

STIL/

May 11, 2015

M/s. Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai 400 001 Fax No. 022-22723121/719/22702037/39 Scrip Code: 532782	M/s. 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 Fax No. (022)-2659 8237/38) Scrip Code : SUTLEJTEX
---	---

Re:- Q4 and FY 2015 Results Presentation

Dear Sirs,

Please find enclosed herewith a copy of the Results Presentation with respect to the Audited Q4 & FY 2015 Financial Results for the year ended 31st March, 2015.

Thanking you,

Yours faithfully,
For Sutlej Textiles and Industries Limited



(D.R.Prabhu)
Company Secretary

SUTLEJ TEXTILES AND INDUSTRIES LTD

Q4 & FY2015 Results Presentation - 7th May 2015



Disclaimer

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.

Index

FY15 – Key Highlights

04

Q4 & FY15 – Performance Update

09

Company Overview

16

Business Outlook

28

About Us

32



FY15 – KEY HIGHLIGHTS



Key Highlights - FY15

*Sutlej Textiles
acquires Birla
Textile Mills*

*New capacities of
31,104 spindles
producing Value
Added Cotton
Mélange and Cotton
Blended Dyed Yarn
starts functioning*

*Brownfield project –
Capacity expansion
of 31,104 spindles
producing Value
Added Products*

*Scaling up Home
Textiles Division*

*Issuance of
Commercial Paper*

*Awards &
Recognition –
Felicitated with
Niryat Shree &
SRTEPC*

*Board of Directors
recommend highest
ever dividend of
Rs. 10 per share
translating into a
payout of 17%*

Key Highlights – FY15

Acquisition of Birla Textile Mills

- Ω Board of Directors approved the purchase of Birla Textile Mills (BTM) as a going concern on a slump sale basis
- Ω BTM, a unit of Chambal Fertilisers and Chemicals Ltd, is located at Baddi, Himachal Pradesh
- Ω The consideration for purchase of BTM works out to Rs 232.63 crore (including net current assets) subject to closing and other adjustments, if any.
- Ω Margin accretive transaction will be funded through a mix of Internal accruals, debt & other options
- Ω BTM's present capacity of 83,376 spindles – manufacturing cotton, synthetic & blended yarn in Grey & dyed form; STIL's total spinning capacities to reach 3,77,112 spindles post-acquisition
- Ω During FY15, BTM reported revenues of Rs. 413 crore
- Ω Transaction to be effective from April 1, 2015 – subject to approval from shareholders and other statutory clearances

Increasing capacities resulted in Strong contribution from high margin Value Added Cotton Mélange and Cotton Blended Dyed Yarn

- Ω Commenced commercial production of Value Added Cotton Mélange and Cotton Blended Dyed Yarn from its additional 31,104 spindles installed at its unit - Chenab Textile Mills, Kathua (J&K) w.e.f. 1st November 2014 at a cost of Rs.151 crore.
- Ω Existing total spinning capacity stands at 2,93,736 spindles, of which ~96,000 spindles are utilized to manufacture Cotton Mélange and Cotton Blended Dyed Yarn
- Ω The Company targets achieving higher utilization than planned within the first full year of operations (FY2016) following higher acceptance of product from the customers
- Ω Higher output of value added products to enhance the Company's margins and profitability going forward

Key Highlights – FY15

Brownfield project - capacity expansion of Value Added Products

- Ω The Company's Board of Director has approved brownfield capacity expansion of 31,104 spindles at its Bhawani Mandi, Rajasthan facility
- Ω Incremental capacity would be dedicated towards producing Value Added Cotton Mélange and Cotton Blended Dyed Yarn
- Ω Estimated Project Cost is Rs. 235 crore to be funded by mix of internal accruals and debt
- Ω Work on the project is likely to commence from Q3 FY16

Augmenting Home Textiles Division

- Ω Expanding operations in Home Textiles division at one of the Company's units viz, Damanganga Home Textiles, Daheli, Bhilad, Gujarat. Post completion, the capacity in its existing facility will increase to 9.6 million metres p.a. from earlier 2.5 million metres p.a.
- Ω Total project cost - Rs. 88.5 crore
- Ω Project is to be completed in phases; with first phase to be operative in July 15 (Q2 2015)
- Ω Increased presence in Home Textile segment will result in further strengthening of Company's end to end operations – Yarn to Home Textile

Key Highlights – FY15

Modernization Update

- Ω Invested around Rs. 58 crore during FY15, towards technology up-gradation and debottlenecking, etc. this will result in further improvement of efficiencies and plant utilization. It intends to make further investment of Rs. 53 crore towards the same

Award for Export Performance

- Ω 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.
- Ω 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.



