

STIL/

February 10, 2017

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
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Dear Sirs,

Please find enclosed herewith a copy of the Presentation with respect to the Unaudited Financial Results for the quarter ended 31st December, 2016.

Thanking you,

Yours faithfully,
For Sutlej Textiles and Industries Limited



(D.R. PRABHU)
COMPANY SECRETARY & COMPLIANCE OFFICER

Encl:a.a.



CHARGED TO
GROW HIGHER

**Result Presentation
Q3 & 9M FY17**



Safe Harbor

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Agenda

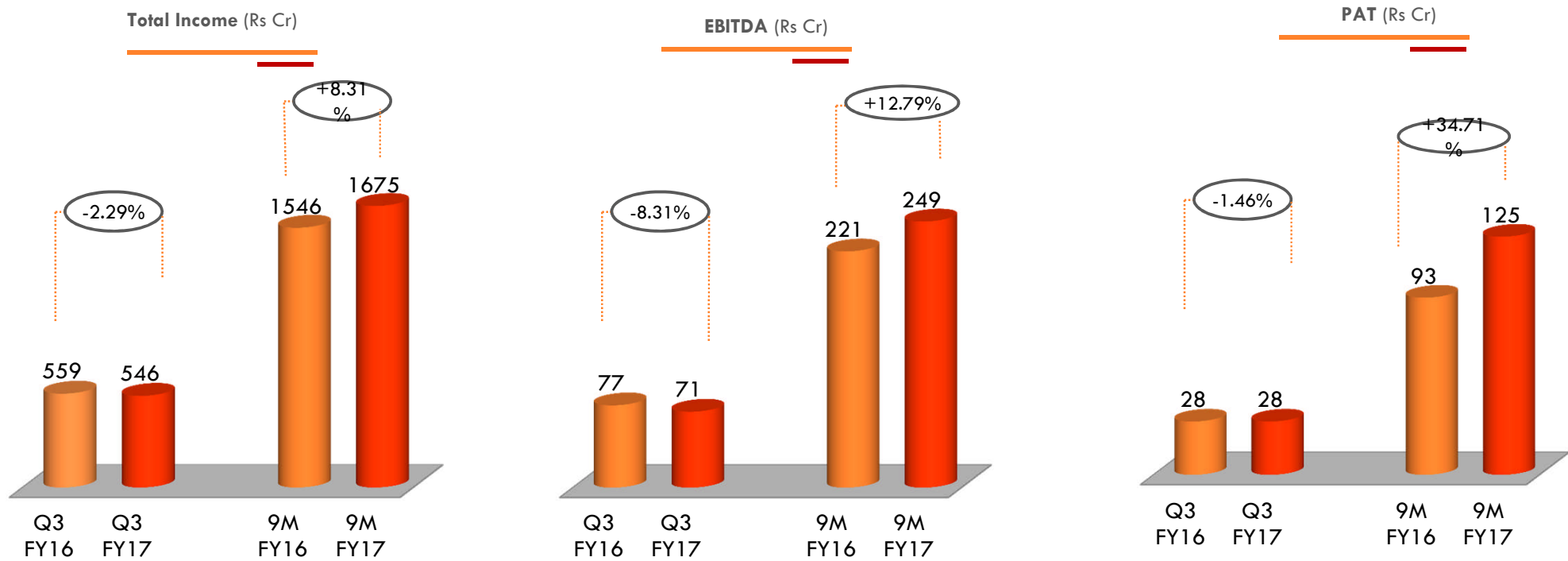
- Q3 & 9M FY17 – Financial Highlights & Updates
- Corporate Overview
- Segment Presence – Yarn & Home Textile
- Annual Financial Performance
- Business Outlook



A photograph of a textile spinning factory. The image shows rows of large, yellow, conical spindles mounted on a metal frame. Below the spindles, there are rows of smaller, white and yellow bobbins. The machine is complex, with various gears and rollers. The number '36' is visible on a blue base. The background is a bright, industrial setting.

Q3 & 9M FY17 – Financial Highlights & Updates

Q3 & 9M FY17 - Financial Performance



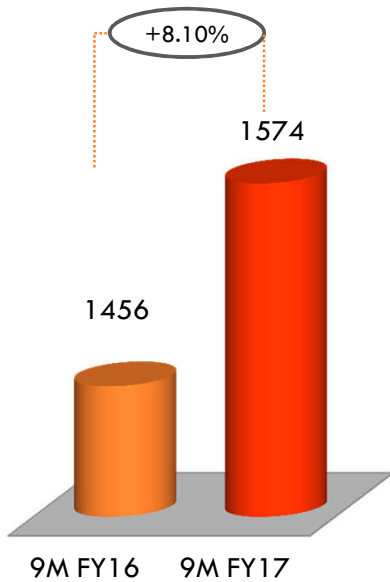
Profitability Highlights

Rs. in Cr	Q3FY17	Q3FY16	9M FY17	9M FY16
Total Income	546	559	1675	1546
Raw Material Cost	301	320	912	891
Employee Cost	66	61	196	159
Other Expenses	108	101	318	275
EBITDA	71	77	249	221
EBITDA Margin (%)	12.94%	13.79%	14.88%	14.29%
Depreciation	21	21	35	34
Finance Cost	12	12	62	59
Profit Before Tax	38	44	152	128
Tax	10	16	27	35
Net Profit	28	28	125	93
Net Profit Margin (%)	5.07%	5.03%	7.44%	5.98%
Earning Per Share (Rs.)	16.90%	17.15%	76.10	56.49

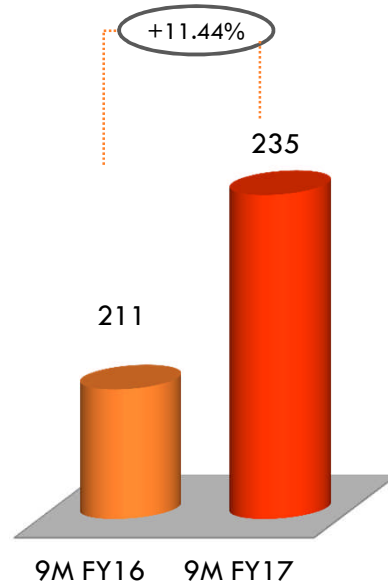
Segmental Break up

Yarn Segment

Revenue (Rs Cr)

