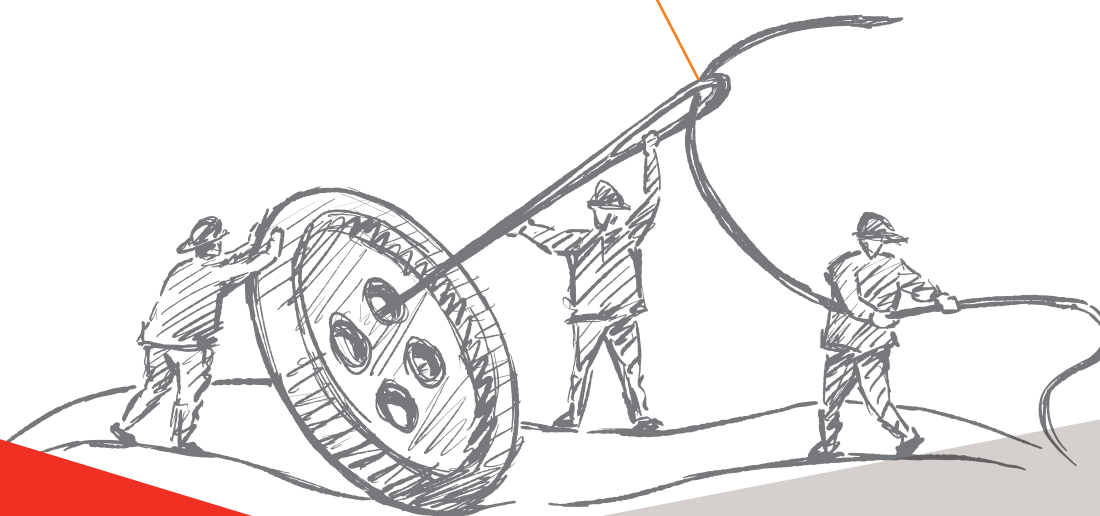


proactive  
and prepared



We have developed a comprehensive suite of communications that allow us to keep investors up-to-date.



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### Forward-looking statement

Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of the future may be 'forward-looking statements' within the meaning of the applicable securities laws and regulations. The Company cautions that such statements involve risks and uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include raw materials' cost or availability, cyclical demand and pricing in the Company's principal markets, changes in government regulations, economic developments within the countries in which the Company conducts business, and other factors relating to the Company's operations, such as litigation, labour negotiations and fiscal regimes.

**At Sutlej Textiles and Industries Limited, we believe that we are on the cusp of a remarkable sectoral opportunity.**

Where primary customers need business-strengthening end customers.

Where consumers need differentiated designs and applications.

Where employees need intellectually engaging workspaces.

Where communities need sensitive manufacturing neighbours.

We have one broad message for our stakeholders: Sutlej proactively invested in capacities, capabilities, knowledge, systems and passion to address these challenging needs.

**The Result:** the Company is prepared for attractive margin-widening opportunities.

Sutlej Textiles and Industries Limited is one of the most attractive proxies of India's textiles sector.

An attractive proxy on account of its robust business sustainability.

This sustainability has been enhanced on account of the Company presence in two profitable segments: specialised yarns and home textiles.

Over the years, the company has reinforced its competitiveness in these segments through capacity enhancement, cost reduction, niche product pipeline and enduring customer relationships.

#### Pedigree

Sutlej Textiles and Industries Ltd. (STIL) is a flagship company of multi-business conglomerate promoted by the late Dr. K.K. Birla.

#### Scale

Sutlej is one of India's largest integrated textile manufacturing companies, manufacturing synthetic, natural and blended yarns, all types of spun yarns and home textile furnishing; the company also processes fabrics.

The Company is one of the largest manufacturers of value-added mélange yarn in India. It has the capacity to manufacture single-ply, double-ply and multiply grindle, roving grindle core spun, slub and other fancy yarns.

#### Solution provider

Sutlej is a one-stop shop for all kinds of spun dyed yarn manufactured from natural or man-made fibres across any blend and any shade in the count range of 6s-50s.

#### Facilities

Sutlej has units located in Rajasthan, Jammu & Kashmir, Himachal Pradesh and Gujarat. The company's total spinning capacity was 416616 spindles at the close of 2016-17; daily production was 260 tons of dyed synthetic and blended yarns, cotton mélange and cotton blended mélange and dyed yarns, as well as yarn from speciality fibres (Modal, Tencel, bamboo, coolmax, fancy yarns like siro spun, siro compact, lycra twisted, core spun, double core yarn etc.), in single ply, double ply and multi-fold.