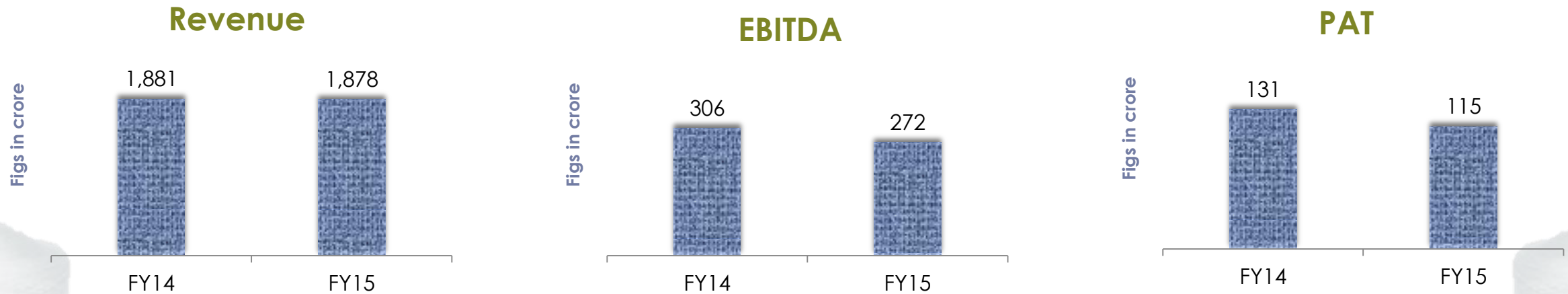
Q4 & FY15 – PERFORMANCE UPDATE



Results Snapshot – Q4 & FY15

INR crore	Q4 FY15	Q4 FY14	% Change w.r.t Q4 FY14	FY15	FY14	% Change w.r.t FY14
Revenue	468	482	(2.9)	1,878	1,881	(0.2)
EBITDA	68	70	(2.9)	272	306	(11.1)
EBITDA Margin (%)	14.5	14.5	-	14.5	16.3	(180 bps)
EBIT	47	46	2.2	202	230	(12.2)
EBIT Margin(%)	10.0	9.5	+50 bps	10.8	12.3	(150 bps)
PAT	27	21	32.7	115	131	(12.2)
PAT margin (%)	5.8	4.4	+140 bps	6.1	6.9	(80 bps)
EPS	16.7	13.3	28.6	70.5	80.0	(12.2)

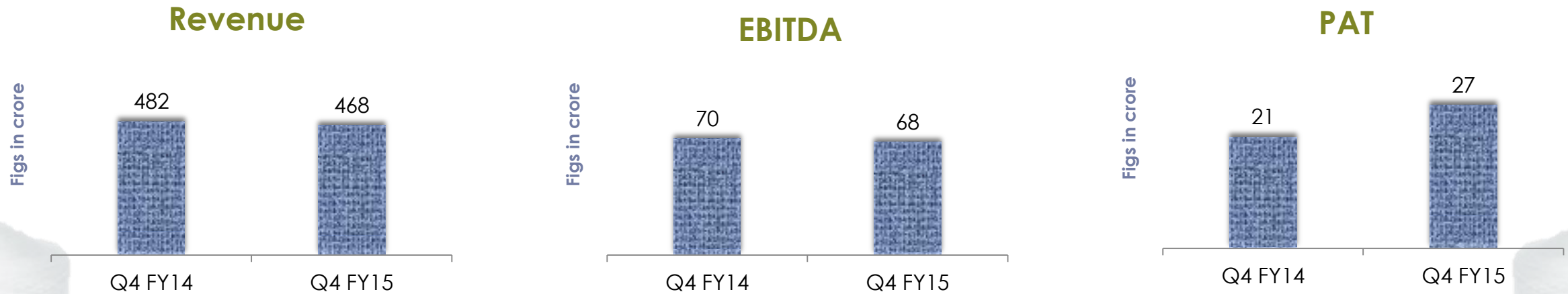
Financial Performance – FY15



- Ω Stable revenue for the year despite higher production, as presence of headwinds such as sharp decline in raw material prices especially cotton & polyester resulted in lower realisations
- Ω Moderation of operating profitability and margins on account of sluggish demand and weak pricing environment
- Ω The Company reported a marginal decline in profitability despite operating in a challenging business environment

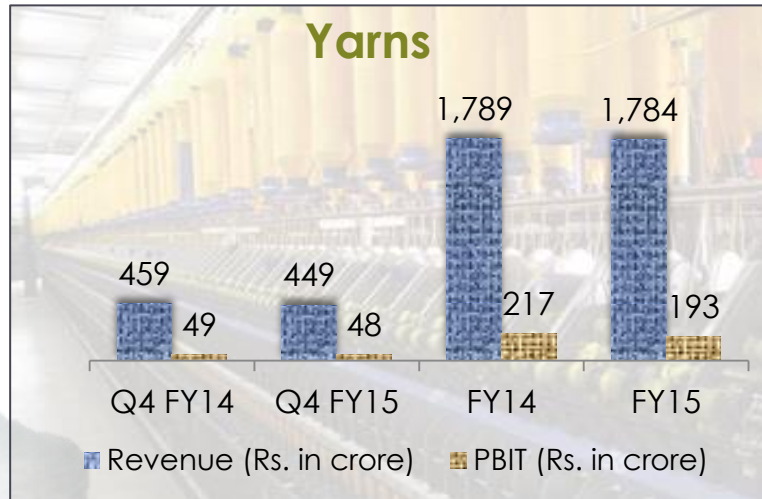
“Future growth levers: BTM acquisition, increased capacities of value added products, improved product mix & strong Balance Sheet”

Financial Performance – Q4 FY15

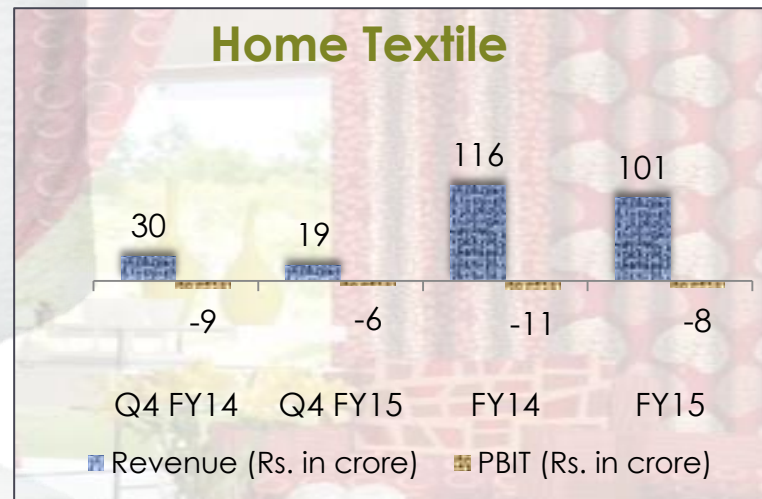


- Ω Revenue performance remained mixed during the quarter, with benefits from commissioning higher proportion of Cotton Mélange getting negated by softer pricing environment
- Ω Enhanced operating profitability following improved product mix & higher generation of margin accretive value added products
- Ω Profitability improvement owing to higher share of value added Cotton Mélange product in the overall product mix

Segment-wise Performance – Q4 & FY15



- Q4 FY15 PBIT stood at Rs. 48 crore as against Rs. 49 crore in Q4 FY14 and Rs. 193 crore during FY15 as against Rs. 217 crore in FY14.
- During FY15, the Company produced 74,983 MT as against 71,542 MT during last year.
- Proportion of high margin Cotton Mélange and Cotton Blended Dyed Yarn product increased in the overall product mix post commissioning of operations from new capacities.