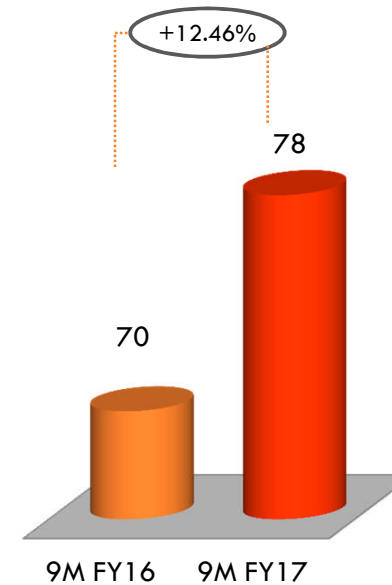


EBITDA (Rs Cr)

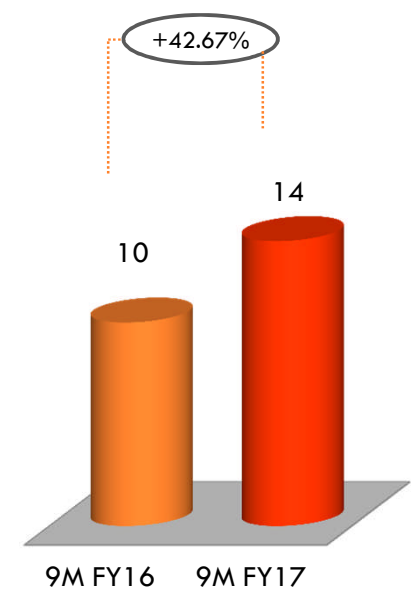


Home Textile Segment

Revenue (Rs Cr)



EBITDA (Rs Cr)



Comments on Quarterly Performance



Executive Chairman - Mr. C. S. Nopany

Commenting on the results, Mr. C.S. Nopany, Chairman, Sutej 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 fibres globally. Despite such adverse pressure on margins, both from the revenue perspective as well as the cost perspective, I am glad that Sutej has been able to withstand the headwinds due to its diversified portfolio of value-added products. Our focus on value added yarns and ongoing expansion projects to scale up the production of value added yarns and strengthening of Home Textiles business should enable us to deliver better performance going forward.”

Key Business Updates

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 Jun 17.
- Project is being funded by mix of internal accruals and term loans sanctioned under TUFS
- Dedicated capacity focused towards producing Value Added 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

Key Business Updates

Modernization Update

- Invested round 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 upgrades during the Year

- CARE upgrades 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



Corporate Overview



Company Overview

Leading Textile Player

India's largest Spun-dyed Yarn manufacturer

Presence across value chain – from Yarn to Home Textile

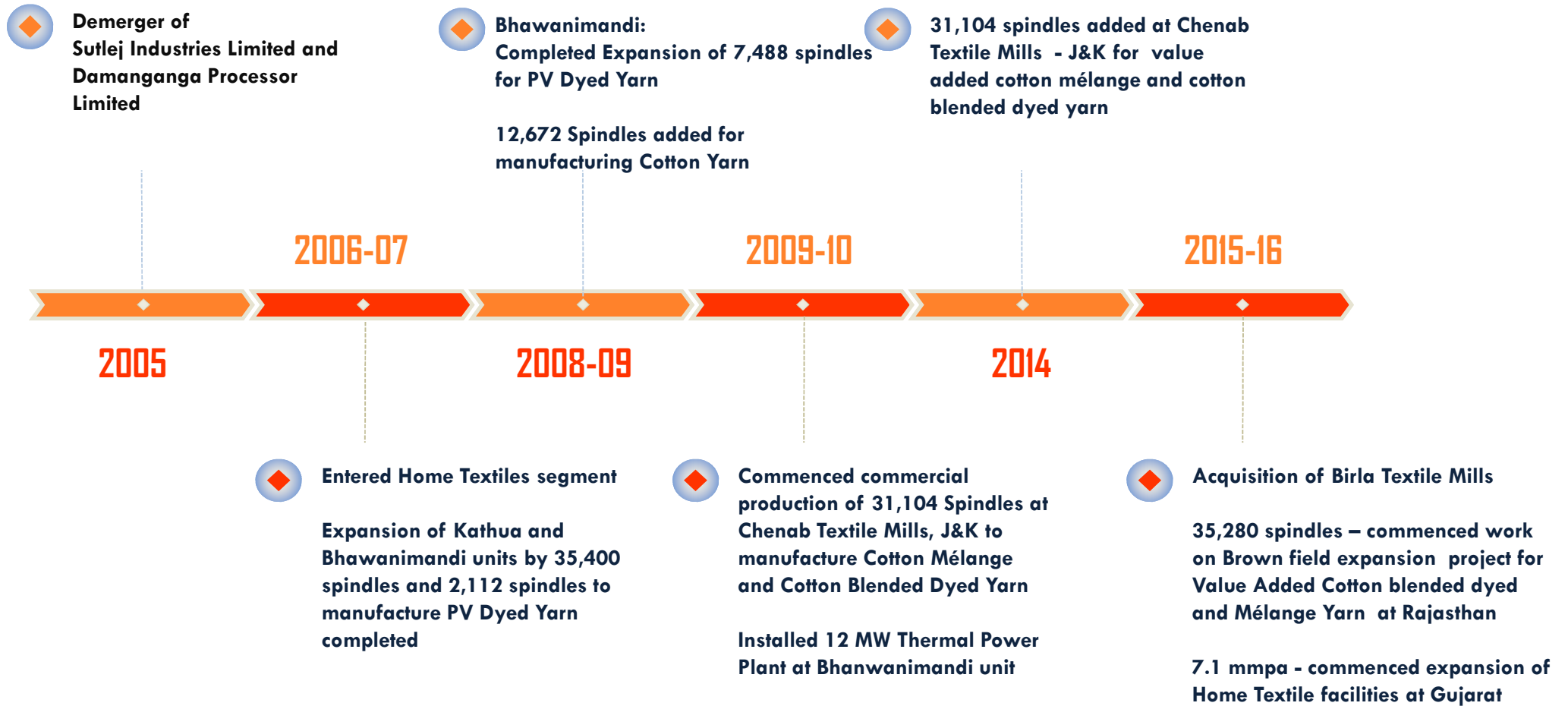
380,714 spindles capacity of Yarn

8.4 Million Meters Per Annum capacity of **Home Textiles**

Global Presence over 60 countries across Europe, North America, South-East Asia

Marquee Client's like Page Industries, Siyaram's, Donear, Shivalik Print, Arrow, Grasim, etc

Journey at Glance



Corporate Governance at the Helm

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

**Mr. Mahmoodur
Rahman**

Independent

Non Exec Director

Mr. Sukhvir Singh

Independent

Non Exec Director

Key Executive

Mr. S.K. Khandelia

President & CEO

Mr. Bipeen Valame

WTD and CFO

Mr. D.R. Prabhu

CS & Compliance Officer

State of the art manufacturing facilities ...



