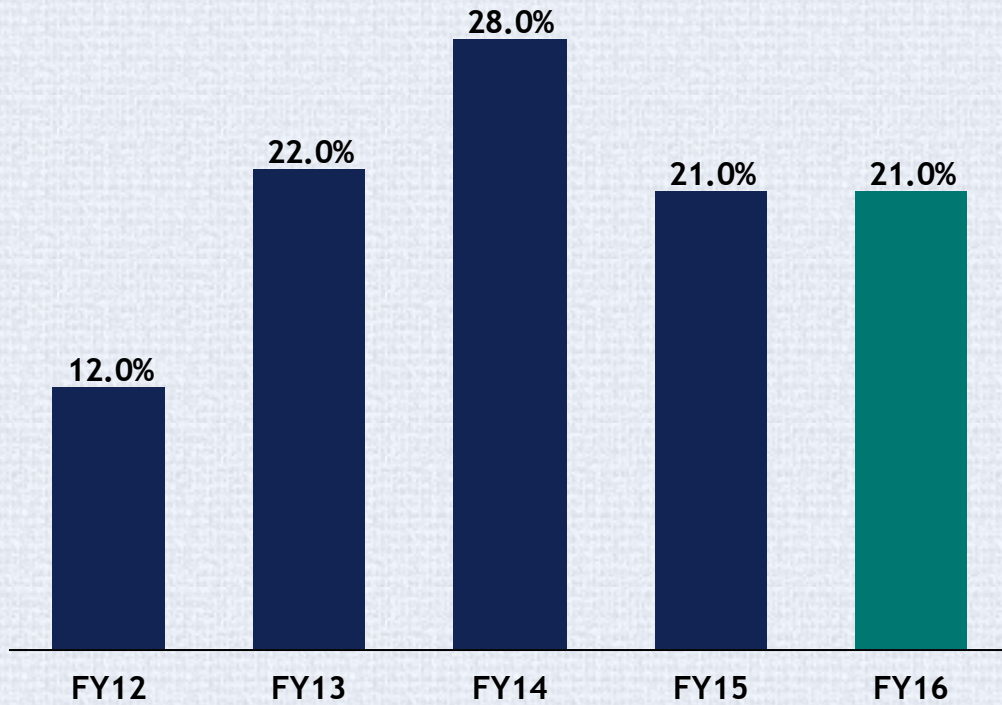
Surging Earning Per Share (Rs)



Continuous growth plan leading to consistent profitability

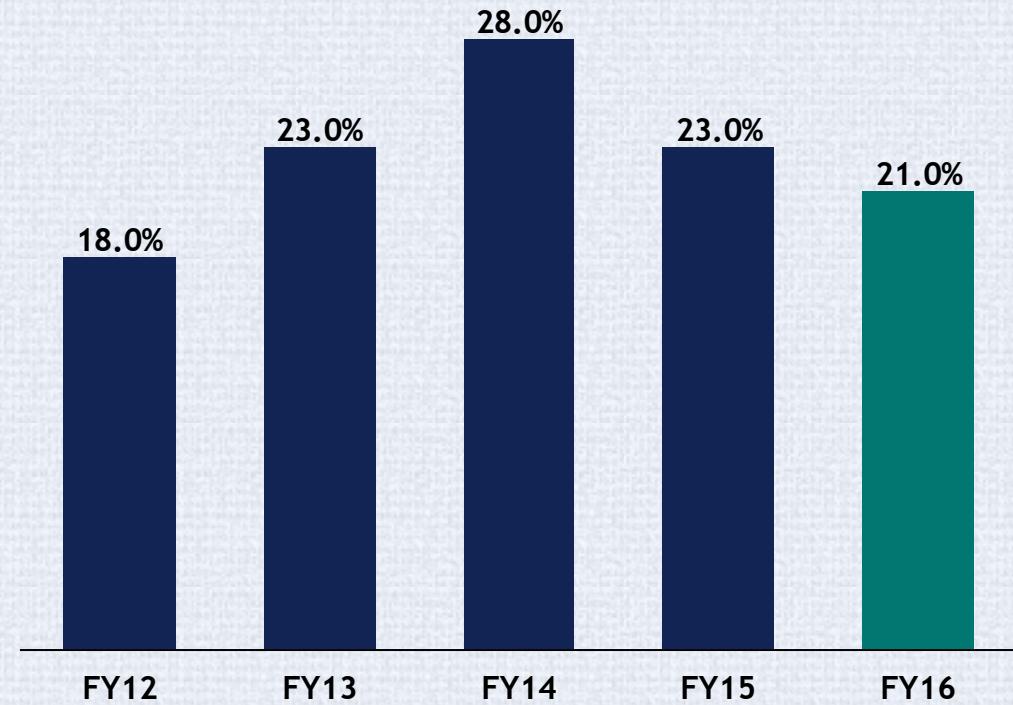
...with healthier return ratios in the industry

Strong Return on Equity (RoE)



RoE = Profit After Tax /Networth

Consistent Return on Capital Employed (RoCE)

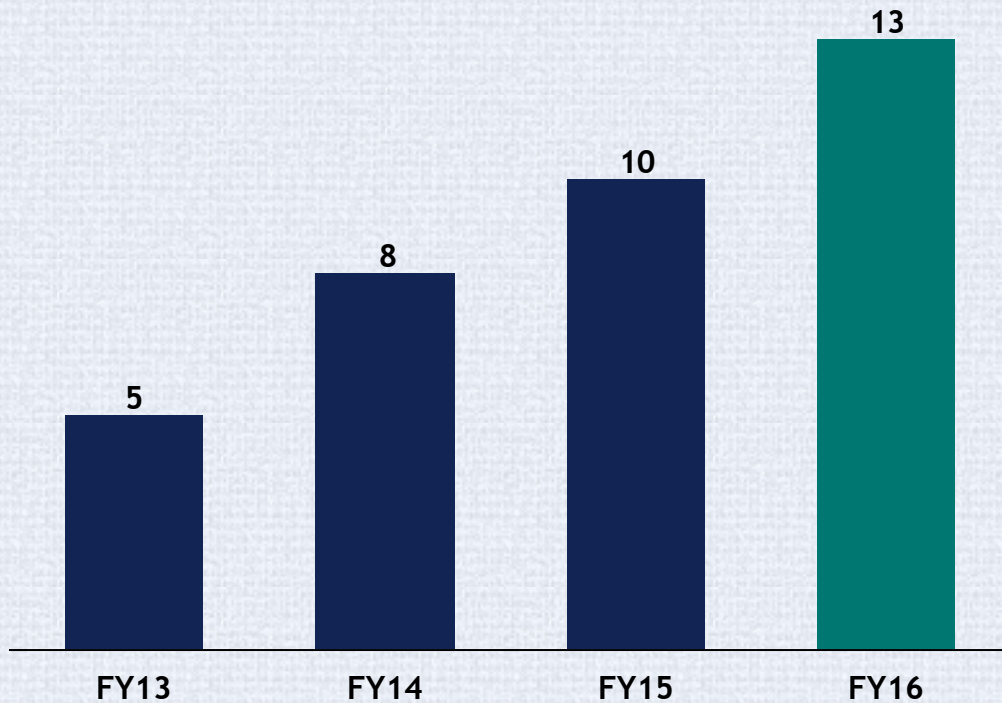


RoCE = EBITDA/Capital Employed (Networth + Debt)