- Revenues during FY15 stood at Rs. 101 crore as against Rs. 116 crore during FY14.
- Reduction in loss following the Company's decision of closing down weaving Division of Damanganga Fabrics due to unviable operating conditions during the year
- Expect the segment to deliver growth post completion of planned expansion. Increasing capacities to 9.6 million metres p.a. from earlier 2.5 million metres p.a

CHAIRMAN'S COMMENTS

Commenting on the results, Mr. C.S. Nopany, Chairman, Sutlej Textiles and Industries Ltd said, *"The Financial Year 2015 has been a challenging year for the textile industry across the globe. Margins were under pressure due to lackluster demand and the sharp fall in the prices of crude oil and other commodities.*

However, for Sutlej it was quite eventful. The Company has launched several initiatives to boost its top line as well as bottom line. We have exited the non-profitable segments of our business and have made considerable headway in improving margins by rationalizing our product mix.

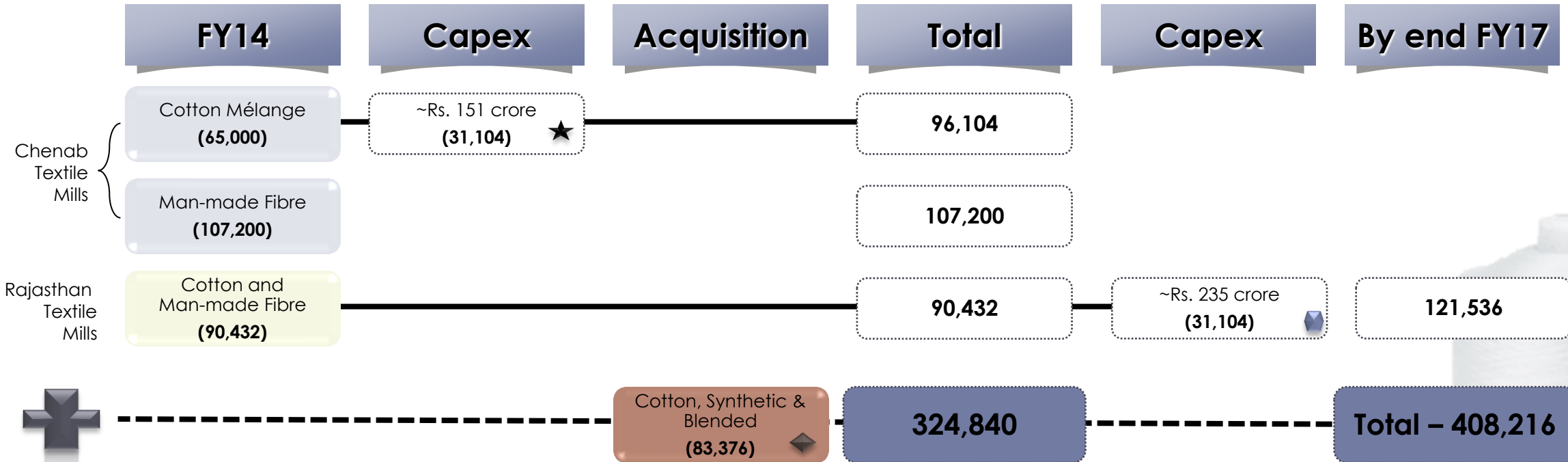
Sutlej has entered into a MOU to acquire Birla Textile Mills with 83,376 spindles and has also started commercial operations from the new capacities that came online during the year. I am also pleased to announce that our Board has approved a brownfield project of establishing an additional 31,104 spindles to produce value added dyed mélange cotton yarn which will further increase our market share.

Looking ahead, we are excited and optimistic about our business as we believe that improving contribution from high margin value added products, coupled with prudent cash deployment and initiatives towards strengthening Home Textiles business will assist us in delivering better and consistent performance going forward."

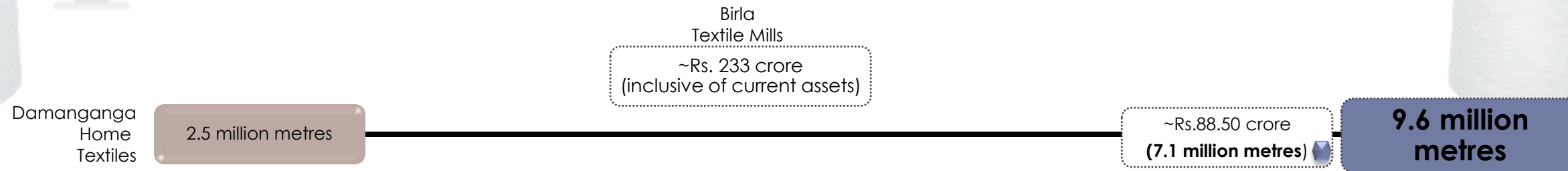


Capital Expenditure & Capacities

Yarn
(No. of Spindles)



Home Textile



★ Completed

◆ Ongoing

◆ Subject to Approval



COMPANY OVERVIEW



At a Glance

#1

Spun Dyed
Yarn Manufacturer

293,736

Total Capacity
(Spindles)

~96,000

Cotton Mélange Yarn
(Spindles)

62

Total Capacity
(Looms)

CARE A+ / Ind A+

Credit Rating
(CARE / India Ratings, A Fitch Group Co.)