Chenab Textile Mills

Location: Kathua, J&K
Products: Cotton Mélange Yarns
Man-made Fibre Yarns
Capacity: 109,010 Spindles (Cotton Mélange)
97,320 Spindles (Man-made Fibre)



Birla Textile Mills

Location: Baddi, Himachal Pradesh
Products: Cotton Yarns
Man-made Fibre Yarns
Capacity: 83,376 Spindles



Rajasthan Textile Mills

Location: Bhawanimandli, Rajasthan
Products: Cotton Yarns
Man-made Fibre Yarns
Capacity: 91,008 Spindles



Damanganga Home Textile

Location: Daheli, Gujarat
Products: Home textiles furnishings
Capacity: 8.4 million metres p.a.

Wide distribution network and marquee clientele

Presence and strong brand image across globe in over 60 countries...



Expanded global foot print ...

...De-risk over dependence on few geography

Evolved as vendor to...



...partner to leading textile solution providers

Diverse and wide product portfolio



Yarn



Home Textile



One stop shop for all kinds of spun dyed yarns

Focus on value added yarns that fetched superior realisations

Diversified offerings with presence across value chain

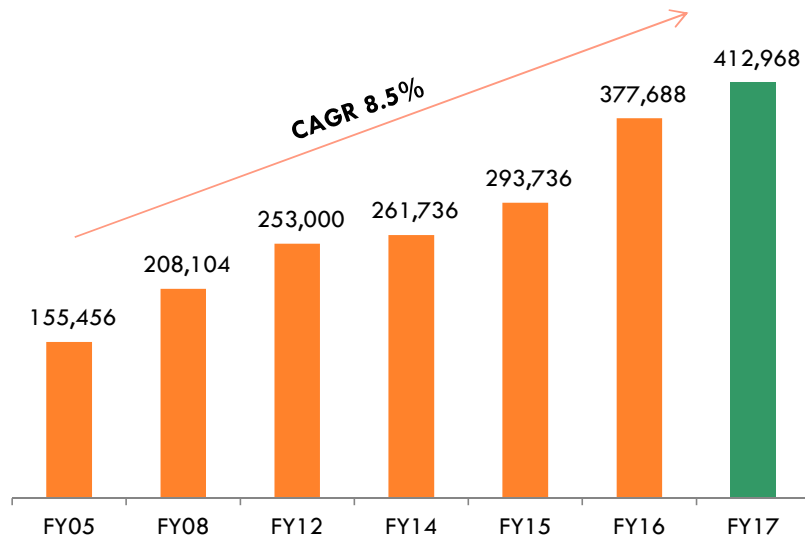


Segment Presence – Yarn & Home Textiles

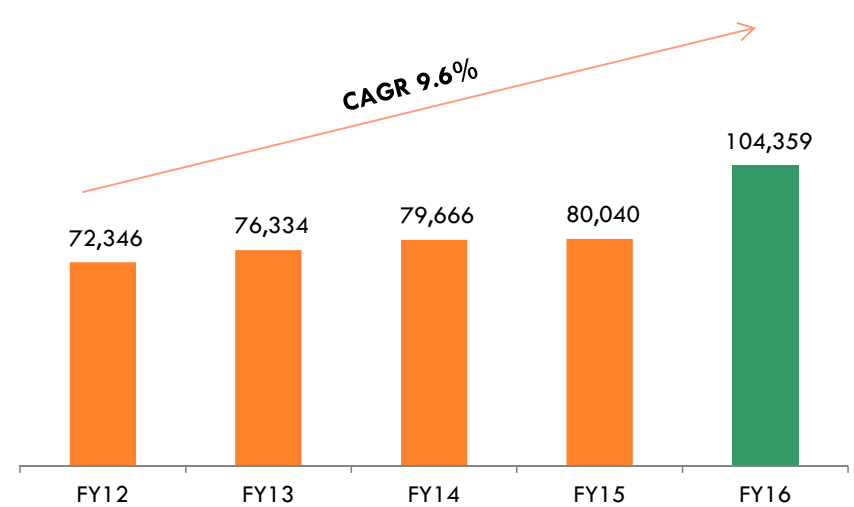


Yarn - Consistent capacity addition over the years

Spindles capacity



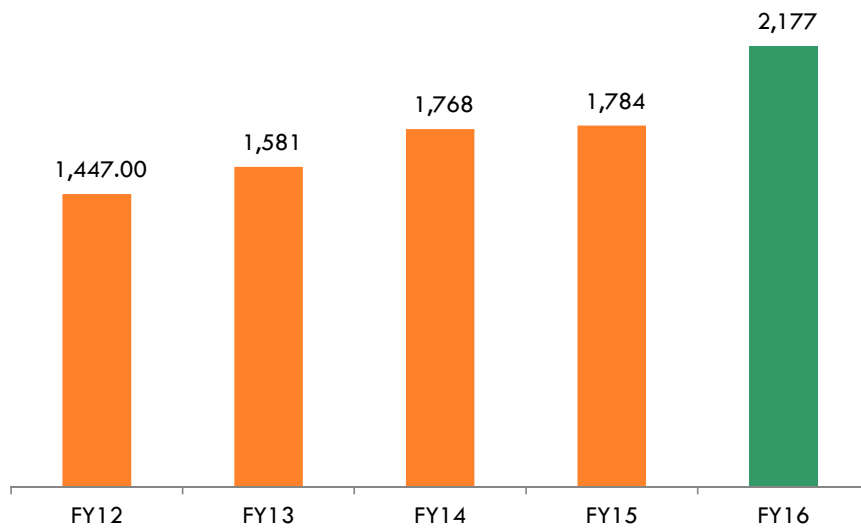
Sales (MT)



