



Suryalakshmi Cotton Mills Ltd

BIGGER AND BETTER

48th Annual report, 2010-11



SURYALAKSHMI COTTON MILLS LTD.

6th Floor, Surya Towers, 105, S.P.Road,
Secunderabad – 500 003

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Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipates’, ‘estimates’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’, and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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CORPORATE INFORMATION

Board of Directors

Sri L.N. Agarwal	Chairman and Managing Director
Sri Paritosh K. Agarwal	Managing Director
Sri R. Surender Reddy	
Dr. A. Nageswara Rao	
Sri Navrang Lal Tibrewal	
Sri R.S. Agarwal	
Sri B Rama Rao	Nominee - IDBI
Sri H L Ralhan	Director and Chief Executive (Denim Division)
Sri V.S.V. Rao	Nominee - IFCI

Company Secretary

Sri E.V.S.V.Sarma

Vice-President (Finance)

Sri P.S.Subramanyam

Auditors

M/s.Brahmayya & Co
Hyderabad

Bankers

State Bank of India
Industrial Finance Branch
Hyderabad
State Bank of Hyderabad
Commercial Branch
Secunderabad
State Bank of Mysore
Sarojini Devi Road, Secunderabad
IDBI Bank Limited
Saidapet, Chennai.

Registered Office

6th Floor, Surya Towers
105, S.P.Road
Secunderabad – 500 003
Phone Nos: (040) 27819856/57, 30571600
Fax No: (040) 27846854
Website: www.suryalakshmi.com

Factories

Yarn Division
Amanagallu
Mahabubnagar District
Andhra Pradesh – 509 321

Denim Division

Village Nagardhan
Tehsil Ramtek
Nagpur
Maharashtra – 440 010

Registrar & Transfer Agent

Plot No 15, Hindi Nagar, Behind Saibaba Temple
Punjagutta, Hyderabad – 500 034
Phone Nos: (040) 30160333
Fax No: (040) 40040554

SOMETIMES IT ISN'T ENOUGH TO
MERELY BE AROUND WHEN THE
INDUSTRY UPTREND TRANSPIRES.

SURYALAKSHMI COTTON MILLS
PROACTIVELY CONVERGED ALL ITS
BUSINESS DRIVERS - HIGHER CAPACITY,
INCREASED PRODUCTION, ATTRACTIVE
VALUE-ADDITION AND LARGER
CUSTOMER BASE – FOR MAXIMUM
IMPACT IN 2010-11.

**THE RESULT WAS A RECORD SEVEN-
FOLD INCREASE IN ITS PROFIT AFTER
TAX FROM ₹4.35 CRORE IN 2009-10 TO
₹34.81 CRORE IN 2010-11.**



THERE ARE THREE BROAD MESSAGES THAT WE WANT TO SEND OUT.

ONE, WE ARE INTEGRATED FROM YARN SPINNING TO DYEING TO FABRIC WEAVING TO GARMENTS.

TWO, WE MARKET OUR PRODUCTS TO SOME OF THE MOST PROMINENT BRANDS IN INDIA AND THE WORLD.

Who we are

Incorporated in 1962 and promoted by Mr L. N. Agarwal (Chairman and Managing Director), Suryalakshmi Cotton Mills Ltd captures the extensive value chain from the manufacture of cotton yarn to denim fabric to garments. The promoters hold a 61.12% stake in the Company's equity.

The Company enjoyed a market capitalisation of ₹112.44 crore as on 31st March 2011. The Company's shares are actively traded on the Bombay Stock Exchange and the National Stock Exchange.

Where we are

We are headquartered in Secunderabad (Andhra Pradesh), possessing a denim manufacturing facility in Ramtek (Maharashtra) and two spinning units (polyester cotton and synthetic yarn) in Amanagallu (Andhra Pradesh).