10% CAGR

Last 5 years
Revenue Growth

12% CAGR

Last 5 Years
EBITDA Growth

34% CAGR

Last 5 Years
PAT Growth

34% CAGR

Last 5 Years
EPS Growth

“Delivering robust growth on a sustainable basis”

Company Overview

Sutlej Textiles and Industries Ltd (STIL) is India's largest Spun Dyed Yarn manufacturer and leading player in Value added / Specialty yarns

Marquee Clients



Product Mix

- Ω One stop shop for all types of yarn
- Ω Focus on Value added yarns – Spun Dyed Yarn, Cotton Mélange
- Ω Diversified offerings with presence across value chain with – Yarns & Home textile

Manufacturing Snapshot

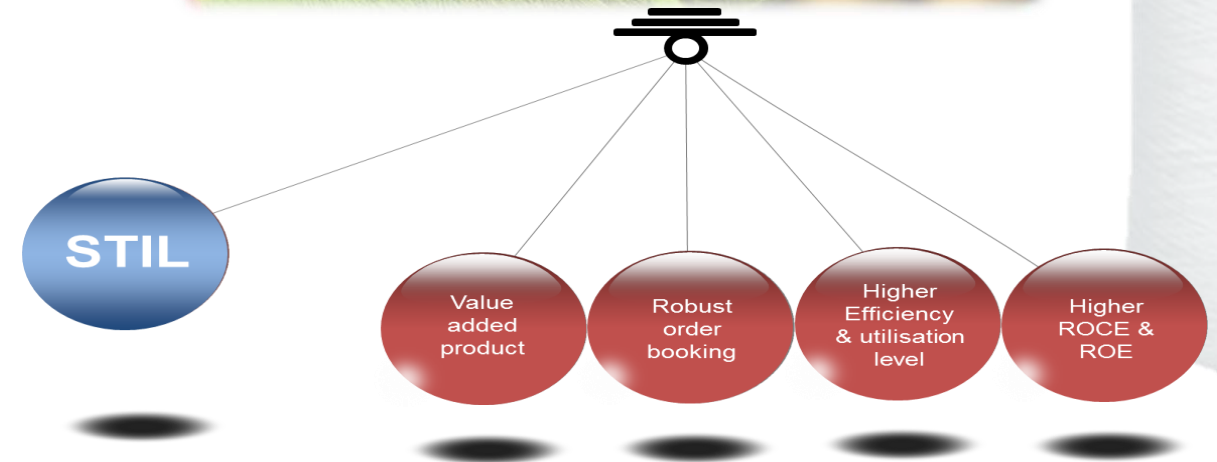
- Ω Manufacturing units (3) – Jammu & Kashmir, Rajasthan & Gujarat
- Ω Total Capacity: Spindles – 293,736; Home Textile looms – 62;
- Ω Employs about 12,000 people

Domestic and Global Presence

- Ω Marquee clients in domestic markets
- Ω Global footprint with presence across 60 countries across
 - Europe,
 - North America,
 - South East Asia

Competitive Edge Over Most Other Spinning Mills

- Ω One stop shop for all types of spun dyed yarns – 100% or blends in Synthetic or natural / Count range: from 6 s to 60 s / Colour: grey, mélange or Dyed in all shade / Fold: simple, Double or multifold
- Ω Largest manufacturer of Value Added Dyed Synthetic and Cotton Mélange Yarn in India –sustained growth strategy wherein Company has added 138,280 spindles in last 10 years.
 - Commissioning of value added products from newer capacities resulting in higher proportion of margin accretive products in overall product mix
 - Brownfield expansion involving addition of 31,104 spindles. Incremental capacity would be dedicated towards producing Value Added Cotton Mélange and Cotton Blended Dyed Yarn. STIL's position to strengthen post completion of the project
- Ω Grey Cotton yarn contributes ~6% to Revenues as compared to around 80% - 100% of other spinning mills

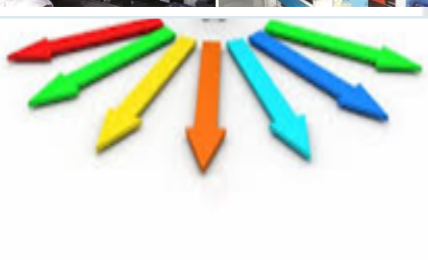


Competitive Edge Over Most Other Spinning Mills

- Ω Scaling up presence in Home Textile business, by expanding capacities to 9.6 million metres p.a. Increased presence in Home Textile segment will result in further strengthening of Company's end to end operations – Yarn to Home Textile
- Ω Optimum & efficient capacity utilization owing to the most modern Plant and Machinery – 56% of Company's spindle age are less than a decade old
- Ω Extensive Research and Development department with latest Equipment's
- Ω Robust order booking procedure – production based on specific client requirements and advance orders leading to negligible order cancellation and better working capital management
- Ω Delivering consistent & robust returns – reported one of the healthiest Return Ratios in the industry. ROCE and ROE in **FY2015** stood at **23%** and **21%** respectively.
- Ω Consistent track record of paying dividend since incorporation. Declared highest ever payout ratio of 17% in FY15
- Ω In line with Company's philosophy of rewarding its shareholders, the Company allotted bonus shares in the ratio 1:2 (June2013)