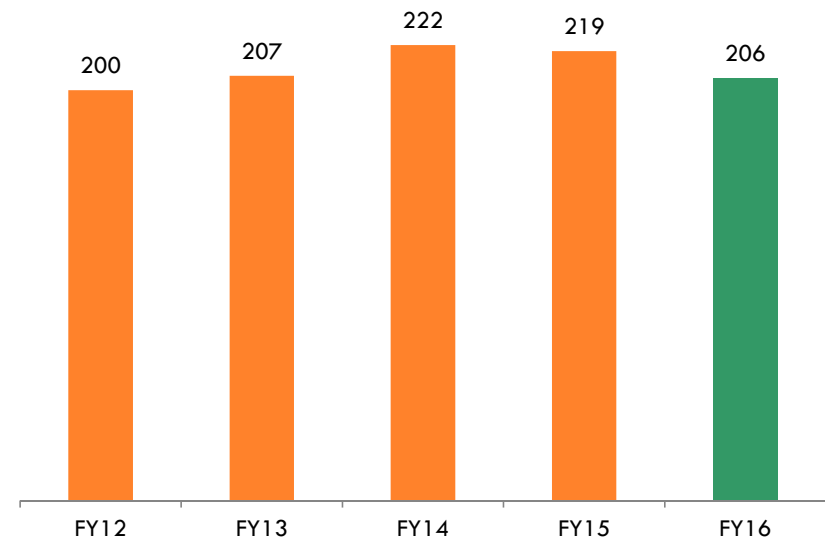
- Invested in modernization - 54% of spindle age are less than a decade old
- Increasing share of Value-added product portfolio of Cotton Mélange Yarn and Dyed Synthetic Yarn
- Larger Scale of Production leading to optimum utilization of resources

Registering strong growth in Yarn segment...

Revenue (Rs. Cr)



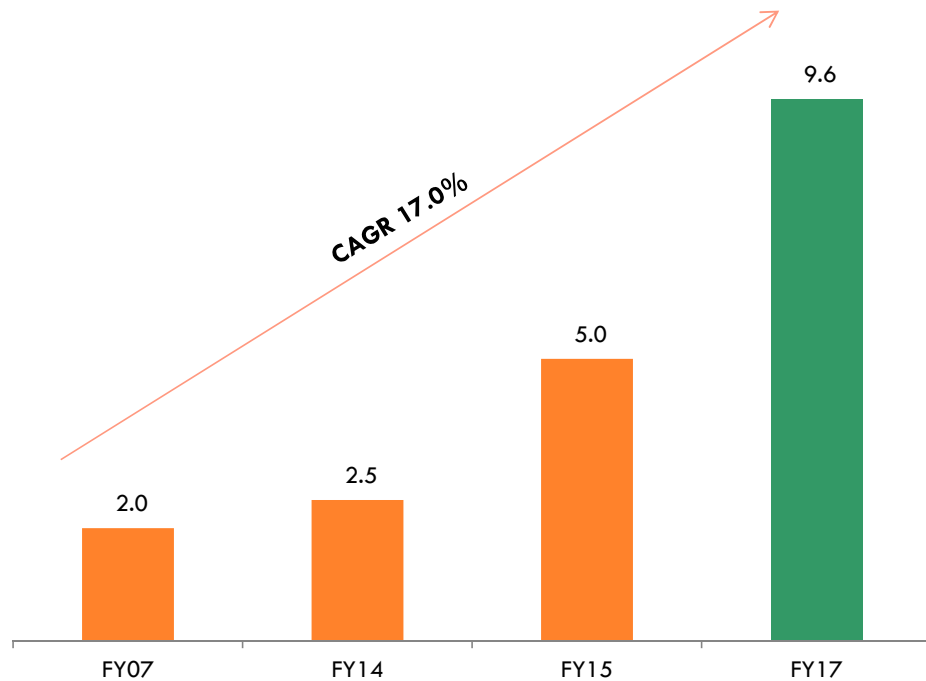
Average Sales Realisation (Rs / Kg)



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

Home Textiles - Entering Growth Orbit

Capacity (Million Meters Per Annum)



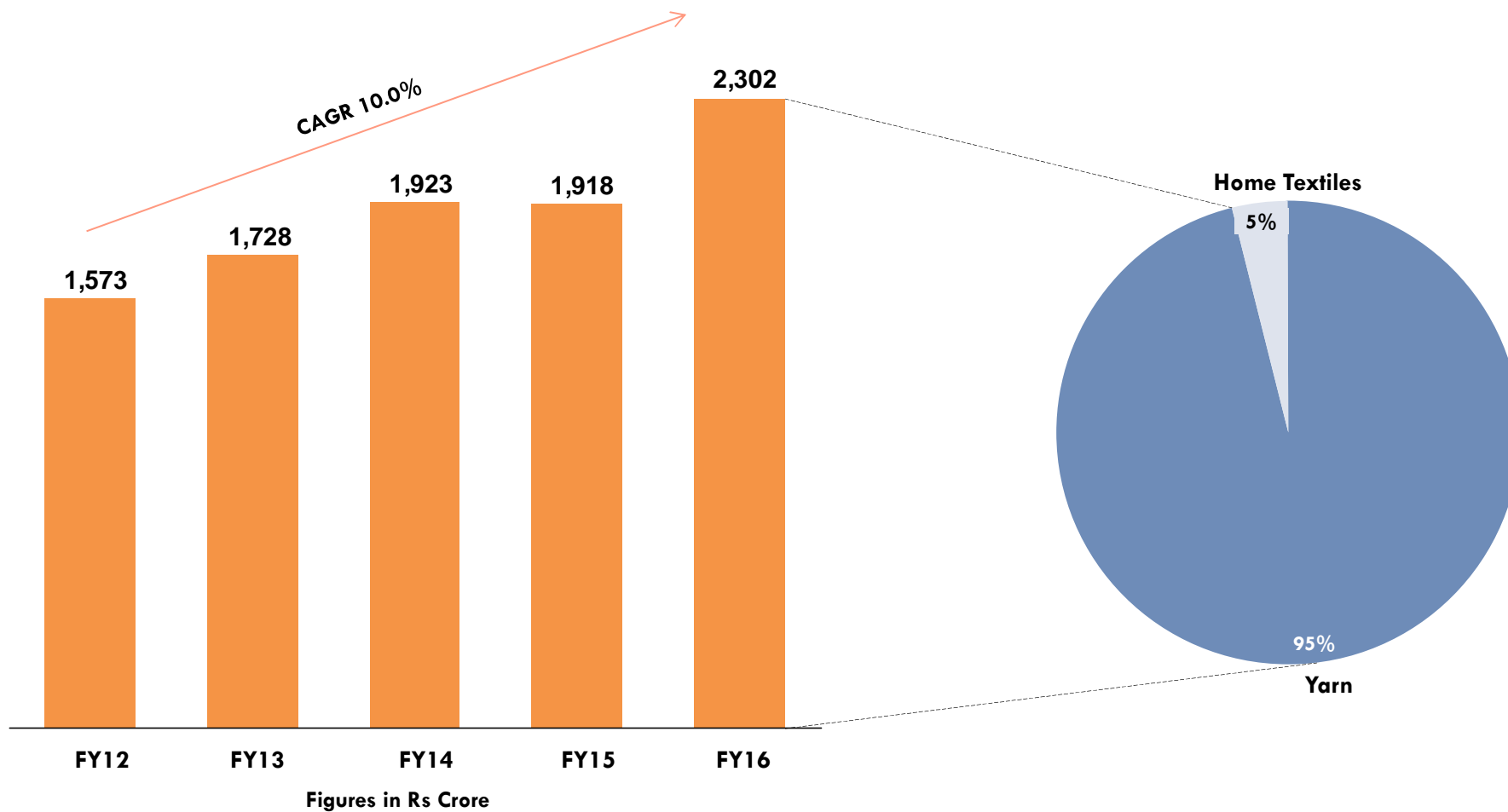
Bring economy of scale and strengthen Company's end to end operations