We market products through our Secunderabad, Delhi and Mumbai offices in India across the country and internationally in more than 20 countries (Israel, Panama, Egypt, Bangladesh, Sri Lanka, Indonesia, Mauritius, Singapore, the UK, Guatemala, Syria, Taiwan, Turkey and the USA, among others).



THREE, WE HAVE INVESTED IN EXTENSIVE COST MANAGEMENT INITIATIVES TO EMERGE AS A VIABLE COMPANY ACROSS INDUSTRY CYCLES.

THE RESULT IS EVIDENT: 27.3 % CAGR IN REVENUES AND 533.6 % CAGR IN PAT IN THE FIVE YEARS LEADING TO 2010-11.



Our vision

Through an integrated system of tools, techniques and training, Suryalakshmi constantly thrives to achieve and maintain the highest quality parameters in the most versatile processes. Continuous improvement and development of its own processes are keys to the consistency of the Company's survival and success over a period.

Our mission

Our mission at Suryalakshmi Cotton Mills is to empower the dominance of the organisation in the Indian market while we expand and develop a strong presence in the international market. Our products, operations and services are globally benchmarked against the best.

Whom we supply

The Company caters to reputed brands like VF Corporation, Levis, Wal-Mart, Perry Ellis, Jones International, M&S, C&A, ASDA, George, Next, Miss Sixty, Mango, Carrefour, Sainsbury, Mothercare, Li & Fung and Woolworth, among others.

Our pride-enhancing certifications

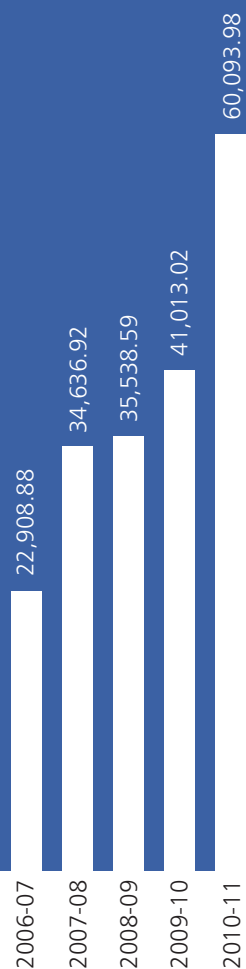
- Recognised as an export house by the Government of India
- Manufacturing units certified with ISO 9001:2008 and ISO 14001: 2004
- Certified with Global Organic Textile

Standard (GOTS) for organic cotton and organic exchange

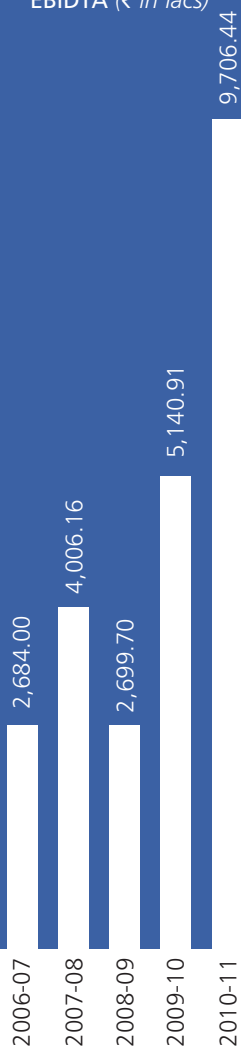
- Certified for Oeko Tex Standard 100 Product Class II upto 31st December, 2011.

OUR GROWTH IS REFLECTED IN OUR NUMBERS

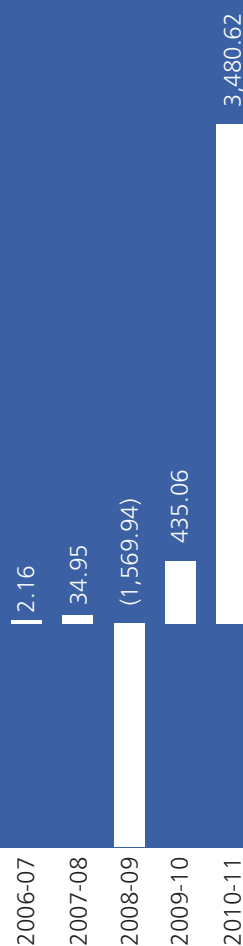
Net turnover (₹ in lacs)