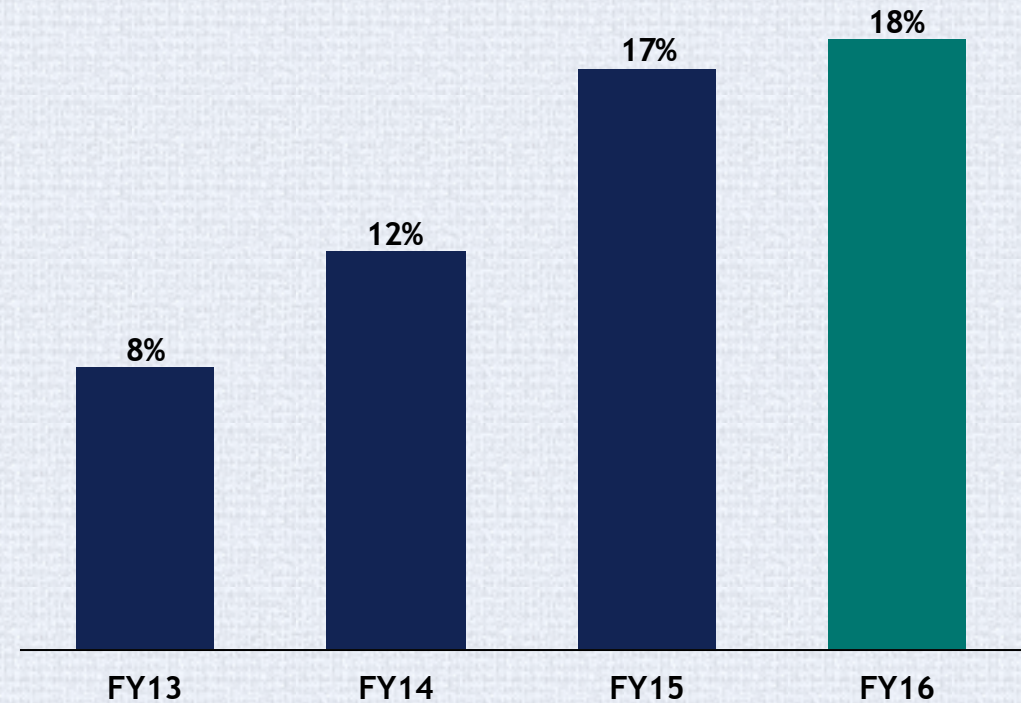
Consistently generating Returns over 20%

Highest ever Dividend in history of Company

Dividend Per Share (Rs)



Dividend Payout (%)



Board recommended highest ever Dividend of Rs 13 per equity share for FY16

Executive Chairman Mr. C. S. Nopany's Comments

The Financial Year 2016 has been a challenging year due to global economic slowdown and stressed rural economy in the country. Despite these challenging times, I am pleased that Sutlej due to its strategy of focusing on operational efficiency, Organic and Inorganic Growth through capacity expansion both in Spinning and Home Textiles has reported increased revenues and profits during the year.

Inspite of challenging headwinds for the sector with margins under pressure, we continue to concentrate on enhancing our scale of operations which will ensure consistent performance coupled with growth. Work on creating new capacities in our Rajasthan Textile Mills for producing value added products and expansion of Home Textiles is progressing as per schedule. Once completed, these will enable us to enhance our domestic as well as global foot-print.