- Entered the Home Textiles segment in 2006-07
- Capacity to expand by 4.6 mm pa to 9.6 mm pa by FY17
- Continued focus on driving category premiumisation
- Product range includes
 - Furnishing Fabrics
 - Curtain Fabrics
 - Upholstery Fabrics
- Current Capacity utilisation over 80%
- Growing into a sizeable & profitable business
- Contributes ~5% to the overall revenues to Company



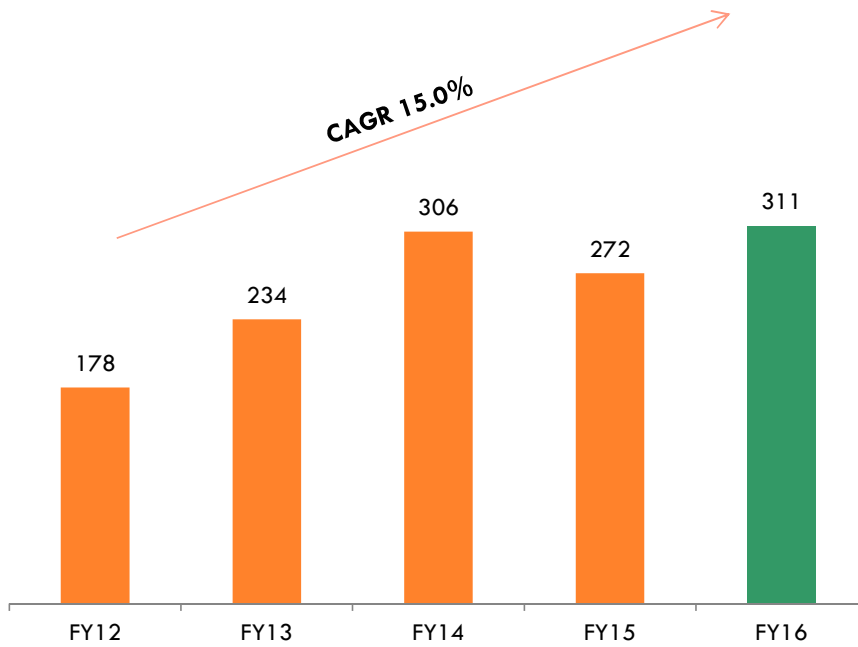
Annual Financial Performance

Total Income at new peak ...

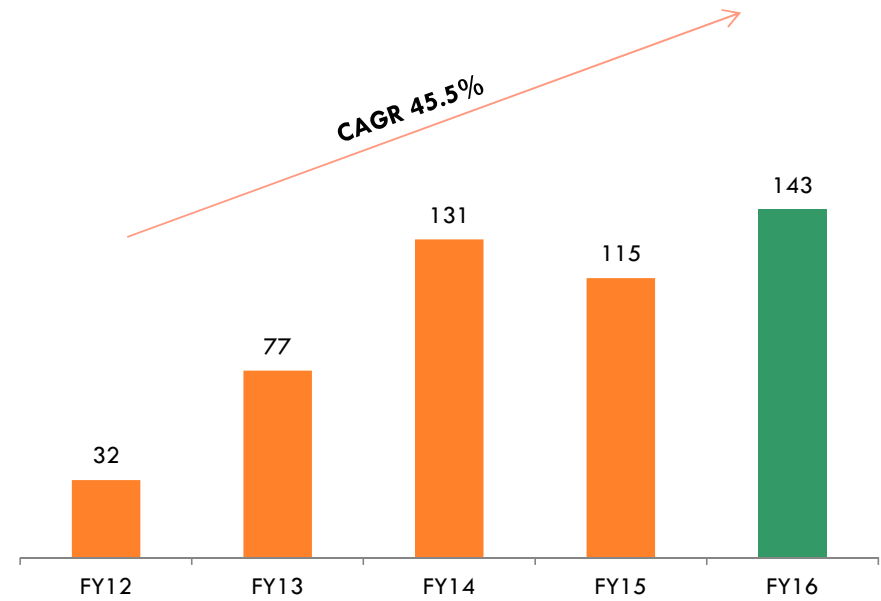


... Highest ever profitability

EBITDA (Rs Cr)

