SURYALAKSHMI

Think Denim. Think Us.

Suryalakshmi Cotton Mills Limited

Annual Report 2016-17

It doesn't always go as planned.

Inspite of strategic moves, hard work, and utmost efforts, sometimes it's the outer circumstances that change the course of events. But even in the midst of the most difficult times, what matters is the strength of one's foundation on which new tomorrows can be built again. This year, the unforeseen appearance of the demonetisation initiative led to a lot of upheavals in our industry, which in turn resulted in not so stellar numbers for us. Our efforts and skills were uncompromised, but the performances took a hit due to situations that were beyond our control.

But now, the winds are changing.

We're moving towards favorable and stable grounds again, and have ample reasons to believe in a brighter future. Our powerful business foundation remains our core strength, and it is still in great shape and is potent enough to take our Company to greater heights. With our innate integrity towards our work, standards of quality and commitment to excellence still intact, we are gearing ahead towards better performances and bigger results that will make our investors proud!

Suryalakshmi Cotton Mills is among India's leading textile manufacturing companies. It stands for transparency, sustainability, and innovation.

To underscore these aspirations and commitments, Suryalakshmi is a member of various certifying organisations and complies with their guidelines and standards.

Certification & Qualifications

Supplier Ethical Data Exchange (SEDEX)

Sedex Members Ethical Trade Audit (SMETA)

Business Social Compliance Initiative (BSCI)

ISO 14001:2004 Certification

ISO 9001:2008 Certification

OEKO-TEX® Standard 100 Certification

You can also find this report online on:
www.suryalakshmi.com

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Results driven

2,855.15
Networth
(₹ in Mn)

9,459.59
Gross block
(₹ in Mn)

(Incl. Revaluation reserve & CWIP)

2.62
Interest coverage ratio

0.46
Debt-Equity ratio

We are Suryalakshmi Cotton Mills Limited.

We are among India's largest original denim manufacturers with an integrated business model.

Our manufacturing plants are spread across Telangana and Maharashtra with market presence across India and in 29 countries.

Formed in early 1960s' as a yarn manufacturing company, Suryalakshmi Cotton Mills has evolved today as integrated denim manufacturing textile Company. From yarns, fabrics to garments, backed by captive power generation, we have realigned our business model to move up the value chain. Over six decades, we have expanded our capacities, achieved financial sustainability and penetrated markets across the globe.

Vision

To become a global leader and preferred partner in textile manufacturing by leveraging long-term growth opportunities and creating superior value for all stakeholders.

Mission

To be one of the Top Global Players in the fashion industry, bringing inspiration and innovation to every fabric and garment we create.

Our values

Customer first

We put the needs of our customers first and are focused on delivering value by providing the highest quality products.

Integrity

We are committed to remain transparent, honest and accountable in our relationships with all stakeholders, both inside and out.

Innovation-led design thinking

We leverage design thinking and technology innovation for delivering fast fashion to our customers. We exercise the highest levels of professionalism in our work & relationships and are committed to continuous improvement in our pursuit of excellence.

Responsibility

We pay attention to what we create, how we create it and the way it impacts people and the environment.

People welfare

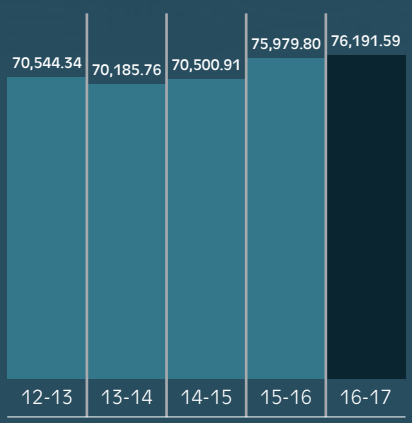
We exercise global standards of worker and human resource welfare to create an efficient, healthy, happy and satisfied workforce.

Financial Highlights

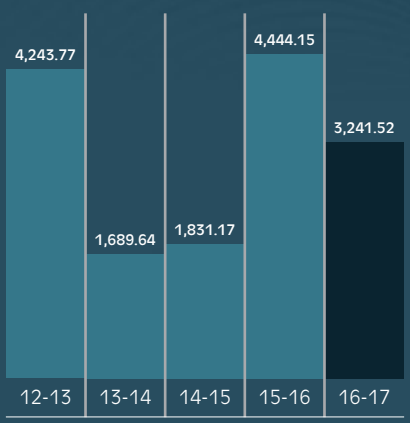
(₹ in Lakhs)

	2016-17	2015-16
For the year		
Net Sales	76191.59	75979.80
EBIDTA	9901.49	11007.59
Profit before tax	3241.52	4444.15
Profit after tax	2186.70	3005.15
At the year end		
Gross block (Incl. Revaluation reserve & CWIP)	94595.88	91358.02
Net Worth (Excl. Revaluation reserve)	28551.53	26195.58
Long Term Borrowings	12552.84	16823.87
Net current assets	37406.38	37449.38