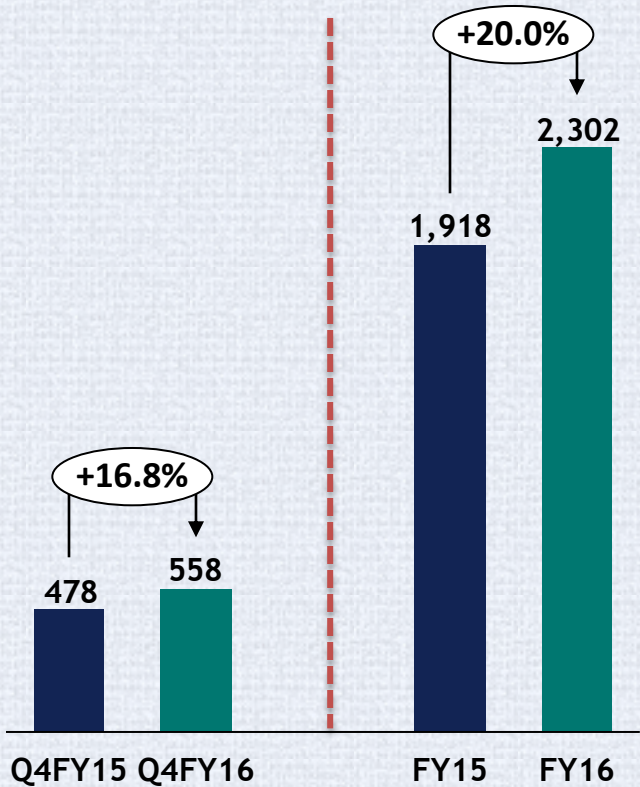




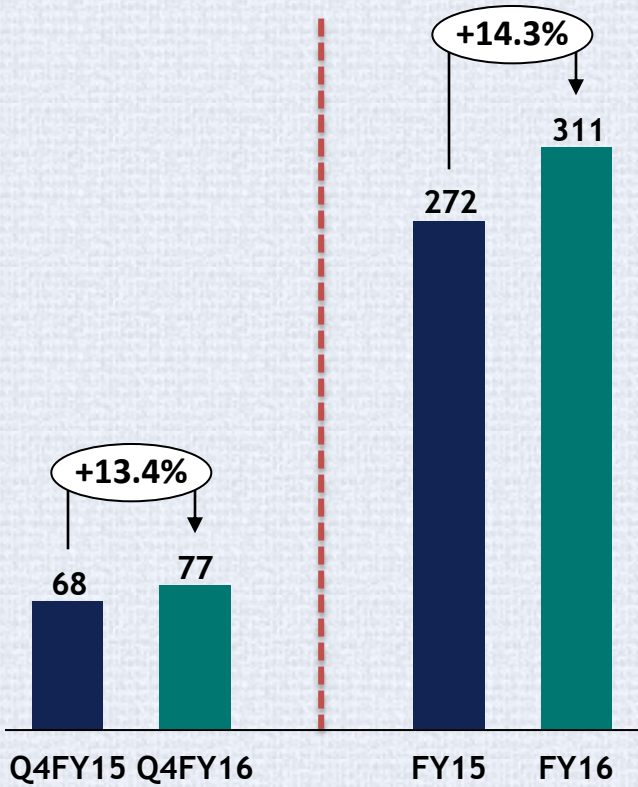
Q4 & FY16 – Key Financial Highlights

Robust year on year growth

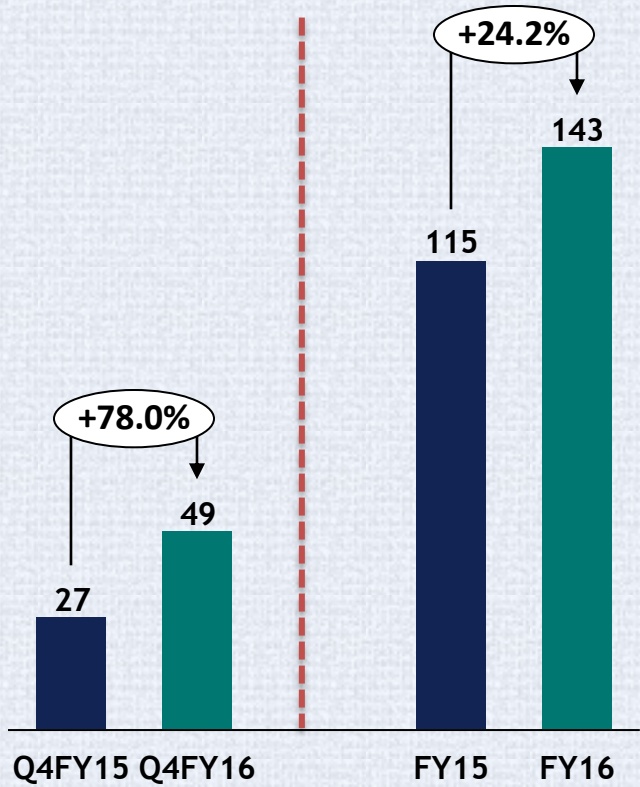
Total Income (Rs Cr)



EBITDA (Rs Cr)



PAT (Rs Cr)



Profitability Highlights

Rs. In Cr	Q4 FY16 *	Q4 FY15	YoY %	FY16*	FY15	YoY %
Total income	558	478	16.8%	2,302	1,918	20.0%
Raw Material Cost	312	280		1,330	1,143	
Employee Cost	61	46		236	175	
Other Expenses	108	84		425	328	
EBITDA	77	68	13.4%	311	272	14.3%
Depreciation	19	21		84	70	
Finance Cost	7	14		47	53	
Profit Before Tax & Exceptional items	51	33		180	149	
Exceptional Items	4	-		4	1	
Tax	(2)	6		33	33	
Profit After Tax	49	27	78.0%	143	115	24.2%
Earnings Per Share (Rs)	29.79	16.74		87.51	70.48	

* Note: The financial results for Q4 FY16 and FY16 are inclusive of financial results of recently acquired unit Birla Textile Mills