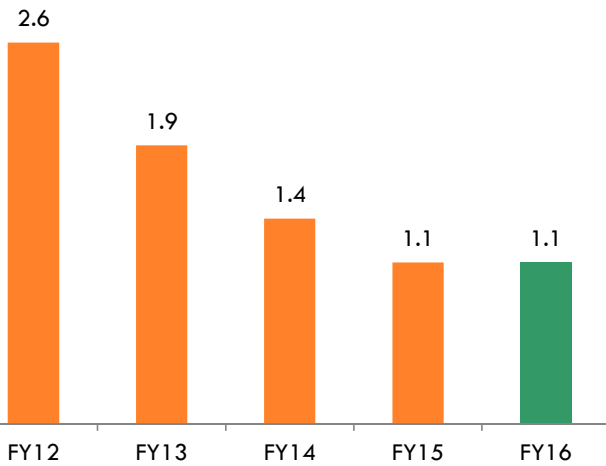


Net Profit (Rs Cr)

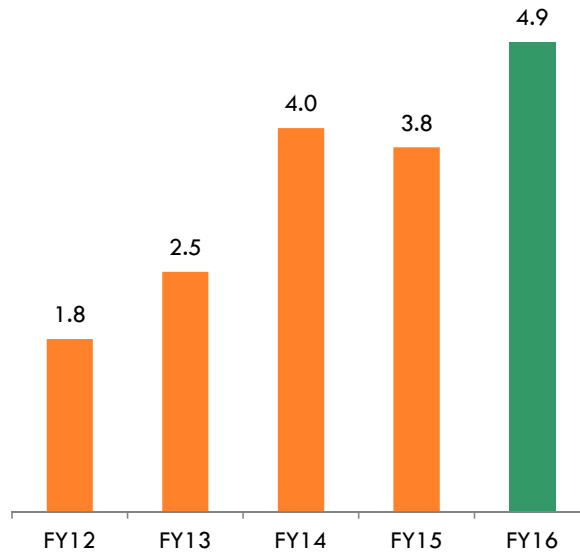


... and strong leverage position

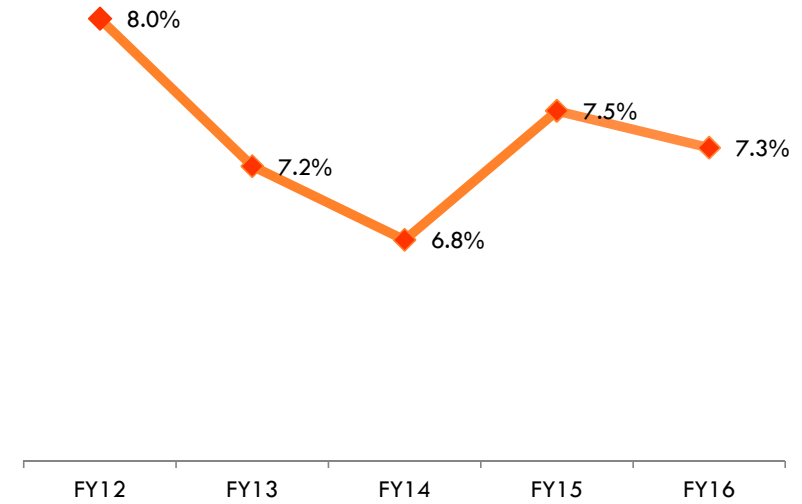
Improving Total Debt / Equity Ratio



Robust Interest Coverage

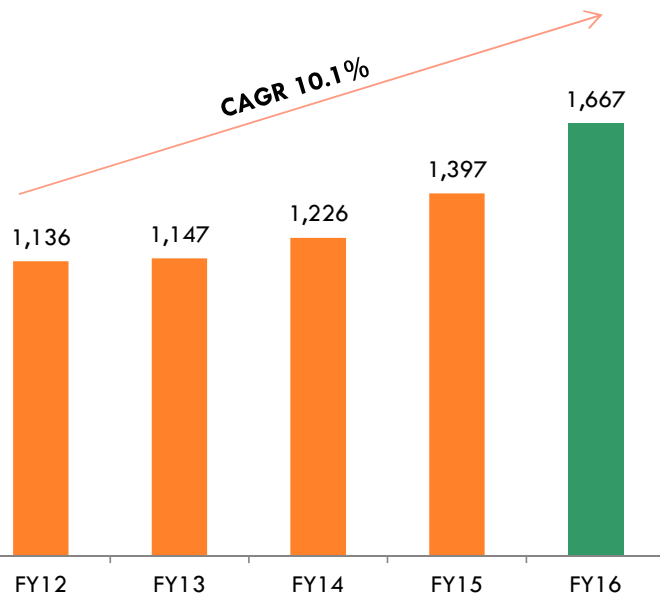


Average Interest Rate of Term Loans (After TUF)

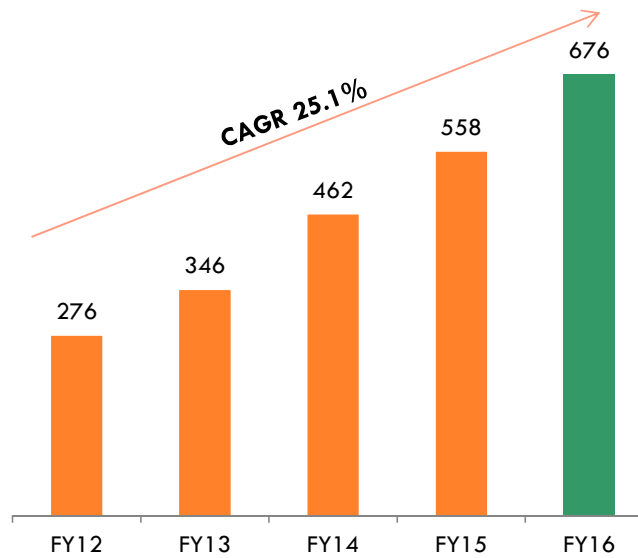


Strong Balance Sheet...

