



Suryalata Spinning Mills Limited

34<sup>th</sup> Annual Report 2016-17

**Steady Growth.  
Business Excellence.**

The story of Suryalata Spinning Mills Limited

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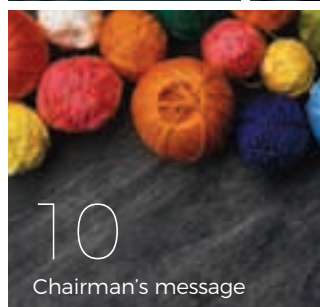
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This Report is also available online  
on [www.suryalata.com](http://www.suryalata.com)

## Forward-looking statements

We have exercised utmost care in the preparation of this report. It contains forecasts and/or information relating to forecasts. Forecasts are based on facts, expectations, and/or past figures. As with all forward-looking statements, forecasts are connected with known and unknown uncertainties, which may mean the actual result deviate significantly from the forecast. Forecasts prepared by the third parties, or data or evaluations used by third parties and mentioned in this communication, may be inappropriate, incomplete, or falsified. We cannot assess whether information in this report has been taken from third parties, or these provide the basis of our own evaluations, such use is made known in this report. As a result of the above-mentioned circumstances, we can provide no warranty regarding the correctness, completeness, and up-to-date nature of information taken, and declared as being taken, from third parties, as well as for forward-looking statements, irrespective of whether these derive from third parties or ourselves. Readers should keep 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.

# In memoriam



**Pankhuri and  
Yash Agarwal**

No one know how much we miss you,  
No one knows the bitter pain  
We have suffered since we lost you  
Life has never been the same.  
In our hearts your memory lingers,  
Sweetly tender, fond and true.  
Your divine vision will motivate us always  
through the journey of success.  
There is not a day,  
That we do not think of you.

**Team Suryalata**



Growth is a relentless process. At no point can one afford to stagnate.

Hence, this year too, we have kept our growth graph steady, with performances that have helped our company emerge as a sustainable one, even in the most challenging of times. Our strategies led us to outperform the market expectations and thereby stay true to the commitment made to our shareholders.

And in the process, we have set the ground for driving and enhancing our business excellence to higher horizons!

# Growing Today. Charting Tomorrows.

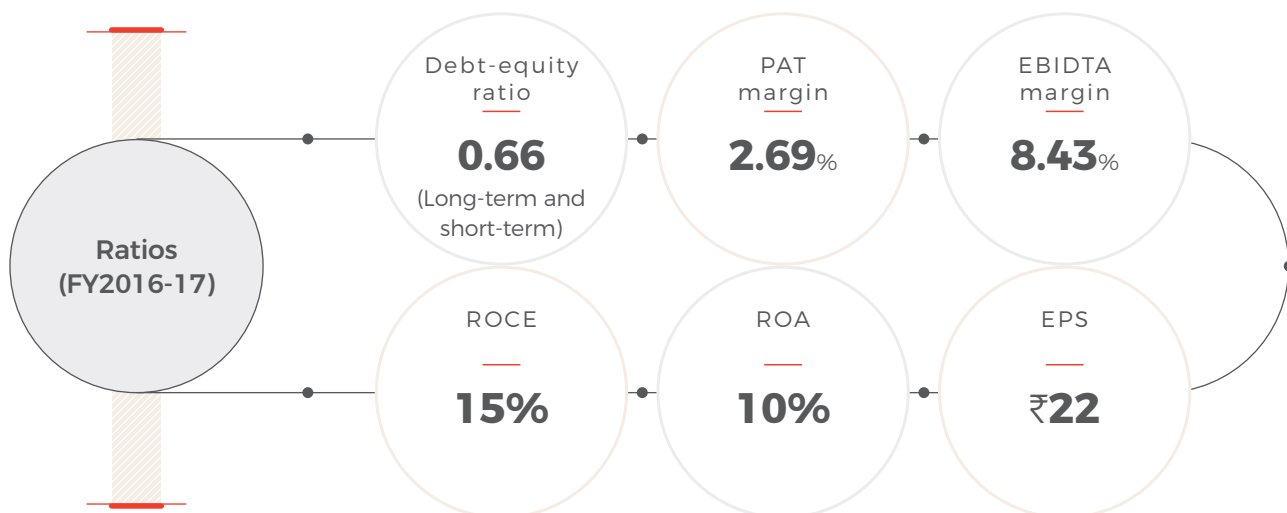
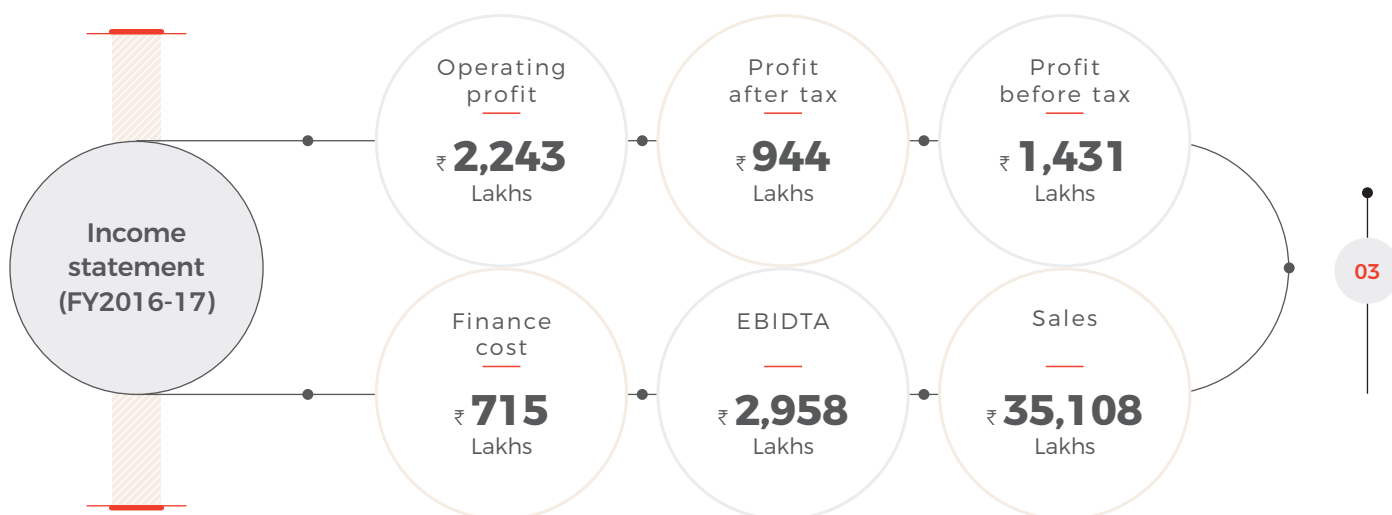
## Suryalata's Performance in FY2016-17

