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STIL/

November 05, 2014

M/s.National Stock Exchange of India Ltd.
Exchange Plaza, 5th floor
Plot No.C/1, G-Block
Bandra-Kurla Complex
Bandra(E)
Mumbai 400 051

Dear Sirs,

Please find enclosed herewith a copy of the Press Release with respect to
the Unaudited Financial Results for the quarter ended 30th September, 2014.

Thanking you,

Yours faithfully,
For Sutlej Textiles and Industries Limited



(D.R.Prabhu)
Company Secretary



Encl:a.a.

cc by hand delivery

Press Release

H1 FY15 Results **Revenue stood at Rs. 951.09 crore** **EBITDA of Rs. 137.05 crore** **Net Profit at Rs. 66.22 crore**

Mumbai, November 5, 2014: 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 half year ended 30th September 2014.

Particulars	Q2 FY15	Q2 FY14	% change wrt Q2 FY14	H1 FY15	H1 FY14	% change wrt H1 FY14
Revenue	459.03	491.98	(6.70)	951.09	934.94	1.73
EBITDA	68.16	83.89	(18.75)	137.05	149.75	(8.48)
PBT	39.77	51.90	(23.37)	80.17	85.33	(6.05)
PAT	30.48	42.64	(28.52)	66.22	70.83	(6.51)
Diluted EPS (Rs.)	18.60	26.03	(28.52)	40.42	43.23	(6.51)

The Company's revenues for the quarter stood at Rs. 459 crore as against Rs. 492 crore during Q2 FY14 while on a half yearly basis the Company's revenue stood at Rs. 951 crore vis-à-vis Rs. 935 crore during H1 FY14. Topline performance during the quarter moderated due to sluggish demand primarily on account of falling raw material rates.

EBITDA for the quarter stood at Rs. 68 crore as against Rs. 84 crore during Q2 FY14, on a half yearly basis the same stood at Rs. 137 crore as against Rs. 150 crore. Margins remained under pressure which affected operating profit in Q2 FY15.

PAT for the quarter stood at Rs. 30 crore as against Rs. 43 crore, while on a half yearly basis PAT stood at Rs. 66 crore vis-à-vis Rs. 71 crore.

Commenting on the results, Mr. C.S. Nopany, Chairman, Sutlej Textiles and Industries Ltd said "Our strategy of focusing on niche value added products has helped us reduce the impact of the challenges faced by the sector during the quarter.

Going ahead, the commissioning of additional value added cotton mélange yarn spindles coupled with ongoing expansion project to scale up the production of Home Textiles and our efforts to further improve the product-mix should help the Company deliver sustainable performance in the long term."

Key Developments

Update on Capacity Expansion and Modernization Programme

- Company has started commercial production of its expansion project of 31,104 spindles to manufacture Value Added Cotton Mélange and Cotton Blended Dyed Yarn at its unit - Chenab Textile Mills, Kathua (J & K).
- The Company's total yarn spinning capacity stands at 292,840 spindles, of which 96,720 spindles are utilized to make Cotton Mélange and Cotton Blended Dyed Yarn.
- The addition of the new capacity will enable the Company to further strengthen its position as a leading player in the niche Cotton Mélange and Cotton Blended Dyed Yarn segment.
- In addition, the Company has invested ~Rs. 25 crore as on September 30, 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.

Expansion of 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.
- The project costing Rs. 88.50 crore is expected to be completed in FY 2016.
- Increased presence in Home Textile segment will result in further strengthening of Company's end to end operations – Yarn to Home Textile.

Closure of Fabric Division

- Shutting down operations of its Fabric division situated at Daheli, Bhilad, Gujarat in view of its unviable operations in line with Company's strategy of focusing on profitable business ventures. The closure of Fabrics division will not have any material impact on the future earnings of the Company, as it is not a major line of activity.

Issuing Commercial Paper

- The Company issued Commercial Paper (CP) worth Rs. 60 crore in two tranches.
 - First Tranche – Rs. 25 crore; Second Tranche – Rs. 35 crore.
- The CP carried a rating of CARE A1+ by Credit Analysis & Research Limited (CARE).
- Instruments with the aforesaid rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
- The issuance of CP will be utilized to substitute Working Capital requirement by earmarking the drawing power of the Company, thereby enabling the Company to save on interest cost.