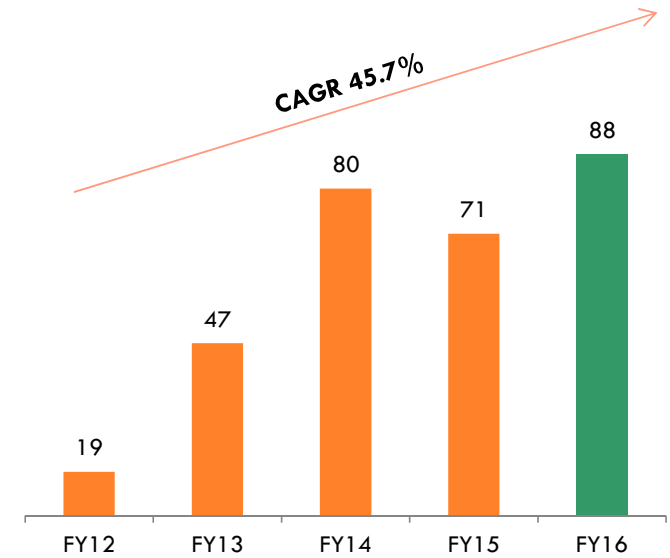
Growing Gross Block (Rs Cr)



Increasing Network (Rs Cr)



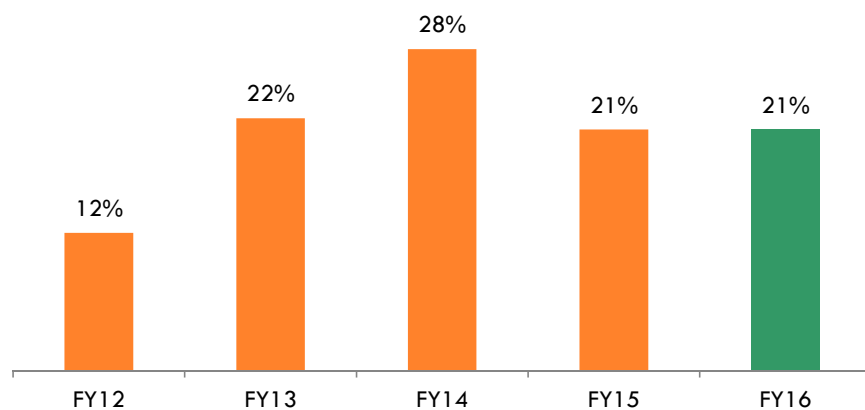
Surging Earning Per Share (Rs)



Continuous growth plan leading to consistent profitability

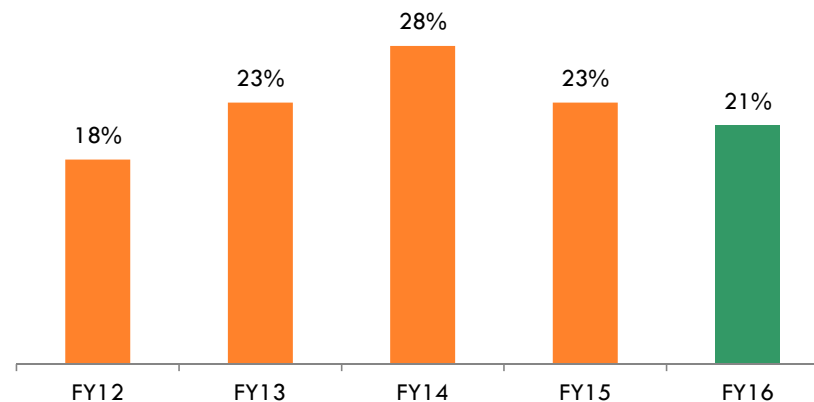
...with healthier return ratios in the industry

Strong Return on Equity (RoE)



RoE = Profit After Tax / Networth

Consistent Return on Capital Employed (RoCE)

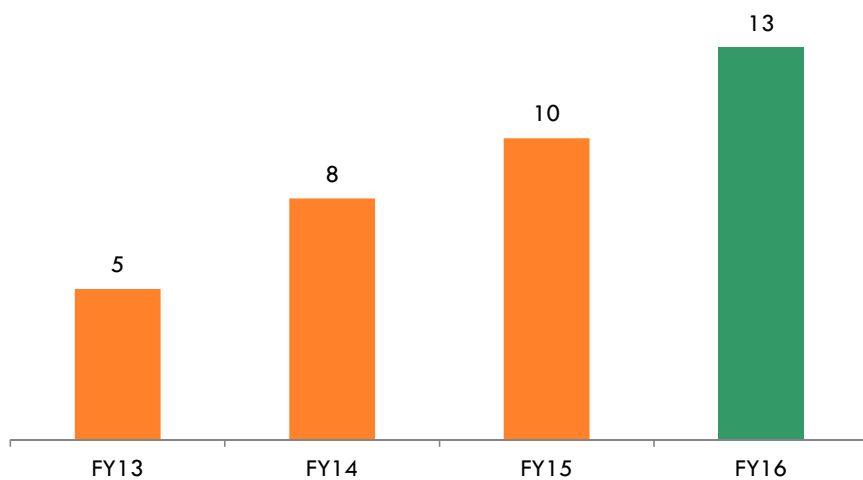


RoCE = EBITDA / Capital Employed (Networth + Debt)

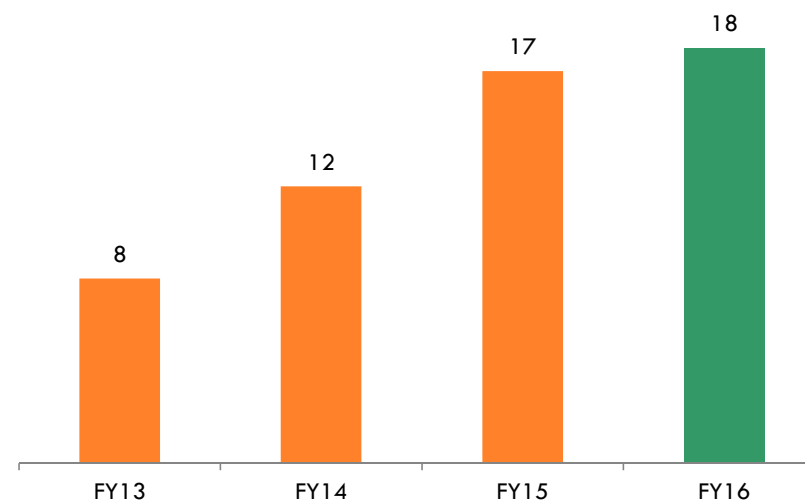
Consistently generating Returns over 20%