EBIDTA (₹ in lacs)



Profit after tax (₹ in lacs)

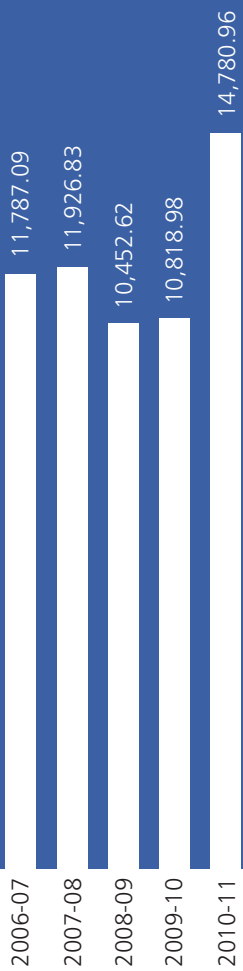


Gross block (₹ in lacs)

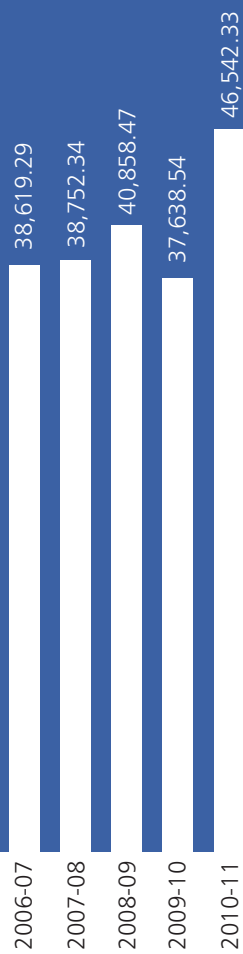


What we offer	Location	Installed capacity	Capacity utilisation
Yarn	Amanagallu (Andhra Pradesh)	60,864 spindles	96%
Denim	Ramtek (Maharashtra)	40 million metres per annum	98%

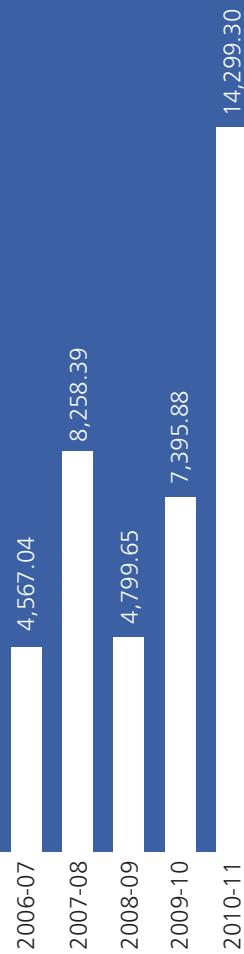
Net worth
(₹ in lacs)



Capital employed
(₹ in lacs)



Exports
(₹ in lacs)



EPS
(₹)



COMPET

SURYALAKSHMI INCREASED ITS PROFIT AFTER TAX BY 700 PER CENT IN 2010-11, HIGHER THAN MOST PEER TEXTILE COMPANIES.

The Company achieved a higher return on employed capital from 7.19 per cent in 2009-10 to 16.99 per cent in 2010-11 owing to the following reasons:

- A purchase of 29 per cent of the annual cotton requirement in only eight months at 25 per cent below the average cotton price for the full year.

- Robust integration along the value chain, resulting in 70 per cent of the denim division's yarn requirements being sourced from within.

- An increase in the proportion of value-added products as well as an increase in the extent of value-addition beyond a mere increase in raw material costs.

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The result:

Turnover increased
47%; EBIDTA grew
88.8%, in 2010-11.



VALUE-A