

Sutlej Textiles and Industries Ltd reports strong performance in 9M FY14

Revenue grows 12%; EBIDTA expands by 36%

Net Profit Surges 82%

Mumbai, January 28, 2014: Sutlej Textiles and Industries Ltd., (STIL), a leading manufacturer of value added synthetic, cotton and blended yarns, fabrics & Home furnishing has announced its results for the quarter and nine months ended 31st December 2013. The company recorded net profit of Rs. 111 crore during the nine months of the current financial year as against Rs.61 crore generated during corresponding period last year, registering a growth of 82%.

The revenue of the company expanded from Rs. 1,248 crore garnered during nine months ended December 31, 2012 to Rs. 1,399 crore during the current period ending December 31, 2013, an increase of 12%. The EBITDA is Rs. 236 crore for the nine months ended December 31, 2013 as compared to EBITDA of Rs. 174 crore for the nine months ended December 31, 2012 showing a growth of 36%.

Financial highlights:

(Rs. in Crore)

Particulars	Q3 FY14	Q3 FY13	%	9M FY14	9M FY13	%
Revenue	464	409	13.4	1,399	1,248	12.1
EBITDA	86	63	36.5	236	174	35.6
<i>EBIDTA Margins (%)</i>	<i>18.5</i>	<i>15.4</i>	<i>310 bps</i>	<i>16.9</i>	<i>13.9</i>	<i>300 bps</i>
Depreciation	17	18	-5.6	52	53	-1.9
EBIT	69	45	53.3	184	121	52.1
Interest	14	16	-12.5	44	51	-13.7
PBT	55	29	89.7	140	70	100.0
Tax	15	4	275.0	29	9	222.2
PAT	40	25	60.0	111	61	82.0
Diluted EPS (Rs.)#	24	15	60.0	68	37	82.0

After giving effect of Bonus Shares

Key Developments

Strong Operational and Financial Performance

- Improved profitability on the back of operational and financial efficiencies
- Better realizations and higher production of units resulted in revenue expansion
- Margin progression on the back of improved cost efficiencies
- Profitability enhancement on account of lower interest outgo and improved cost management

Capacity additions under implementation

- Spinning capacity is being expanded by 30,672 spindles; resulting in higher production of value added yarns (Cotton Mélange)
- Project Budget: Rs. 175 crore.
- Achieved Financial Closure with internal accrual of Rs 44 crore.
- Expansion is on schedule – commercial production likely to commence by Q3 FY 15.
- Further modernization - cum-up gradation of existing projects - will result in cost reduction

Credit Rating: Upgrade

- Long Term Bank Facilities: Upgraded from “CARE BBB” to “**CARE A-**”
- Short Term Bank Facilities: Upgraded from “CARE A3+” to “**CARE A2+**”

Rewards to shareholders

- In line with Company’s philosophy of rewarding its shareholders, the Company allotted bonus shares in the ratio 1:2 (June’2013)
- Consistent track record of dividend paying since incorporation.

Commenting on the results, Mr. C.S. Nopany, Chairman, Sutlej Textiles and Industries Limited said *“Our strategy to focus on manufacturing niche products in the yarn category namely specialty & value added yarns is reflected in sustained improvement in operational and financial performance even in a protracted slowdown prevailing in the macro environment.*

Our constant endeavor towards maintaining a high degree of cost efficiencies has also enabled us to soften the impact of cyclicity associated with the business. Favorable domestic and international factors in general have aided the sector by keeping the raw material prices steady during the period. In addition, our innovative R & D enables us to broaden our sourcing capabilities, thus strengthening our ability to mitigate volatile raw material prices over the years.

While the economy at present continues to reel under pressure, we are optimistic that the Company’s current implementation of capacity addition and modernization will further consolidate its position within the industry and enable us to deliver healthy financial performance going forward.”



About Sutlej Textiles and Industries Ltd (STIL):

Incorporated in 2005, Sutlej Textiles and Industries Ltd (STIL) an ISO 9001:2008 certified is a leading manufacturer focused and integrated Textile Company with wide range of products spreading across yarn to fabrics to home furnishing. STIL excels in all stages of textiles productions, with its versatile production facilities being vertically integrated, from spinning and weaving to dyeing and finishing to making home textile furnishing.

STIL has also been recipient of numerous prestigious awards recent one are **Niryat Shree – Gold trophy** award in October 2012 for its Export performance in 2009-10 (up 77% over the preceding financial year); **Gold trophy by SRTEPC 2011-12:** Best performance for export of fabrics to focused Latin American countries; **Silver trophy by SRTEPC 2011-12:** Second best export performance in spun yarn category

STIL, has a global footprint with presence across Australia, Argentina, Bangladesh, Canada, China, Egypt, England, France, Germany, Greece, Hong Kong, Indonesia, Pakistan, Panama, Philippines, SriLanka, Turkey, United States of America, the United Arab Emirates (UAE) and Vietnam, among others.