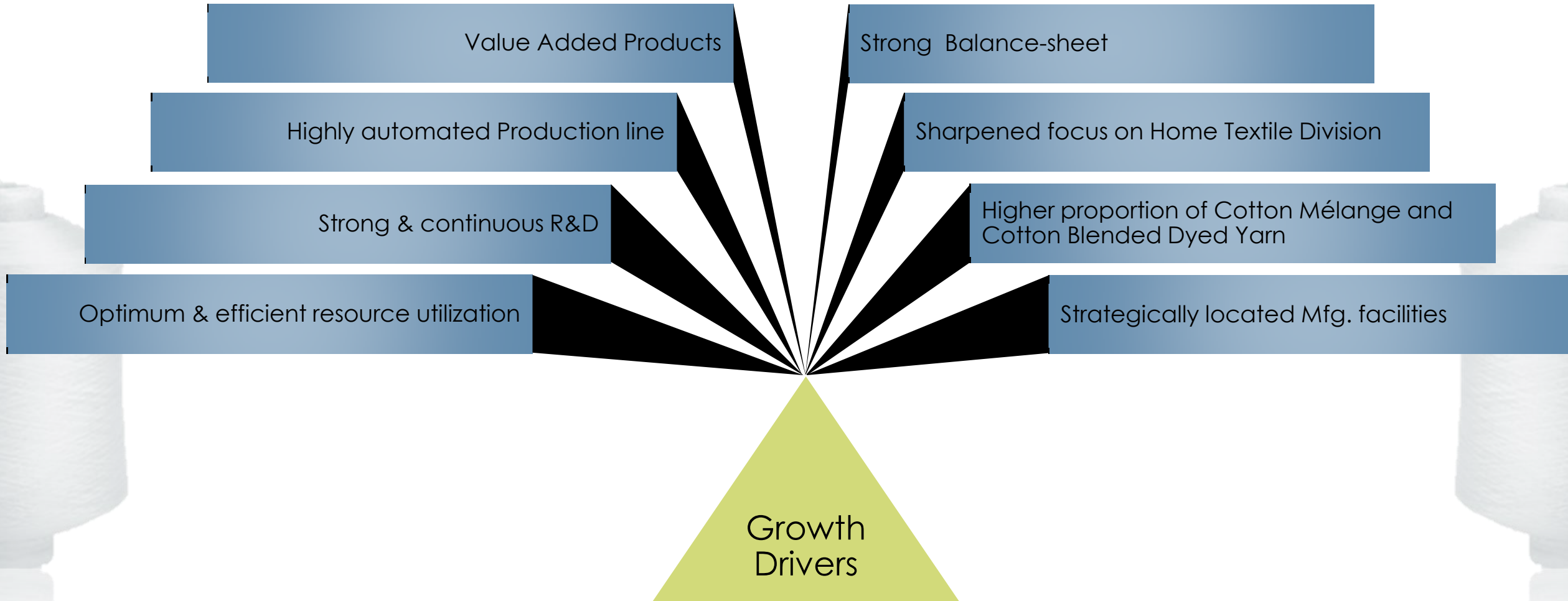


Operating Levers

Sourcing Raw Material Efficiencies	Multiple Raw Material inputs – efficiently manage input volatility Innovative R&D in sourcing Raw Materials – Focused approach to increase the breadth of raw material sources to lower dependency risk Procurement management – sourcing from reputed manufacturers resulting in lower process losses	
Proficient Manufacturing Processes	Best-in-industry utilization levels – Continuous modernization with ~69% of spindles less than 10 years old; latest and highly automated system in place Strategically located units – Availing various Central Government & State Government incentives Access to captive and continuous power supply – low process losses & downtime	
Strong R&D	In-house success – Strong in-house R&D capabilities facilitates higher efficiency & performance State of the art technology - The Company development and design centers are well equipped with latest technological equipment's like Evenness Testers, HVI Spectrum, Tenso Jet-4, AFISPRO LMNT, Yarn Classmate,	
Robust Order Booking and Distribution Strategies	Well-organized order booking procedure – negligible order cancellation and better working capital management Strong marketing network – own offices, tie up with dealers & brokers throughout the country and international Global footprint – presence across 60 countries with an impressive client list	

Focus on Niche & Value added Products

Key Growth Drivers



Recap

India's largest spun dyed yarn manufacturer – “one stop shop for all types of dyed yarns”