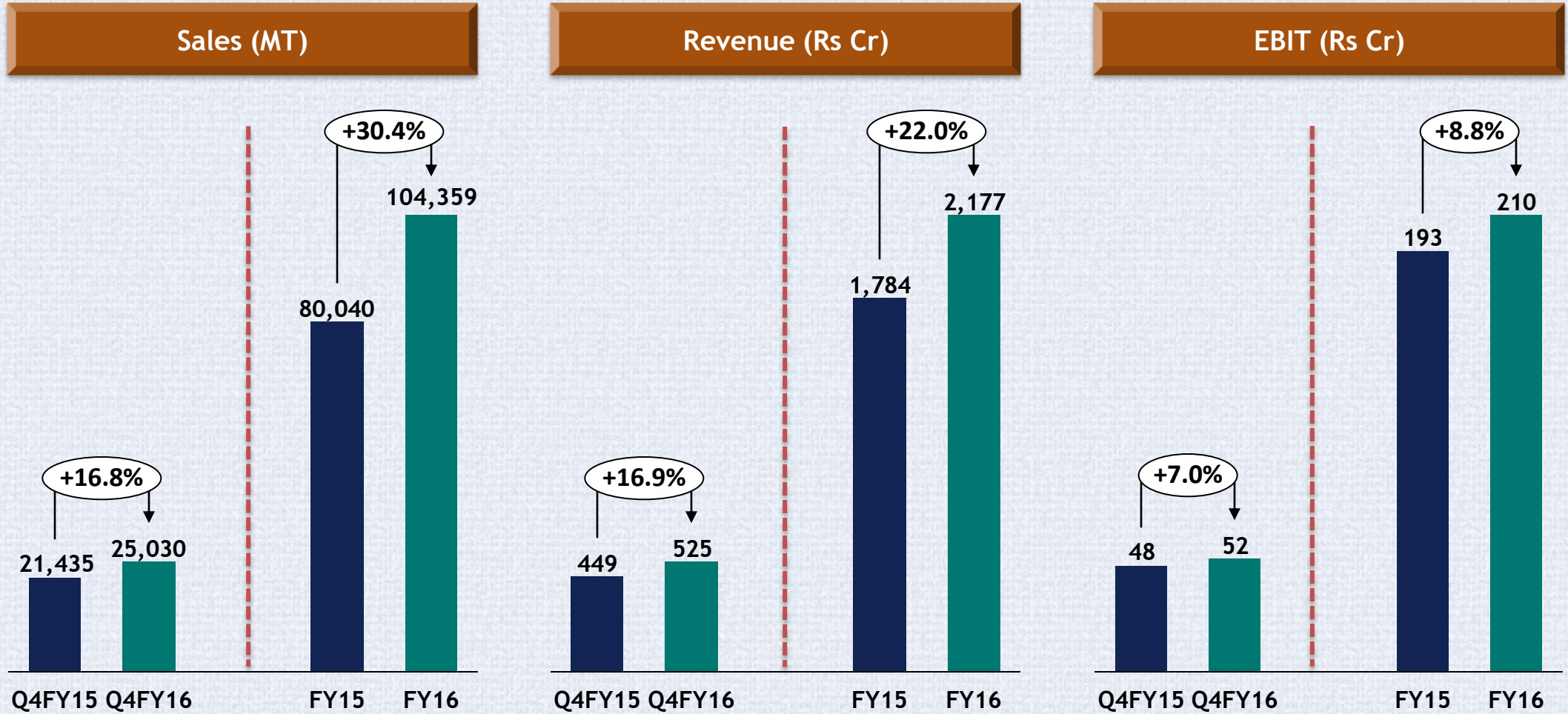
Balance Sheet Highlights

Rs. in Cr	Mar - 16*	Mar - 15
Shareholder's Fund	676	558
Share capital	16	16
Reserves & Surplus	660	542
Deferred Govt. Subsidies	2	2
Non-current liabilities	501	394
Long term borrowings	427	339
Other non-current liabilities	74	55
Current liabilities	530	387
Short term borrowings	246	182
Other current liabilities	284	205
Total Liabilities	1,709	1,341

Rs. in Cr	Mar - 16*	Mar - 15
Non-current assets	1,010	778
Fixed assets	884	687
Long-term loans and advances	76	41
Non Current Investments	50	50
Current assets	699	563
Inventories	430	321
Trade receivables	174	139
Cash and bank balances	4	3
Other current assets	91	100
Total Assets	1,709	1,341

* Note: Assets & Liabilities as on 31st March, 2016 are inclusive of Assets & Liabilities of recently acquired unit Birla Textile Mills

Yarn segment registering strong growth



Key financial highlights

Particulars	Rs. in Cr			USD mn		
	FY14	FY15	FY16	FY14	FY15	FY16
Total Revenues	1,923	1,918	2,302	337	315	339
EBITDA	306	272	311	54	45	46
PAT	131	115	143	23	19	21
Total Assets	1,273	1,341	1,709	223	220	251
Net Worth	462	558	676	81	92	99
Long Term Debt	267	339	427	47	56	63
Total Debt	630	598	767	111	98	113
ROE	28%	21%	21%	28%	21%	21%
Long Term Debt - Equity	0.6	0.6	0.6	0.6	0.6	0.6
Interest Coverage	4.0	3.8	4.9	4.0	3.8	4.9
EPS - Basic & Diluted	80	70	87	1.4	1.1	1.3

USD calculations based on Average rate: FY14: Rs. 57/USD; FY15: Rs. 61/USD; FY16: Rs. 68/USD



Q4 & FY16 – Key Business Update

Enhanced Spinning Capacity through Acquisition of Birla Textile Mills

- ❑ Acquisition of Birla Textile Mills (BTM) has been successfully concluded on September 30, 2015 on receiving statutory approvals and payment consideration of Rs. 232.63 crore less term loans from banks. The effective date of acquisition was 1st April, 2015
- ❑ BTM, with a capacity of 83,376 spindles manufactures cotton, synthetic & blended yarn in Grey & Dyed form
- ❑ STIL's total spinning capacity has enhanced and stands at 377,688 spindles as on 31st March, 2016
- ❑ The Company had spent around Rs. 20 crore on de-bottlenecking and value-additions at BTM unit during the year

Brown field project - Capacity Expansion of Value Added Products at Rajasthan

- ❑ Commenced work on the project - adding 35,280 spindles at its Bhawanimandi, Rajasthan facility at a project cost of Rs. 270 crore
- ❑ Progress of expansion project as per schedule; Civil work is ongoing and orders for most of key plant & machinery have been placed. Have spent around Rs. 64 crore as on 31st March, 2016 and capital commitments of approx Rs. 117 crore
- ❑ Project to be funded by mix of internal accruals and debt; Financial closure achieved
- ❑ Dedicated capacity focused towards producing Value Added Cotton Mélange and Cotton Blended Dyed Yarn

Home Textiles Division Expansion with advanced technology on track

- ❑ Placed order for 20 Nos. single width looms and 20 Nos. Jacquard attachment; also placed orders for 4 No. Electronic Chenille machines, 1 No. Multi chamber stenter forming part of the expansion project - deliveries expected in May-June 2016
- ❑ Project is to be completed in phases; with first phase of 16 looms installed and commissioned in July 2015
- ❑ Post completion, capacity in existing facility will increase to 9.6 million metres p.a.; total project cost is Rs. 88.5 crore
- ❑ Increased presence in Home Textile segment will result in further strengthening of Company's end to end operations - Yarn to Home Textile

Modernisation Update

- ❑ Invested around Rs. 96 crore (including at BTM) during FY16, towards technology up-gradation and debottlenecking, etc.
- ❑ This will result in further improvement of efficiencies and plant utilization

Credit Rating upgrades during the Year

- ❑ CARE upgrades STIL rating to CARE AA- from CARE A+ signifying high degree of safety and CARE A1+ (A One Plus) for short term bank facilities
- ❑ India Ratings and Research Private Limited (FITCH Group) upgrades STIL to “IND AA-”; Outlook Stable from IND A+ and IND A1+ (A one Plus) for short term bank facilities

Felicitated with Awards for Export Performance

- ❑ STIL is felicitated with the prestigious “Synthetic and Rayon Textiles Export Promotion Council’s (SRTEPC)” Gold Trophy for Best Export Performance for Exports of Fabrics to “Focus SAARC” countries for the year 2014-15 and Silver Trophy for the Second Best Export Performance of Spun Yarn for the year 2014-15 by Shri Santosh Kumar Gangwar, Hon’ble Minister of State for Textiles (Independent Charge) on January 23, 2016 in Mumbai



