

Press Release

9M FY 2017 Results
Total Income of Rs. 1675 Crores, Up 8% YoY
EBIDTA of Rs. 249 Crores, Up 13% YoY
Net Profit of Rs. 125 Crores, Up 35% YoY
EPS of Rs. 76.10 per share

Mumbai, Maharashtra, February 09, 2017: Sutlej Textiles and Industries Limited (BSE:532782 / NSE: SUTLEJTEX), a leading manufacturer and exporter of value added dyed yarns (synthetic & cotton mélange) with presence in Home Textiles, today reported its financial results for the quarter and 9 Month ended 31st December 2016.

Particulars (Rs. Crore)	Q3 FY17	Q3 FY16	% change wrt Q3 FY16	9M FY17	9M FY16#	% change wrt 9M FY16
Total Income	546.05	558.87	(2.29)	1674.91	1546.44	8.31
EBITDA	70.66	77.06	(8.31)	249.30	221.04	12.79
EBITDA %	12.94	13.79	-85 bps	14.88	14.29	59 bps
PBDT	58.76	65.26	(9.96)	214.52	186.71	14.89
PAT	27.68	28.09	(1.46)	124.67	92.55	34.71
PAT %	5.07	5.03	4 bps	7.44	5.98	146 bps
EPS (Diluted) (Rs.)	16.90	17.15	---	76.10	56.49	---

Figures of 9MFY16 include BTM figures for one quarter (Oct- Dec.15) only.

Commenting on the results, Mr. C.S. Nopany, Chairman, Sutlej Textiles and Industries Ltd said “The historic step of demonetization in India will have long term positive implications with far reaching consequences for the Indian economy. However, certain sectors like textiles where trade and retail consumers preferred buying in cash have been severely affected. The domestic market has seen a sharp decline in demand due to demonetization in Q3F17. Consequently, margins have been under severe pressure and this is likely to continue in Q4F17. The impact of demonetization, however, would be transient and we expect the situation to normalize in FY 2017-18.

The industry has also seen a sharp increase in the cost of raw materials such as cotton and man-made fibers globally. Despite such adverse pressure on margins, both from the revenue perspective as well as the cost perspective, I am glad that Sutlej has been able to withstand the headwinds with full capacity utilization due to its diversified portfolio of value-added products. Our focus on value added yarns, ongoing expansion projects and strengthening of Home Textiles business should enable us to deliver better performance going forward.”

Key Developments

Brownfield project - Capacity Expansion of Value Added Products at Bhawanimandi, Rajasthan

- The trial run of expansion project of 35280 spindles for producing value added Cotton Mélange and Cotton Blended Dyed Yarn at Bhawanimandi is going on as per the schedule and commercial production is expected to commence in March, 2017
- 17 no. Circular Knitting Machines will also be installed by June 2017.
- Project is being funded by mix of internal accruals and term loans sanctioned under TUFS.
- Dedicated capacity focused towards producing Value Added Cotton and Cotton blended dyed and Mélange Yarn.

Home Textiles Division expansion on track

- Capacity expansion project of Home textile at Bhilad is also progressing as per the schedule and is expected to be completed in March, 2017. Same will increase the installed capacity to 9.6 million meters p.a.
- Total project cost of Rs. 88.50 crore is being funded by mix of internal accruals and term loans sanctioned under TUFS.
- Increased presence in Home Textile segment will result in further strengthening of Company's end to end operations – Yarn to Home Textile.

Modernization Update

- Invested around Rs.49 crore during 9M FY 2017, towards technology up-gradation and debottlenecking, etc. This will result in further improvement in efficiency and sustaining plant utilization.
- Intends to deploy further amount of ~Rs.35 crore during the year towards technology up-gradation and debottlenecking, etc.

Credit rating upgrade during the year

- CARE upgraded STIL rating to **CARE AA (Double A)** for Long Term Bank Facilities (Term Loan) and for Long Term Bank facilities (Fund based) from CARE AA- (Double A minus) signifying **high degree of safety** regarding timely servicing of financial obligations. Such facilities carry very low credit risk.
- **CARE A1+ (A One Plus)** for Short Term Bank Facilities (Fund and Non-Fund based) and Commercial Paper is **affirmed** signifying **very strong degree of safety** regarding timely payment of financial obligations. Such facilities carry lowest credit risk.

About Sutlej Textiles and Industries Limited

CIN: L17124RJ2005PLC020927

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, Executive 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 and home textiles. Over the years, the Company has also successfully carved out a niche for itself and is holding leadership position in the dyed yarn and cotton mélange yarn segment. The total spinning capacity of the Company presently stands at 380,714 spindles.

STIL has a strong global clientele and exports to more than 60 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 and Silver trophy by SRTEPC for Second best export performance in spun yarn category.

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