We evaluate our performance and the strength of our business model. We have chosen to adopt this approach because these key performance indicators (KPIs) demonstrate

how we are creating value for our stakeholders. Our steady performance during FY2016-17 reflects that we were successful in terms of executing our strategies are en route towards

emerging as sustainable company. The fact that we were able to put up such a performance, withstanding sectoral weaknesses, reaffirms our faith on our business model.

### Key performance indicators







# Woven in Excellence. Driven to Succeed.

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## About Suryalata

Over the past three decades, Suryalata has cemented its reputation as one of India's leading textile companies. Operating primarily in the realm of synthetic ring spun yarns, the Company's success has been derived by operating responsibly, executing adeptly, manufacturing innovatively and capturing new opportunities. Mr. Vithaldas Agarwal (Managing Director) and Mr. Mahender Kumar Agarwal (Joint Managing Director) have ably managed to make Suryalata among the most respected and recognized yarn manufacturing companies in India. The Company constantly explores ways and means to enhance offtake, widen reach and deploy technologies that bolster cost-competitiveness. The result: Suryalata's clients list features some of the biggest names in the textile industry, both in India and abroad.

# 1,550

Employees (as on 31st March 2017)

# 9

Countries (Suryalata's presence)

# 4,025

Exports revenues (₹ Lakhs)

# 22,388

Gross block (₹ Lakhs)

# 91%

Capacity utilisation

# 48.62

Contribution (₹ per kilogram)

\*All figures as on 31st March 2017

## What we aim to do

Suryalata Spinning Mills Limited is committed to operate a successful business by developing, manufacturing, marketing and supporting quality yarn products for the world textile industry. The Company intends to do this by:

- Developing long-term relationships with our customers and suppliers
- Providing superior quality products at competitive prices
- Exceeding industry standards with exceptional customer and technical service
- Maintaining our competitive position through leading edge technology
- Providing a safe, fulfilling, and rewarding work environment for our employees
- Serving and supporting the communities in which we operate