For further information, please contact:

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Disclaimer:

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UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER/NINE MONTHS ENDED 31ST DECEMBER 2013

(Rs. in lacs except per share data)

Sr. No.	Particulars	Quarter Ended			Nine months ended		Year Ended
		31 Dec'13	30 Sep'13	31 Dec'12	31 Dec'13	31 Dec'12	31 Mar'13 (Audited)
1	Income from Operations						
(a)	Net Sales/ Income from Operations (Net of excise duty)	45454	48534	40597	137808	123730	166514
(b)	Other Income	927	664	315	2067	1045	1510
	Total income from Operations (net)	46381	49198	40912	139875	124775	168024
2	Expenses						
a)	Cost of materials consumed	26183	26159	24398	75156	70433	94773
b)	Purchases of stock-in-trade	5234	3601	2851	11703	7377	11216
c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3921)	(200)	(2077)	(2561)	1367	575
d)	Employee benefits expense	4179	3930	3529	11788	9912	13470
e)	Depreciation and amortisation expense	1754	1717	1788	5169	5315	7015
f)	Other expenses	7323	8212	7034	23129	21062	28334
	Total expenses	40752	43419	37523	124384	115466	155383
3	Profit from operations before other income, finance costs and exceptional items	5629	5779	3389	15491	9309	12641
4	Other Income	1251	893	1126	2949	2796	3775
5	Profit from ordinary activities before finance costs and exceptional items	6880	6672	4515	18440	12105	16416
6	Finance costs	1352	1482	1568	4379	5104	6531
7	Profit from ordinary activities after finance costs but before exceptional items	5528	5190	2947	14061	7001	9885
8	Exceptional items	-	-	-	-	-	606
9	Profit from Ordinary activities before tax	5528	5190	2947	14061	7001	9279
10	Tax Expenses	1538	926	476	2988	900	1582
11	Net Profit for the period	3990	4264	2471	11073	6101	7697
12	Paid-up equity share capital, Equity Shares of Rs.10/- each	1638 #	1638 #	1092	1638 #	1092	1092
13	Reserves excluding Revaluation Reserves						33552
14	Earnings Per Share (Not annualised) (Rs.) #						
	- Cash	35.57	35.62	25.62	97.96	67.19	88.31
	- Basic and diluted	24.35	26.03	15.08	67.59	37.24	46.98
A	PARTICULARS OF SHAREHOLDING	#			#		
1	Public shareholding :						
	- No. of Shares	5926011	5926011	3950673	5926011	3950673	3950673
	- 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	2925000	2925000	3650000	2925000	3650000	1950000
	- Percentage of shares (as a % of the total shareholding of Promoters and Promoter group)	27.97	27.97	52.36	27.97	52.36	27.97
	- Percentage of shares (as a % of the total share capital of the Company)	17.85	17.85	33.42	17.85	33.42	17.85
(b)	Non-encumbered						
	- Number of Shares	7531851	7531851	3321235	7531851	3321235	5021235
	- Percentage of Shares (as a % of the total shareholding of promoters and promoter group)	72.03	72.03	47.64	72.03	47.64	72.03
	- Percentage of shares (as a % of the total share capital of the company)	45.98	45.98	30.41	45.98	30.41	45.98

After giving effect of Bonus Shares (Refer Note No.1)

Media Release

UNAUDITED STANDALONE SEGMENT INFORMATION FOR THE QUARTER/NINE MONTHS ENDED 31ST DECEMBER 2013

(Rs. in lacs)

Sr. No.	Particulars	Quarter Ended			Nine months ended		Year Ended
		31 Dec'13	30 Sep'13	31 Dec'12	31 Dec'13	31 Dec'12	31 Mar'13 (Audited)
1	Segment Revenue :						
	(a) Yarn	44149	46583	38478	133054	117758	158788
	(b) Fabrics and Apparels	2721	3192	2976	8557	8846	11558
	Gross Turnover (Turnover and Inter Segment Revenues)	46870	49775	41454	141611	126604	170346
	Less: Inter Segment Revenue	489	577	542	1736	1829	2322
	Turnover	46381	49198	40912	139875	124775	168024
2	Segment Result :						
	(a) Yarn	6088	6263	4232	16875	10937	14933
	(b) Fabrics and Apparels	(6)	(21)	(242)	(226)	(589)	(834)
	Total Segment Profit before Tax, Finance Costs and Exceptional Items:	6082	6242	3990	16649	10348	14099
	Less : Finance costs	1352	1482	1568	4379	5104	6531
	Exceptional items	-	-	-	-	-	606
	Add : Other un-allocable income net of un-allocable expenditure	798	430	525	1791	1757	2317
	Profit/(Loss) before tax	5528	5190	2947	14061	7001	9279
3	Capital Employed :						
	(Segment assets - Segment liabilities)						
	(a) Yarn	85727	82191	78478	85727	78478	86488
	(b) Fabrics and Apparels	12375	12275	12196	12375	12196	11712
	Add: Un-allocated Corporate Assets/ (Liabilities) (net)	10658	12457	10180	10658	10180	2783
	Total Capital Employed	108760	106923	100854	108760	100854	100983

Notes :

1. Pursuant to the resolution passed by the Shareholders through Postal Ballot concluded on 17th June, 2013, the Company has allotted 54,60,954 Equity Shares of Rs.10/- each as fully paid-up Bonus Shares in the Ratio of 1(one) Bonus Share for every 2 (two) existing Equity Share held by the Shareholders as on the Record Date i.e., 28th June, 2013 and date of allotment is 1st July, 2013.
Consequently, the paid-up equity share capital of the Company has been increased from Rs.1092 lacs to Rs.1638 lacs and the Earnings per Share (EPS) has been arrived at for all periods after considering issue of Bonus Shares as per AS-20 (Earnings Per Share).
2. The figures of the previous period/year have been re-grouped/re-arranged and/or recast, wherever found necessary.
3. The above results were reviewed and recommended for adoption by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on January 27 and January 28, 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 : 28.01.2014

(C.S. Nopany)
Chairman