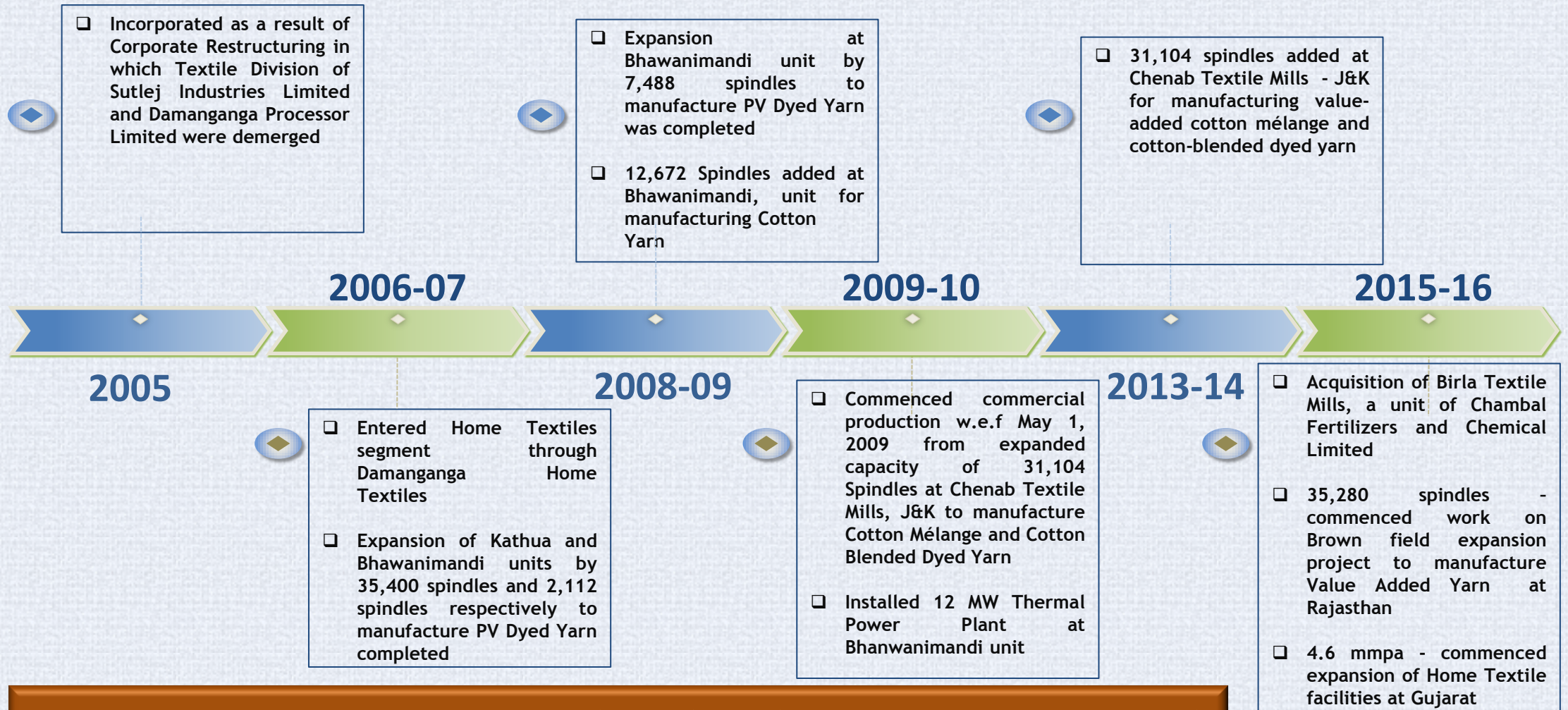
Corporate Overview

Company Overview

- ❑ **India's largest Spun-dyed Yarn manufacturer and leading textile player with presence across value chain - from Yarn to Home Textile**
 - Increasing capacity of high margin Value-Added Products - Cotton Mélange Yarn & Cotton Blended Dyed Yarn
- ❑ **State-of-the-art manufacturing facilities located at Rajasthan, Jammu & Kashmir, Himachal Pradesh and Gujarat**
 - 377,688 spindles capacity of Yarn
 - 6 Million Meters Per Annum capacity of Home Textiles
- ❑ **Global footprint with presence spans over 55 countries across Europe, North America, South-East Asia**
- ❑ **Fortifying and enduring relationship with marquee clients like Page Industries, Siyaram's, Donear, Shivalik Print, Arrow, Grasim**
- ❑ **A publicly-held company with its shares traded on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).**
- ❑ **Strong Credit Ratings:**
 - CARE AA- from CARE and IND AA- with Outlook Stable from India Rating, A Fitch Group Company for long term bank facilities
 - CARE A1+ from CARE and IND A1+ from India Ratings, A Fitch Group Company for short term bank facilities



Journey from spun dyed yarn manufacturer to ...



... strengthen end to end operations - Yarns to Home Textile

Board of Directors

Mr. C.S. Nopany	Executive Chairman
Mr. U.K. Khaitan	Independent Non Exec Director
Mr. Amit Dalal	Independent Non Exec Director
Mr. Rajan Dalal	Independent Non Exec Director
Ms. Sonu Bhasin	Independent Non Exec Director
Mr. Rajiv K. Podar	Independent Non Exec Director
Dr. Mahmoodur Rahman	Independent Non Exec Director
Mr. Dilip Ghorawat	Whole Time Director & Chief Financial Officer

Key Executives

Mr. S.K. Khandelia	President & CEO
Mr. D.R. Prabhu	Company Secretary



State of the art manufacturing facilities ...



Chenab Textile Mills



Rajasthan Textile Mills



Birla Textile Mills



Damanganga Home Textile

Location	Kathua, Jammu & Kashmir	Bhawanimandi, Rajasthan	Baddi, Himachal Pradesh	Daheli, Gujarat
Products	<input type="checkbox"/> Cotton Mélange Yarns <input type="checkbox"/> Man-made Fibre Yarns	<input type="checkbox"/> Cotton Yarns <input type="checkbox"/> Man-made Fibre Yarns	<input type="checkbox"/> Cotton Yarns <input type="checkbox"/> Man-made Fibre Yarns	<input type="checkbox"/> Home textiles furnishings
Present Capacity	106,175 Spindles for Cotton Mélange Yarns; 97,129 Spindles for Man-made Fibre Yarns	91,008 Spindles	83,376 Spindles	6 million metres per annum

.... Strategically located near the marketing centers

Wide distribution network and marquee clientele

Presence and strong brand image across globe in over 55 countries...



Expanded global foot print in FY16...
...De-risk over dependence on few geography

Evolved as vendor to...



SHIVALIK PRINTS LTD.