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

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



Business Outlook



Growth Strategies

Niche Value Added Products

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

Growing Core Business

- Acquisition of BTM & enhancing spindles capacities towards manufacturing Cotton blended dyed and Mélange Yarn to offer synergies and economies of scale

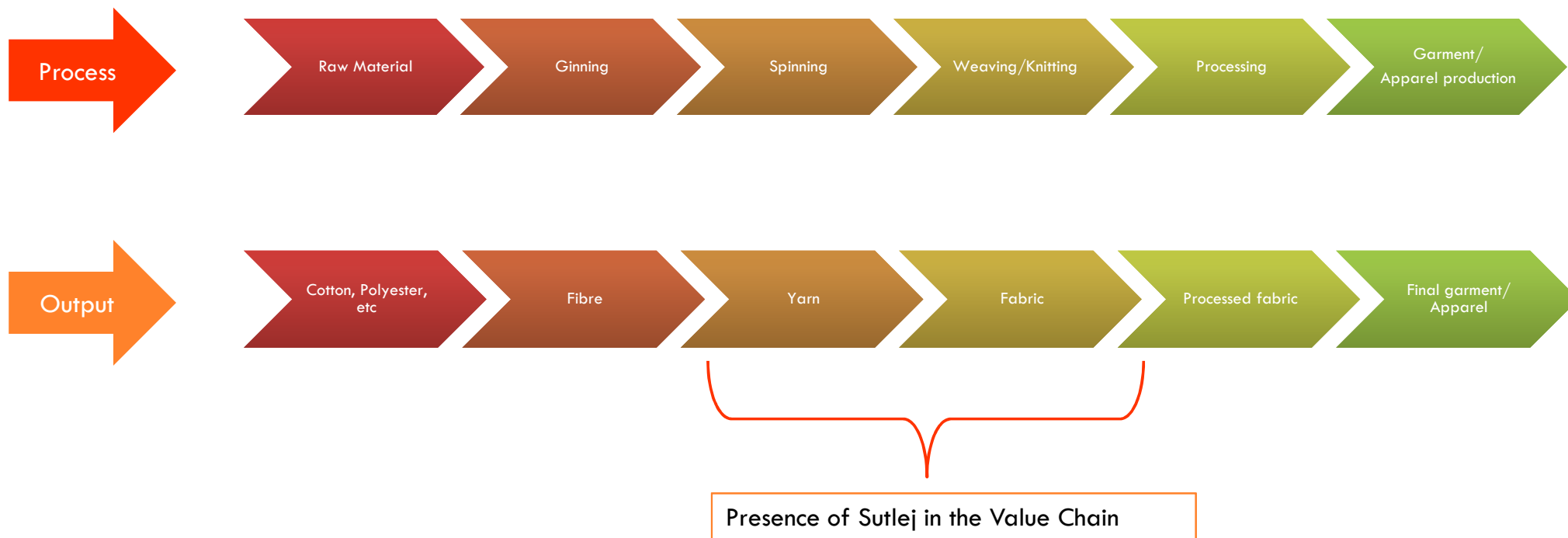
Renewed Focus on Core Business

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

Growth Drivers

- Capacity addition of value added items
- Increased capacity under home textile business
- lowering of leverage to drive margins and profitability
- Changing lifestyle, rising disposable income, etc

Textile Sector - Value Chain



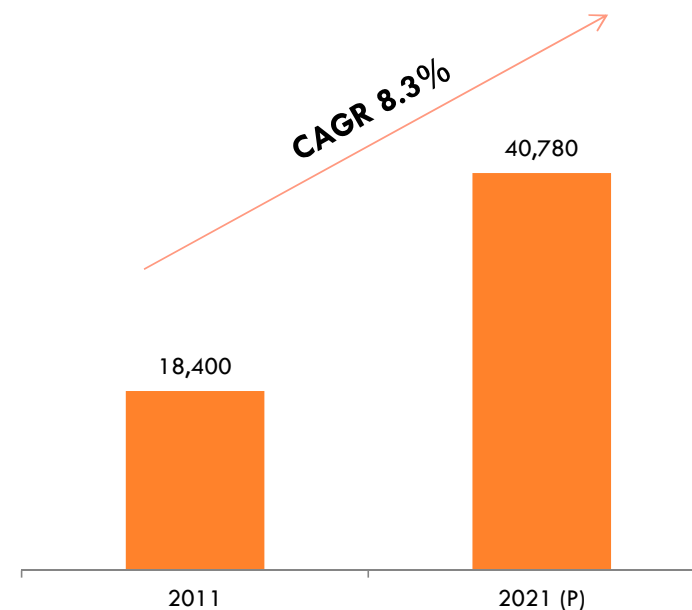
Domestic Home Textile Market - Large Opportunities

Category wise market break-up (Rs Cr)

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

Source: Technopak

Indian Home Textile Industry (USD billion)



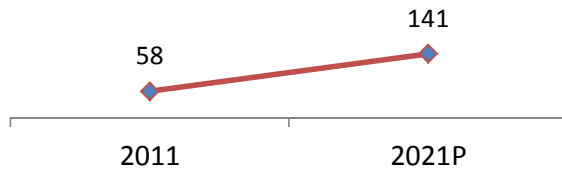
Indian Textile Sector - Present



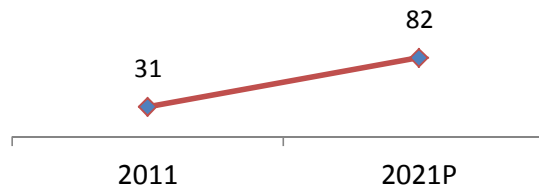
Source: Annual Report of MOT, GOI for 2015-16 and IBEF

Indian Textile Sector Potential

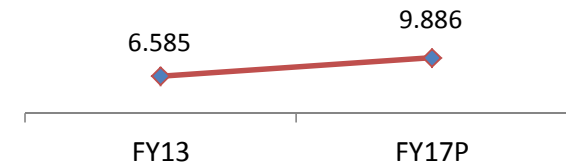
Domestic textile & apparel industry (\$ bn)



Textile & apparel exports (\$ bn)



Total Fibre Production (Mn Kg)



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

Market Value (2015) : USD108.5 bn

Source: IBEF



Market Value (2023P) : USD 226 bn

About Sutej:

Sutej 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.

Let's Connect



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