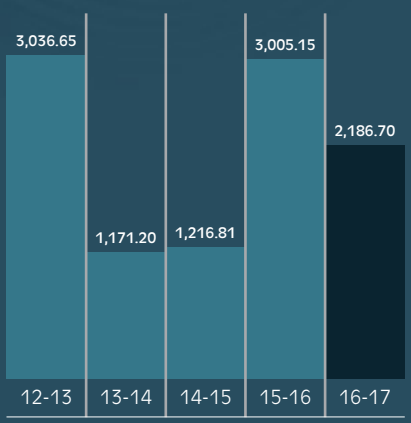
Net Sales (₹ in Lakhs)



PBT (₹ in Lakhs)



PAT (₹ in Lakhs)



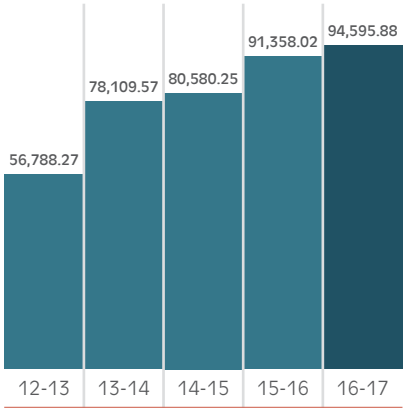
Financial Review

The year 2016-17 did pose significant challenges for the textile industry in the second half post the demonetisation. Cash shortage in the hands of consumers did lead to reduced sales, resulting in dip in revenue for the Company.

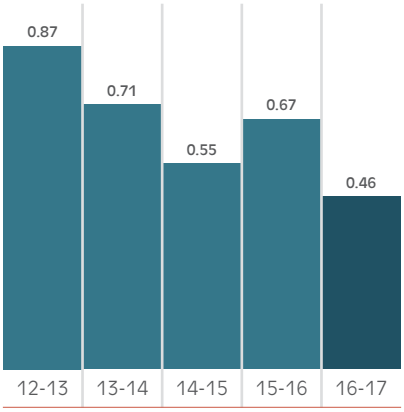
Net Sales stood at ₹76191.59 Lakhs in the current year against ₹75979.80 Lakhs in FY 15-16. However, our strong operational excellence and higher realisations helped us maintain profitability levels. Our PBT and PAT stood at ₹3241.52 Lakhs and ₹2186.70 Lakhs respectively.

The Long Term Borrowings levels stood at ₹12552.84 Lakhs against ₹16823.87 Lakhs in the previous year. The interest coverage ratio was 2.62 times in the current fiscal, demonstrating our ability to maintain a strong balance sheet.

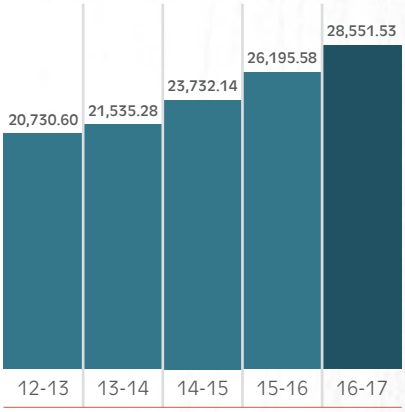
Gross Block (₹ in Lakhs)



Debt-Equity ratio



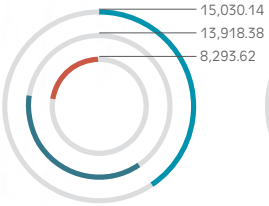
Net Worth (₹ in Lakhs)



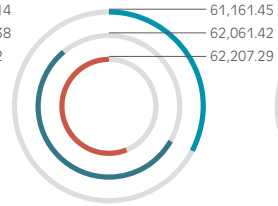
Segment review

Going ahead, we expect economic reforms to gain pace, which would align with the backdrop of robust macro-economic stability. To capitalise on these opportunities, we shall strengthen our international presence and further deepen our presence in domestic markets as well. With our integrated business model, we expect each of our product segments to contribute to overall profitability and growth of the organisation.

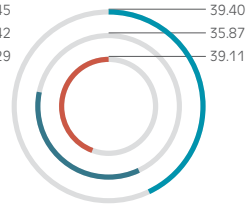
International (₹ in Lakhs)



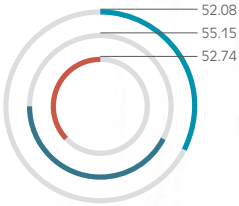
Domestic (₹ in Lakhs)



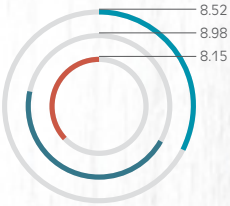
Yarn (%)



Denim & Power (%)



Garments (%)



2014-15 2015-16 2016-17

Graphs not to scale

Message from Chairman & Managing Director