...partner to leading textile solution providers

Diverse and wide product portfolio

- ❑ One stop shop for all kinds of spun dyed yarns
- ❑ Focus on value added yarns that fetched superior realisations like Cotton Mélangé Yarn, Dyed Synthetic Yarn
- ❑ Diversified offerings with presence across value chain with - Yarns & Home Textile



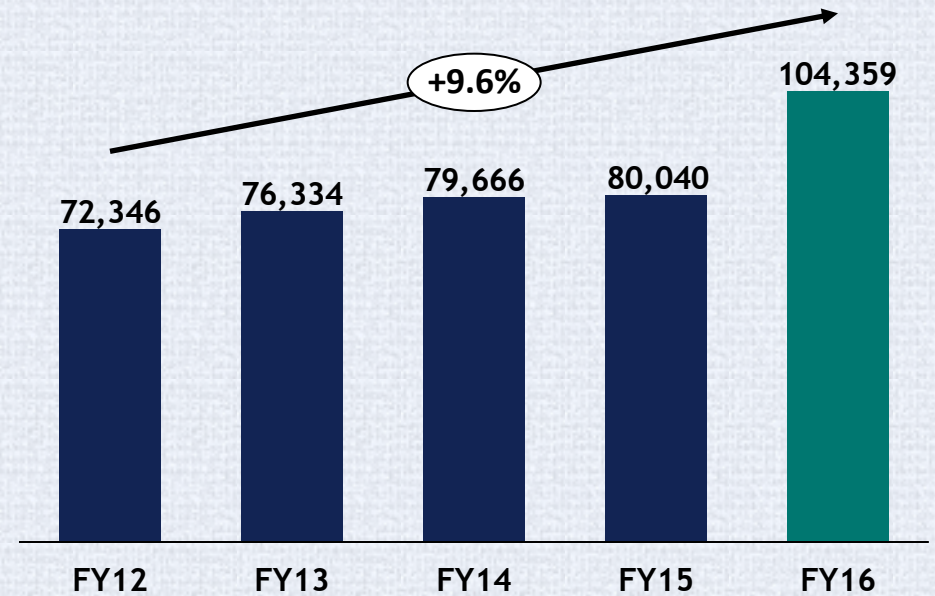
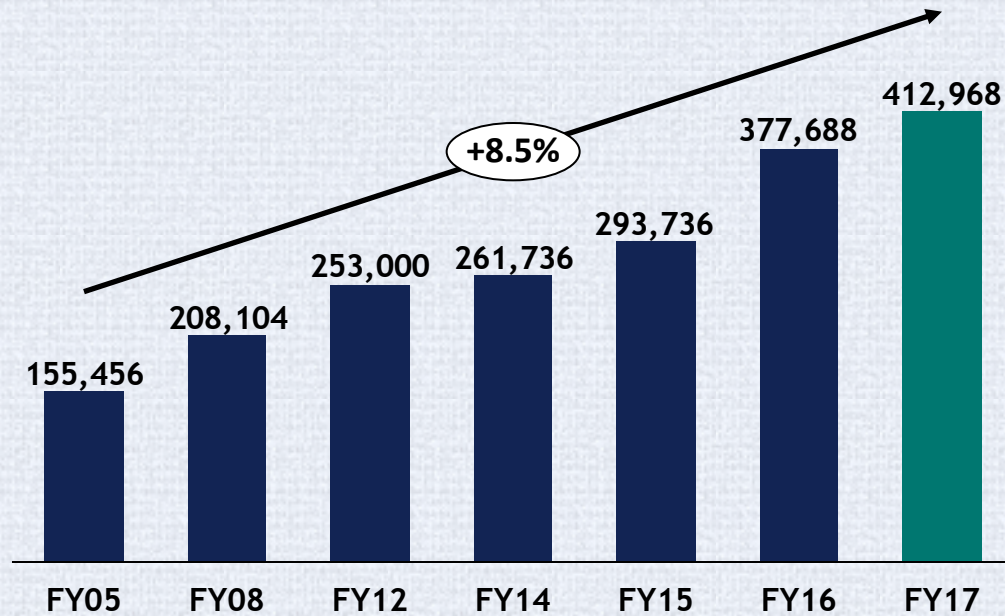


Segment Presence – Yarn & Home Textiles

Yarn - Consistent capacity addition over the years

Spindles capacity

Sales (MT)

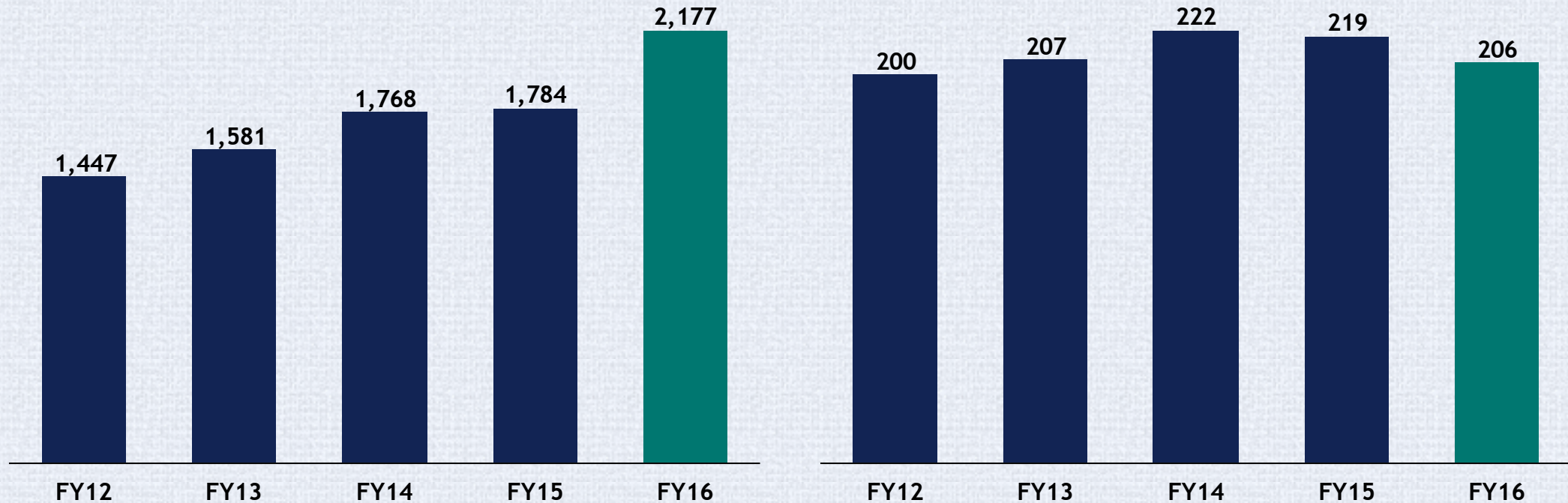


- ❑ Invested in modernization - 56% of spindle age are less than a decade old
- ❑ Increasing share of Value-added product portfolio of Cotton Mélange Yarn and Dyed Synthetic Yarn
- ❑ Larger Scale of Production leading to optimum utilization of resources

Registering strong growth in Yarn segment...