Award for Export Performance

- The Company has been selected for “**Niryat Shree – Bronze Trophy**” award to be presented by The Hon'ble President of India on December 01, 2014 at Vigyan Bhawan, New Delhi.

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

STIL has also been recipient of numerous prestigious awards recent one are **Nirayat Shree – Bronze trophy** award for its Export performance; **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.

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/HALF YEAR ENDED 30TH SEPTEMBER 2014

(Rs. in lacs except per share data)

Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30 Sep'14 (Unaudited)	30 Jun'14 (Unaudited)	30 Sep'13 (unaudited)	30 Sep'14 (Unaudited)	30 Sep'13 (unaudited)	31 Mar'14 (Audited)
1	Income from Operations						
(a)	Net Sales/ Income from Operations (Net of excise duty)	44,931	46,991	48,534	91,922	92,354	184,841
(b)	Other Operating Income	972	2,215	664	3,187	1,140	3,221
	Total income from Operations (net)	45,903	49,206	49,198	95,109	93,494	188,062
2	Expenses						
a)	Cost of materials consumed	26,651	27,463	26,159	54,114	48,973	100,283
b)	Purchases of stock-in-trade	2,034	3,363	3,601	5,397	6,469	16,040
c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(964)	268	(200)	(696)	1,360	(1,451)
d)	Employee benefits expense	4,401	4,133	3,930	8,534	7,609	15,801
e)	Depreciation, impairment and amortization expenses	1,639	1,501	1,717	3,140	3,415	7,519
f)	Other expenses	7,825	8,272	8,212	16,097	15,806	30,732
	Total expenses	41,586	45,000	43,419	86,586	83,632	168,924
3	Profit from operations before other income, finance costs and exceptional items	4,317	4,206	5,779	8,523	9,862	19,138
4	Other Income	860	1,182	893	2,042	1,698	3,905
5	Profit from ordinary activities before finance costs and exceptional items	5,177	5,388	6,672	10,565	11,560	23,043
6	Finance costs	1,200	1,348	1,482	2,548	3,027	5,807
7	Profit from ordinary activities after finance costs but before exceptional items	3,977	4,040	5,190	8,017	8,533	17,236
8	Exceptional items	-	-	-	-	-	64
9	Profit from Ordinary activities before tax	3,977	4,040	5,190	8,017	8,533	17,172
10	Tax Expenses	929	466	926	1,395	1,450	4,034
11	Net Profit for the period	3,048	3,574	4,264	6,622	7,083	13,138
12	Paid-up equity share capital, Equity Shares of Rs.10/- each	1,638	1,638	1,638	1,638	1,638	1,638
13	Reserves excluding Revaluation Reserves						44,610
14	Earnings Per Share (Not annualized) (Rs.)						
	- Cash	28.87	28.96	35.73	57.83	62.46	128.85
	- Basic and diluted	18.60	21.82	26.03	40.42	43.23	80.19
A	PARTICULARS OF SHAREHOLDING						
1	Public shareholding :						
	- No. of Shares	5,926,011	5,926,011	5,926,011	5,926,011	5,926,011	5,926,011
	- 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	2,175,000	2,175,000	2,925,000	2,175,000	2,925,000	2,925,000
	- Percentage of shares (as a % of the total shareholding of Promoters and Promoter group)	20.80	20.80	27.97	20.80	27.97	27.97
	- Percentage of shares (as a % of the total share capital of the Company)	13.28	13.28	17.85	13.28	17.85	17.85
(b)	Non-encumbered						
	- Number of Shares	8,281,851	8,281,851	7,531,851	8,281,851	7,531,851	7,531,851
	- Percentage of Shares (as a % of the total shareholding of promoters and promoter group)	79.20	79.20	72.03	79.20	72.03	72.03
	- Percentage of shares (as a % of the total share capital of the company)	50.55	50.55	45.98	50.55	45.98	45.98

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs. in lacs)

Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30 Sep'14 (Unaudited)	30 Jun'14 (Unaudited)	30 Sep'13 (Unaudited)	30 Sep'14 (Unaudited)	30 Sep'13 (unaudited)	31 Mar'14 (Audited)
1	Segment Revenue :						
	(a) Yarn	43,328	46,552	46,583	89,880	88,905	178,913
	(b) Fabrics	2,855	3,087	3,192	5,942	5,836	11,588
	Total	46,183	49,639	49,775	95,822	94,741	190,501
	Less: Inter Segment Revenue	280	433	577	713	1,247	2,439
	Total Income from Operations (net)	45,903	49,206	49,198	95,109	93,494	188,062
2	Segment Result :						
	Profit/(Loss) before Tax, Finance Costs and Exceptional items from each segment						
	(a) Yarn	4,847	4,996	6,263	9,843	10,787	21,747
	(b) Fabrics	(93)	79	(21)	(14)	(220)	(1,112)
	Total	4,754	5,075	6,242	9,829	10,567	20,635
	Less : Finance costs	1,200	1,348	1,482	2,548	3,027	5,807
	Exceptional items	-	-	-	-	-	64
	Add : Other un-allocable income net of un-allocable expenditure #	423	313	430	736	993	2,408
	Profit before tax	3,977	4,040	5,190	8,017	8,533	17,172
3	Capital Employed :						
	(Segment assets - Segment liabilities)						
	(a) Yarn	102,926	101,389	82,191	102,926	82,191	97,352
	(b) Fabrics	10,328	10,766	12,275	10,328	12,275	11,396
	Add: Un-allocated Corporate Assets/ (Liabilities) (net)	6,379	5,083	12,457	6,379	12,457	1,299
	Total Capital Employed	119,633	117,238	106,923	119,633	106,923	110,047

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

Media Release

STATEMENT OF ASSETS AND LIABILITIES

(Rs. in lacs)

	Particulars	As at 30th Sept., 2014	As at 30th Sept., 2013
A	<u>EQUITY AND LIABILITIES</u>		
1	<u>Shareholders' Funds:</u>		
(a)	Share Capital	1,638	1,638
(b)	Reserves and Surplus	51,232	44,610
	Sub-total - Shareholders' funds	52,870	46,248
2	Deferred Government Subsidies	190	172
3	<u>Non-Current Liabilities:</u>		
(a)	Long-term Borrowings	34,594	26,667
(b)	Deferred Tax Liabilities (Net)	3,978	4,158
(c)	Other Long-term Liabilities	411	389
(d)	Long-term Provisions	549	421
	Sub-total - Non-current liabilities	39,532	31,635
4	<u>Current Liabilities :</u>		
(a)	Short-term Borrowings	22,410	24,534
(b)	Trade Payables	4,969	5,337
(c)	Other Current Liabilities	14,327	16,451
(d)	Short-term Provisions	2,026	2,917
	Sub-total - Current liabilities	43,732	49,239
	TOTAL - EQUITY AND LIABILITIES	136,324	127,294
B	<u>ASSETS</u>		
1	<u>Non-Current Assets :</u>		
(a)	Fixed Assets	68,287	56,317
(b)	Non-Current Investments	5,000	5,000
(c)	Long-term Loans and Advances	3,306	4,182
(d)	Trade Receivables	-	-
(e)	Other Non-Current Assets	-	-
	Sub-total - Non-current assets	76,593	65,499
2	<u>Current Assets :</u>		
(a)	Current Investments	-	334
(b)	Inventories	32,410	38,360
(c)	Trade Receivables	15,805	15,425
(d)	Cash and Bank balance	266	390
(e)	Short-term Loans and Advances	8,291	2,823
(f)	Other Current Assets	2,959	4,463
	Sub-total - Current assets	59,731	61,795
	TOTAL - ASSETS	136,324	127,294

Notes:

1. The Company has re-worked 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, as amended. Consequently, there is no material impact in the depreciation for the quarter and half year ended September 30, 2014.
2. During the preceding 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 & 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 / half year ended, the Company had accounted for part of the insurance claims of Rs 991 lakhs in the preceding quarter and Rs 128 lakhs during the current quarter, totaling to Rs.1119 lakhs 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. During the quarter, the Company has started trial run of its expansion project of 31,104 spindles to manufacture value added cotton mélange and cotton blended dyed yarn at its unit - Chenab Textile Mills, Kathua (J&K) and commenced commercial production from 1st November 2014.
4. The Company has closed the operations of its Fabrics division situated at Daheli, Bhilad, Gujarat w.e.f. 01.10.14 in view of its uneconomic working. The closure of Fabrics division does not have any major impact on the future earnings of the Company.
5. Previous period/year figures have been regrouped and rearranged wherever necessary.
6. 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 November 3, 2014 and November 5, 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 : Mumbai
Date : 05.11.2014

Dilip Ghorawat
Whole-time Director & CFO