#### Quality

Conforms with IS/ISO-9001:2008 norms; bestowed 'Usterised' license by Uster Technologies, Switzerland for its Kathua unit.

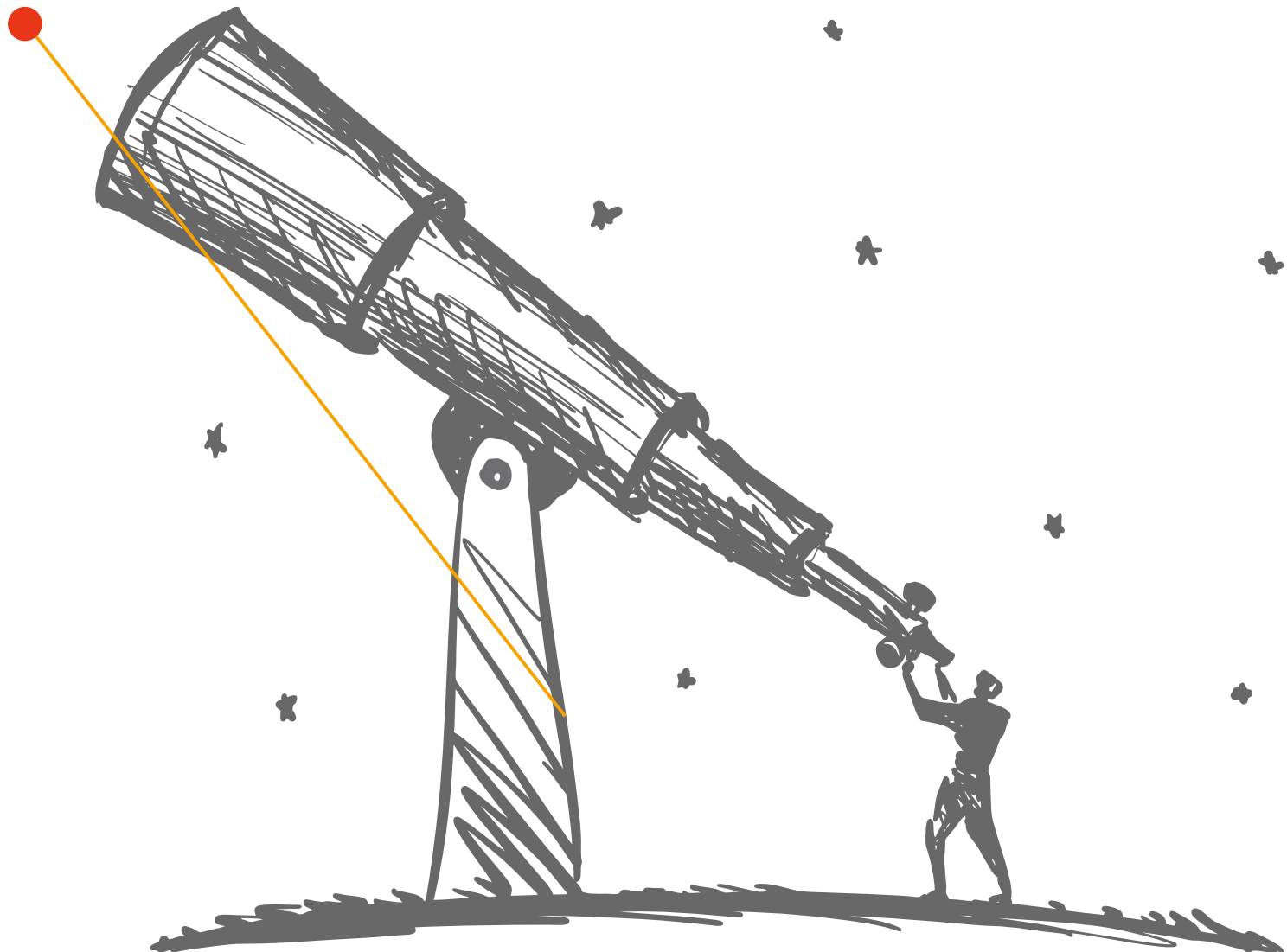
Conferred OCS-IN (Organic Content Standard), GOTS-IN (Global Organic Textiles Standard) and Oeko-Tex Standard 100 certifications.