Revenue (Rs. Cr)

Average Sales Realisation (Rs / Kg)



... through multiple capacity expansions as well as profitable acquisitions

Acquisition of Birla Textile Mills

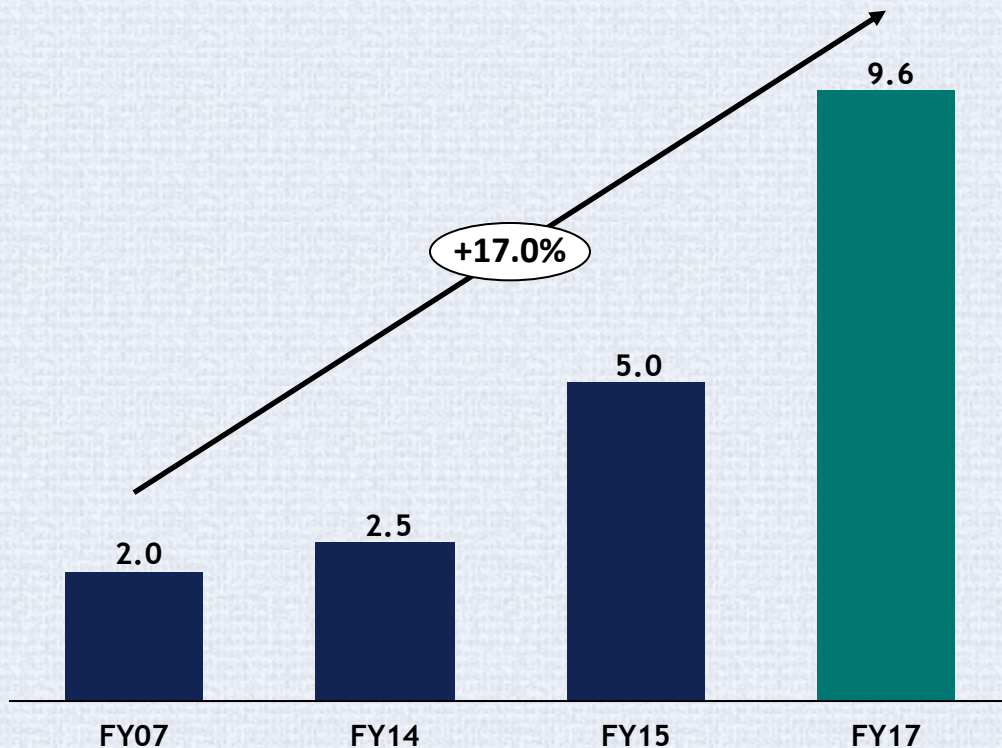
- ❑ **Sutlej acquired Birla Textile Mills (BTM) for payment consideration of Rs. 232.63 crore less term loans**
 - Acquisition of BTM concluded on Sep 30, 2015 on receiving statutory approvals
 - BTM, with a capacity of 83,376 spindles manufactures cotton, synthetic & blended yarn in Grey & Dyed form

- ❑ **Advantage to Sutlej**
 - Enhanced Company's spinning capacity presently stands at 377,688 spindles
 - Operational spinning capacity
 - Addition of new customers in domestic and export market



Home Textiles – Entering Growth Orbit

Capacity (Million Meters Per Annum)



- ❑ Entered the Home Textiles segment in 2006-07
- ❑ Capacity to expand by 4.6 mmpa to 9.6 mmpa by FY17
- ❑ Continued focus on driving category premiumisation
- ❑ Product range includes
 - Furnishing Fabrics
 - Curtain Fabrics
 - Upholstery Fabrics
 - Bedcovers and Bedspreads
- ❑ Current Capacity utilisation over 83%
- ❑ Growing into a sizeable & profitable business
- ❑ Contributes ~4% to the overall revenues to Company

Bring economy of scale and strengthen Company's end to end operations



Business Outlook

Niche Value Added Products

- ❑ Consistent production of high margin value added products to result in greater proportion of Cotton Mélange and Cotton Blended Dyed Yarn in the overall mix

Growing Core Business

- ❑ Acquisition of BTM & enhancing spindles capacities towards manufacturing Cotton Mélange and Cotton Blended Dyed Yarn to offer synergies and economies of scale

Renewed Focus on Core Business

- ❑ Sharpened focus on core yarn business coupled with renewed strategy for home textile segment to result in improved and diversified product mix

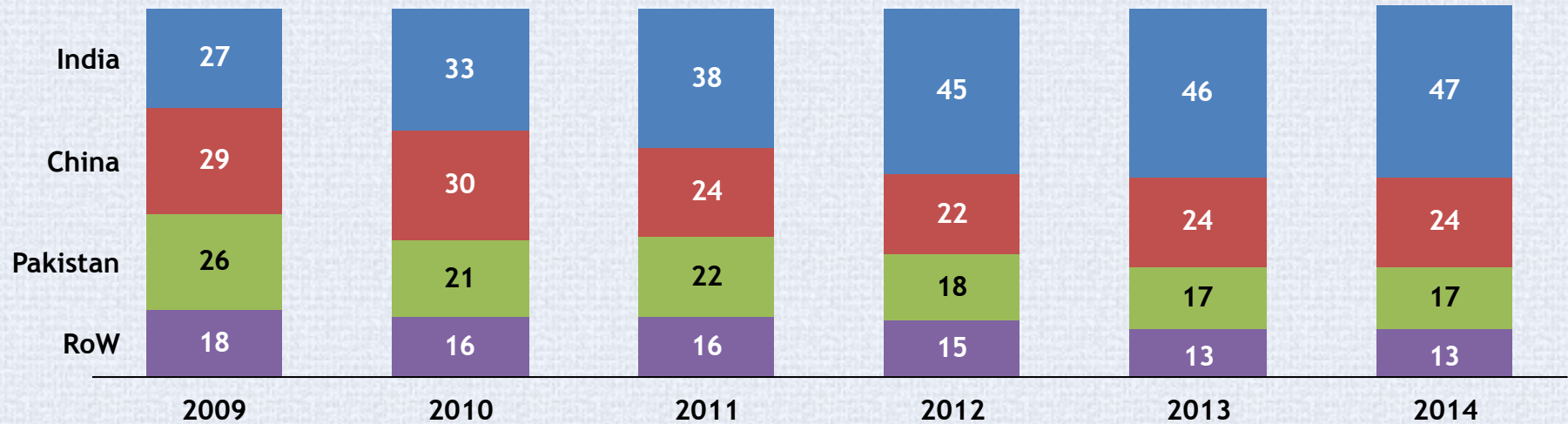
Growth Drivers

- ❑ Capacity ramp up of value added items, increased capacity under home textile business and lowering of leverage to drive margins and profitability
- ❑ Changing lifestyle, rising disposable income, demand for quality products, recovery in developed economies; rising labor cost & instability in neighboring countries

Industry Discussion – Home Textiles

- ❑ Global Home Textile market is estimated at USD 45 bn
- ❑ India's market share on a continuous uptrend (improved 20% points over the last five years – from 27% in 2009 to 47% in 2015)