Broad & Diversified Product mix

Strengthening presence in fast growing categories

State of the art manufacturing facilities

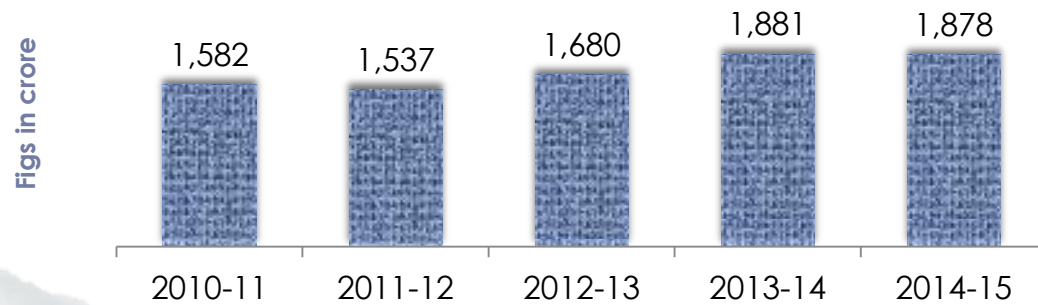
Strong Balance Sheet

Extensive Domestic and Global Marketing & Distribution Presence

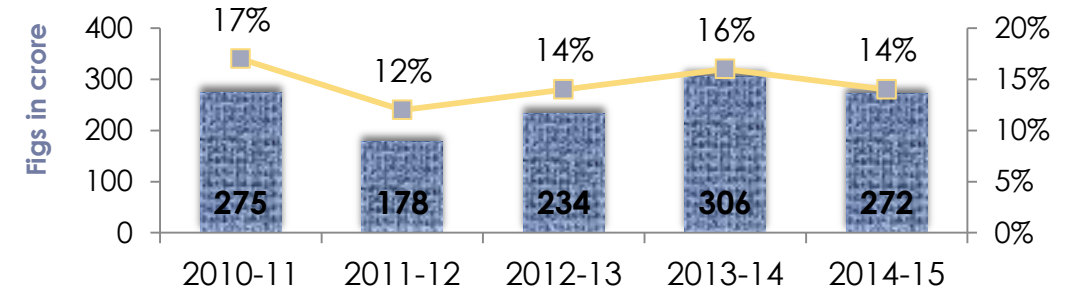
Consistently rewarding shareholders

Financial Performance - Snapshot

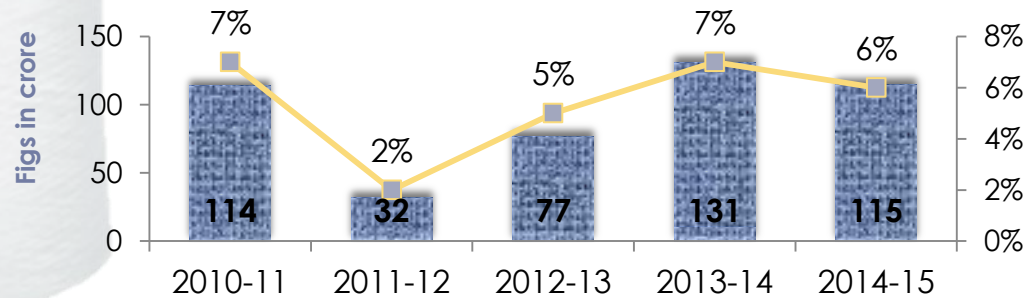
Revenue



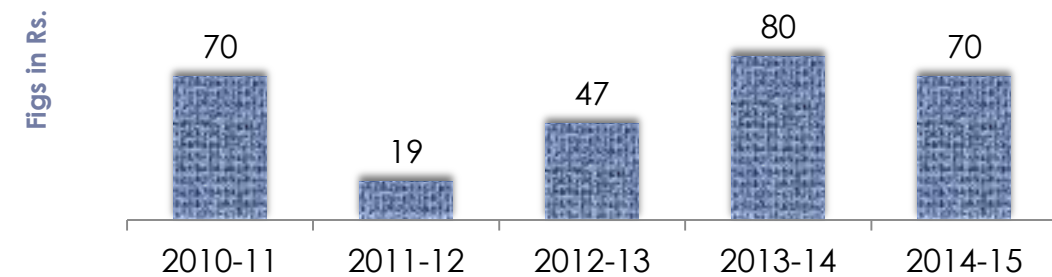
EBITDA Margin



PAT Margin



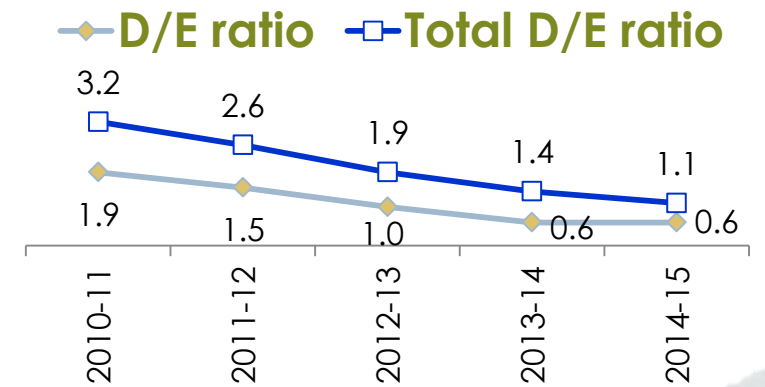
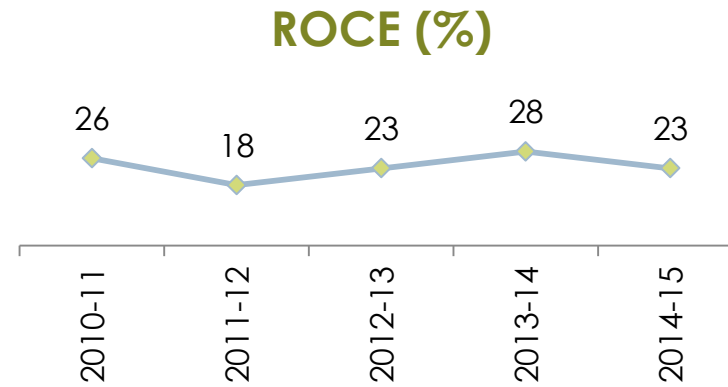
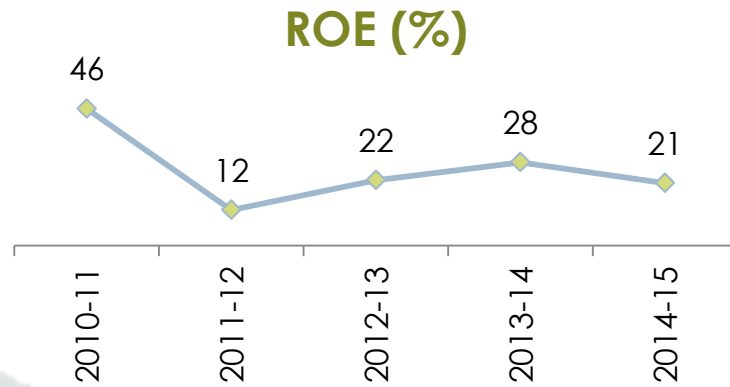
EPS*



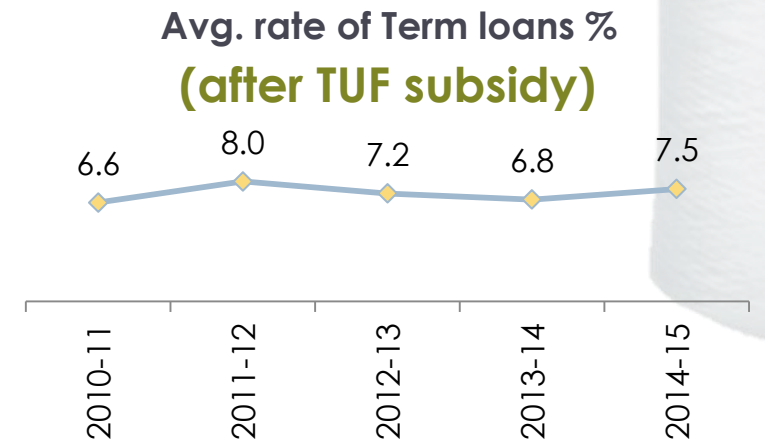
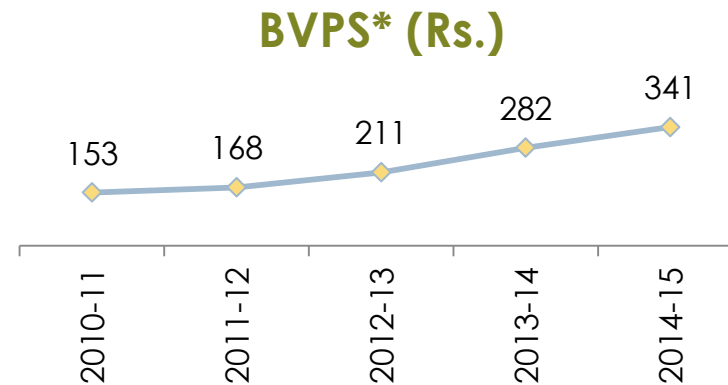
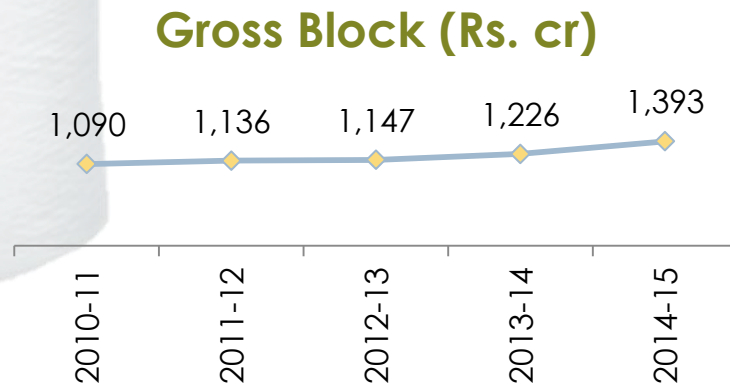
*Adjusted figs post incorporating bonus effect
(During June 2013, STIL allotted bonus shares in the ratio 1:2)