## Vision

We have set our sights on emerging as a front-runner in the realm of global textiles by providing end to-end solutions – from yarns to home textiles. We aim to create maximum value for our customers so as to emerge as their partners-of-choice.

## Mission

We believe in challenging our limits and overcoming them. We also believe that as time changes, one must evolve one's thinking.



## Growth in numbers

**10**

**Venture into new countries**

65 countries in 2016-17  
55 countries in 2015-16

**10.09%**

**EPS growth**

₹96.41 per share in 2016-17  
₹87.57 per share in 2015-16

**20.20%**

**Gross Block Addition**

₹1990.31 crores in 2016-17  
₹1655.84 crores in 2015-16

**8.50%**

**Revenue growth**

₹2286.94 crores in 2016-17  
₹2,107.76 crores in 2015-16

**10.31%**

**Capacity increase**

416616 spindles  
in 2016-17  
377688 spindles  
in 2015-16

**5.64 %**

**EBIDTA growth**

₹319.15 crores in FY16-17  
₹302.11 crores in FY15-16

**10.09%**

**Net profit growth**

₹157.94 crores in 2016-17  
₹143.46 crores in 2015-16



## Sutlej Textiles at a glance....

### OUR CAPACITIES

**416616**

Spindles

**9.6** million  
square metres  
Home textile

**65**  
**countries**

Global footprint

### OUR RESULTS

**₹2286.94**  
**crore**

Total Revenue (FY17)

**₹319.15**  
**crore**

EBIDTA (FY17)

**₹157.94**  
**crore**

Profit after Tax (fy17)

### OUR FORESIGHT

**₹1656**  
**crore**

Cumulative investment  
in gross block  
(FY2005-17)

**261160**  
**spindles**

Spindle addition  
(FY2005-17)

**57%**

Proportion of  
spindleage less than a  
decade old

### OUR BALANCE SHEET STRENGTH

**5.88%**

Average Cost of  
Borrowings (FY17)

**19.36%**

Return on Equity (fy17)

**17.23%**

Return on Capital  
Employed (FY17)



**Most textile companies compete on price.**

**At Sutlej,** we compete on quality, consistency and innovation.

**Most textile companies consider assets to be their biggest investment.**  
**At Sutlej,** we believe that our biggest asset lies in our intellectual capital instead.



# sutlej

textiles and industries limited



**Most textile companies select to play in large commodity spaces.**

**At Sutlej,** we have selected to specialise in niche value-added areas instead.



**Most textile companies focus on a small number of products manufactured in large volumes.**

**At Sutlej,** we focus on the manufacture of a large number of products manufactured in small volumes.



Most textile companies focus largely on product manufacture. At Sutej, we enrich our knowledge of different products, customers, fibres and geographies instead.



Most textiles companies are manufacturing-driven. At Sutej, we are customer-driven instead.



## Differentiated player.

Most textile companies focus singularly on scale as their business driver. At Sutej, we focus on the development of pioneering and differentiated products instead.



Most textile companies manufacture to sell. At Sutej, we pre-sell and then manufacture instead.



## Executive Chairman's overview

Our strategic long-term consistency is visible in our numbers: during the five years ending 2016-17, Sutlej posted an increase in profits during four years.

Dear shareholders,

The economic revival in the country started taking shape after a bountiful monsoon in 2016 on the back of consecutive droughts for two years. However, this was stymied by the effect of demonetisation of 86% of the currency in circulation during the third quarter of the financial year. The challenging domestic business environment continued post-demonetisation well into Q4 of FY2017. Sutlej could withstand the challenges and showed growth on a Y-o-Y basis in 2017. Our revenues increased by 8.50% while our profit after tax strengthened by 10.09%. This profitable growth represents validation of our strategic direction.

Changes in global economic, social and political environments are having a major impact on the textile industry. Manufacturing technologies are changing. Consumer trends are changing. With a rapidly growing middle-class in China, there is an increasing cost of doing business in China. The speed to market products has never been more important. Retailers are facing challenges from on-line shoppers. In this backdrop, developments in global and Indian economic scene become important.

### Global economy

The global economy failed to gain traction as developed economies continue to remain tepid, while emerging economies lacked vibrancy and did not show any significant momentum. The