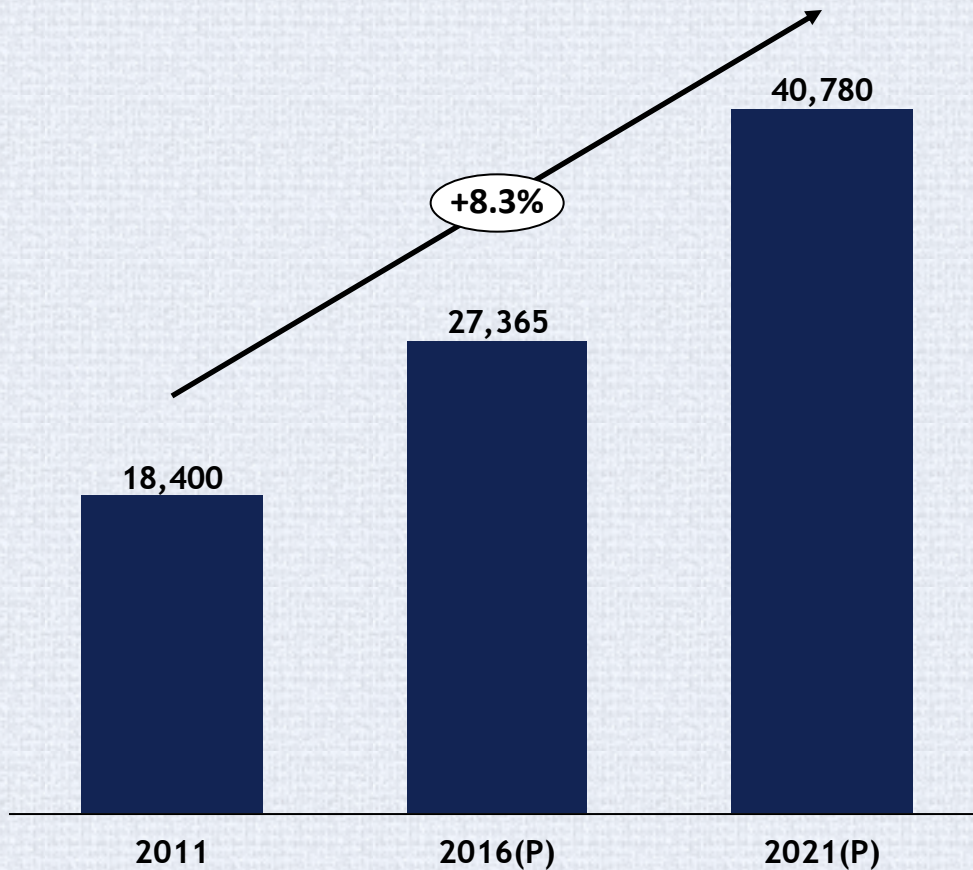
India's Market Share on a continuous uptrend



Source: Industry

Domestic Home Textile Industry Overview

Domestic Home Textile Market (Rs Cr)



Category wise market break-up (Rs Cr)

Categories	2011	2016 (P)	2021 (P)	CAGR (%)
Bed Linen	8,965	13,170	19,350	8.0
Towels	3,320	4,840	7,060	7.8
Curtains	1,850	2,975	4,790	10.0
Blankets	1,465	2,040	2,850	6.9
Upholstery	1,190	1,915	3,080	10.0
Kitchen Linen	1,110	1,635	2,400	8.0
Rugs & Carpets	500	790	1,250	9.6
Total	18,400	27,365	40,780	8.3

Source: Technopak

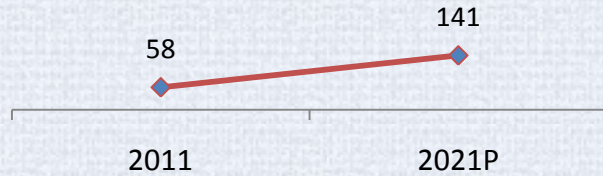
Indian Textile Sector - Present



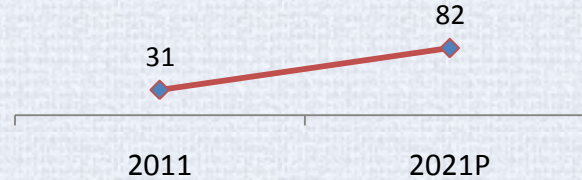
Source: Annual Report of MOT, GOI for 2014-15 and IBEF

Indian Textile Sector Potential

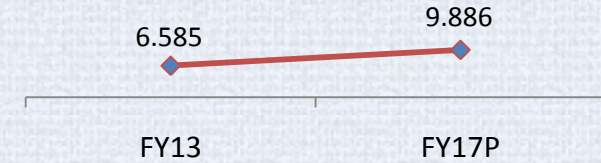
Domestic textile & apparel industry (\$ bn)



Textile & apparel exports (\$ bn)



Total Fibre Production (Mn Kg)



Source: Ministry of Textiles,
Planning Commission, Technopak,
Aranca Research

Market Value
(2013) :
USD100 bn

- Robust Demand
- Competitive Advantage
- Policy Support
- Increasing Investments

Market Value
(2020P) : USD
220 bn

Sector expected to witness significant growth resulting in expanding from present size - \$100bn in 2013 to \$220bn by 2020

Sutlej Textiles and Industries Ltd (STIL) (part of S&P BSE SMALL CAP Index), an ISO 9001:2008 certified Company, is one of India's largest spun dyed yarn manufacturer. Under the leadership of Mr. C S Nopany, Chairman of STIL, a Chartered Accountant and Master of Science in Industrial Administration from Carnegie Mellon University, the Company has focused on value added yarns namely - Dyed Yarn, Cotton Mélange yarn, Modal yarn, Tencil yarn, Bamboo yarn, Linen blended yarn etc. and build significant presence across the value chain. Over the years, the Company has also successfully carved out a niche for itself and emerged as a leading player in the dyed yarn segment. The total spinning capacity post the acquisition of BTM, has increased and stands at 377,688 spindles as on 31st March, 2016.

STIL has a strong global clientele and exports to more than 55 countries. It has presence across major developed and emerging economies like Australia, Argentina, Bangladesh, Bahrain, Belgium, Brazil, Canada, China, Chile, Cuba, Egypt, France, Germany, Hong Kong, Italy, Morocco, New Zealand, Peru, Philippines, Poland, Portugal, Russia, Saudi Arabia, Sri Lanka, Turkey, United States of America, the United Arab Emirates (UAE) and The United Kingdom among others.

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.

For further information, please contact:

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Thank You