Delivering resilient and sustainable growth

Key Financial Highlights



Delivering maximum returns at minimal risk

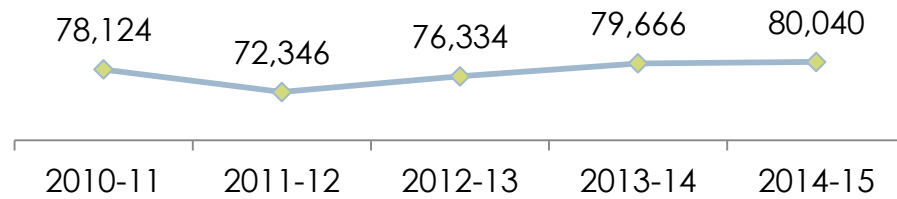


*Adjusted figs post incorporating bonus effect (During June 2013, STIL allotted bonus shares in the ratio 1:2)

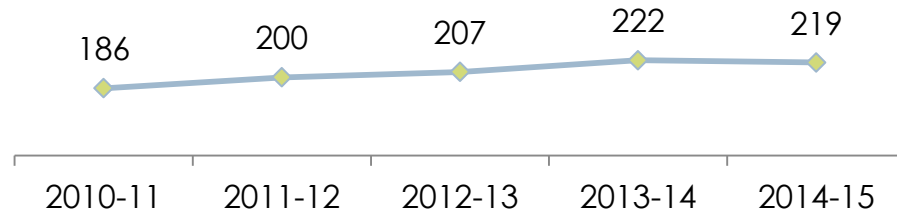
Operational Performance

Yarns

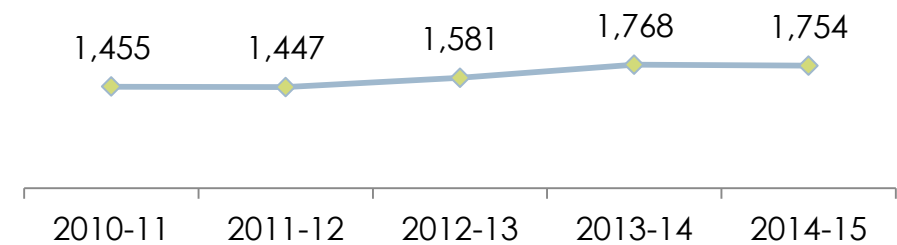
Sales (MT)



Avg. Yarn realisation (Rs/Kg)



Sales (Rs. crore)



Key Financial Highlights

Particulars	INR Million			USD Million		
	FY13	FY14	FY15	FY13	FY14	FY15
Revenues	16,802	18,806	18,782	317	330	308
EBITDA	2,343	3,056	2,718	44	54	45
EBITDA Margin %	14%	16%	14%	14%	16%	14%
PBT	928	1,717	1,482	18	30	24
PBT Margin %	6%	9%	8%	6%	9%	8%
PAT	770	1,314	1,155	15	23	19
PAT Margin %	5%	7%	6%	5%	7%	6%
Total Assets	11,492	12,729	13,408	217	223	220
Net Worth	3,464	4,625	5,582	65	81	92
Long Term Debt	3,377	2,667	3,392	64	47	56
Total Debt	6,517	6,303	5,976	123	111	98
EV as at year end	8,680	9,830	11,061	164	172	181
ROCE	23%	28%	23%	23%	28%	23%
ROE	22%	28%	21%	22%	28%	21%
Debt – Equity	1	0.6	0.6	1	0.6	0.6
EV/EBITDA	3.7	3.2	3.6	3.7	3.2	3.6
EPS* - Basic & Diluted	47	80	70	0.9	1.4	1.1

- *Adjusted figs post incorporating bonus effect (During June 2013, STIL allotted bonus shares in the ratio 1:2)
- USD calculations based on Avg rate: FY13: Rs. 53/ USD; FY14: Rs. 57/USD; FY15: Rs. 61/USD



BUSINESS OUTLOOK



Indian Textile Sector - Present

\$108

current size of Indian Textile Sector

2nd

largest employment generator and employs 45 million people

49

Million spindles capacity across ~1300 mills

12%

share of the country's total exports basket in 2013-14

14%

Contribution to India's total industrial production

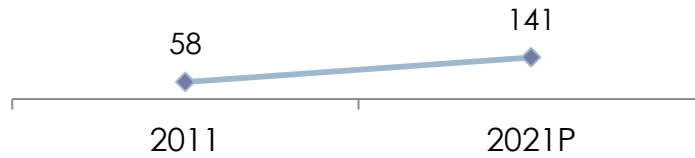
4%

Contribution to India's gross domestic product

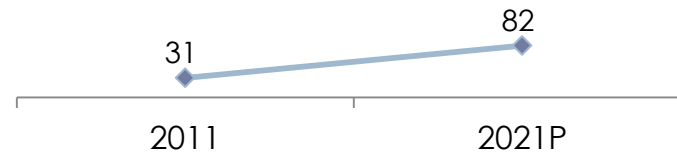


Indian Textile Sector - Potential

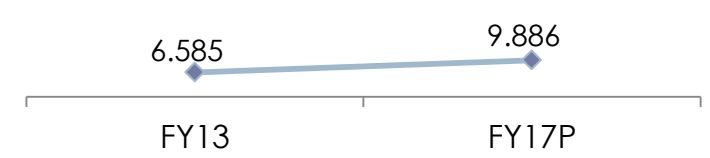
Domestic textile & apparel industry (\$ bn)



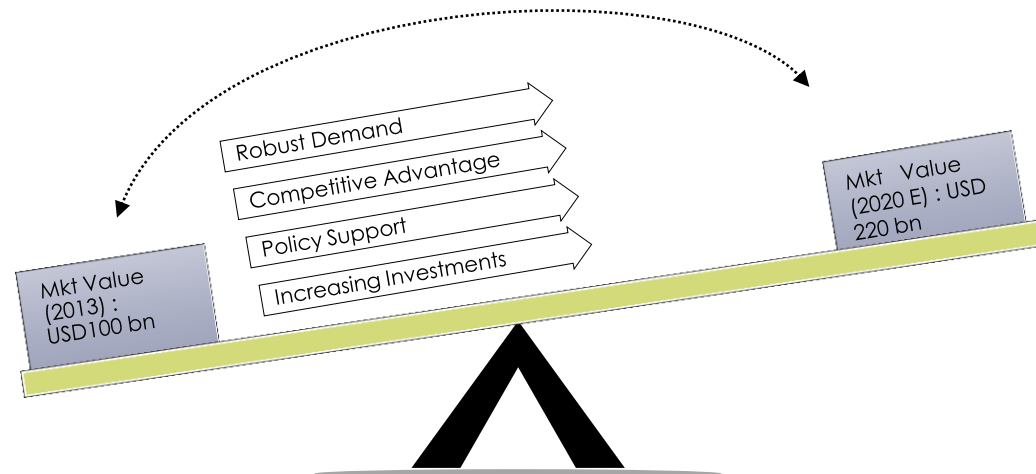
Textile & apparel exports (\$ bn)



Total Fibre Production (Mn Kg)



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



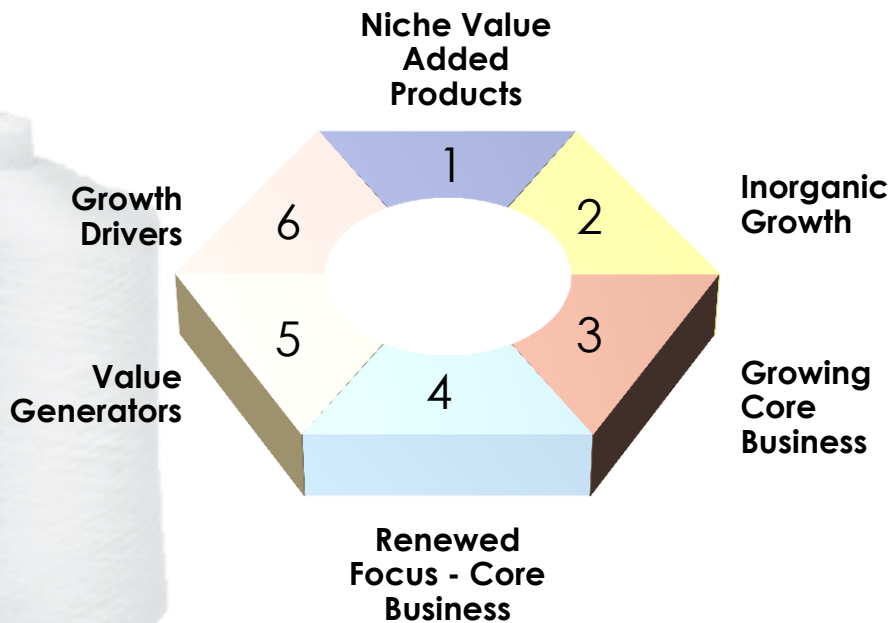
**Manifold
Growth**

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

**Government
Initiatives**

- Setting up of Textile parks across the country
- Setting up of venture capital fund (USD 16.53 mn) to provide equity support to start-ups in the Sector
- Integrated Skill Development scheme to train people covering all sub-segments of the sector, such as Textiles, Apparels
- Measures directed towards increasing Share of India's exports over the next decade

Business Outlook



1

Greater production of high margin value added products post the completion of capacity expansion plan to result in greater proportion of Cotton Mélange and Cotton Blended Dyed Yarn product in the overall mix

2

Acquisition of Birla Textile Mills to offer scale and size, besides synergies and economies of scale benefits which will enable growth acceleration

3

Enhancing capacities at Bhawani Mandi by adding 31,104 spindles dedicated towards manufacturing value added Cotton Mélange and Cotton Blended Dyed Yarn. Incremental capacities to be developed on Company's 30 acre free hold land

4

Sharpened focus on core yarn business coupled with renewed strategy for home textile segment to result in improved and diversified product mix, thereby enabling the Company to deliver sustainable performance

5

Higher production of value added items, increased capacity under home textile business and lowering of leverage to drive margins and profitability

6

Domestic Drivers - Changing lifestyle, growing population, rising disposable income and greater demand for quality products

Overseas Drivers - Recovery in developed economies; rising labor cost & political instability in neighboring countries

About Us

Sutlej Textiles and Industries Ltd (STIL):

CIN: L17124RJ2005PLC020927

Sutlej Textiles and Industries Ltd (STIL), an ISO 9001:2008 certified Company, is one of India's largest spun dyed yarn manufacturer. Under the leadership of Mr. CS 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.

STIL has a strong global clientele and exports to almost 60 countries. It has presence across major developed and emerging economies like 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.

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:

Dilip Ghorawat

Whole-time Director & Chief Financial Officer

Sutlej Textiles and Industries Ltd

Tel: +91 22 42198800

Email: dilipg@sutlejt看textiles.com

Anoop Poojari / Suraj Digawalekar

CDR India

Tel: +91 22 6645 1211/ 6645 1235

Email: anoop@cdr-india.com
suraj@cdr-india.com

THANK YOU