## Where we are

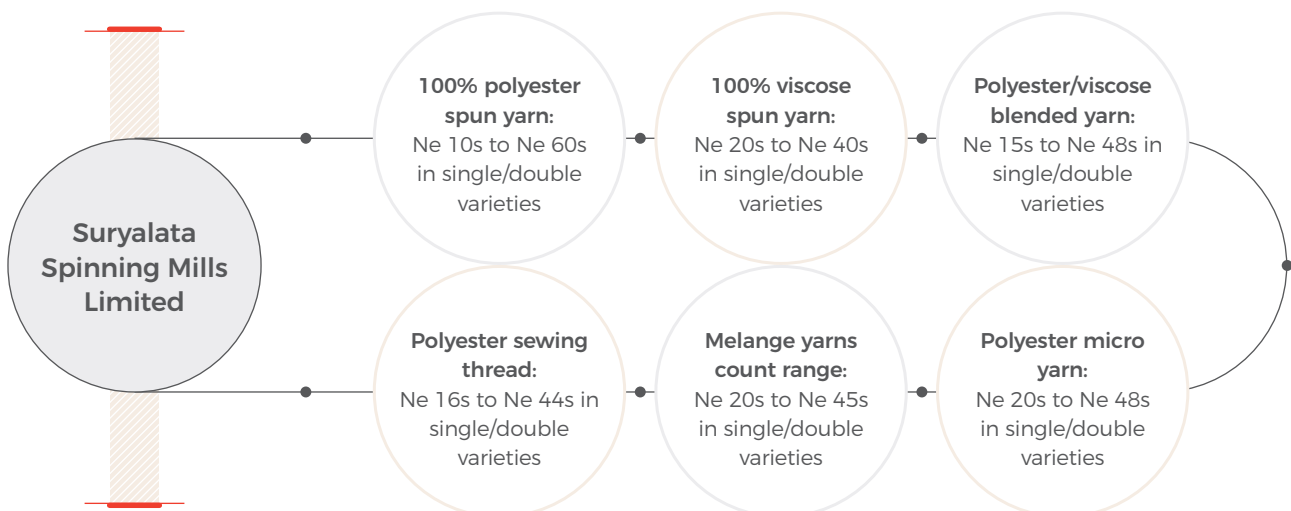
Head quartered in Hyderabad, the Company has two manufacturing units located in Kalwakurthy and Urukondapet in Telangana with a production capacity of 93,264 spindles producing 25,000 kilo tonnes per annum of yarn.

The Company exports its products to more than 9 countries across the world.

## What we make

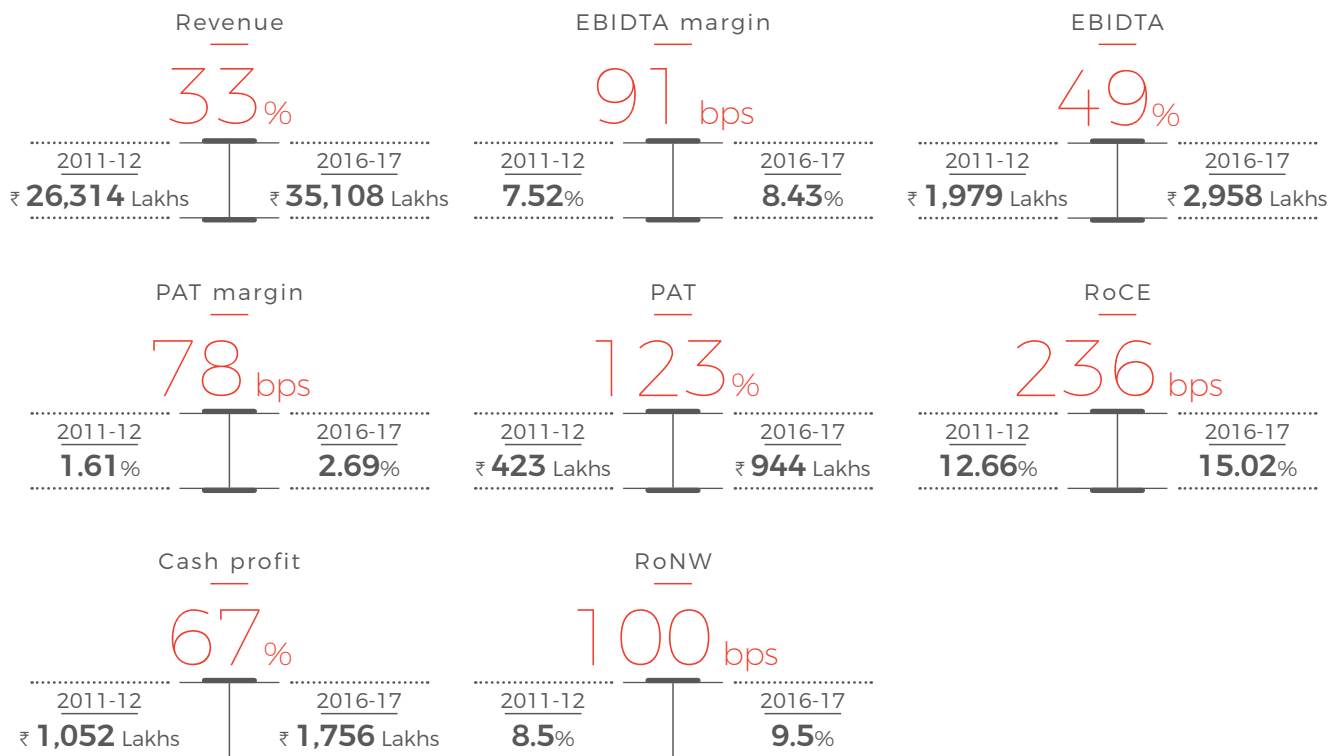
The Company is involved in the manufacturing of synthetic ring spun yarns for knitting, weaving and technical applications in the count range of Ne 10s to Ne 60s in single, and two-ply varieties. Further the Company is also involved in the manufacturing of specialised yarns like slub yarns, fancy yarns and micro yarns as per market requirements.

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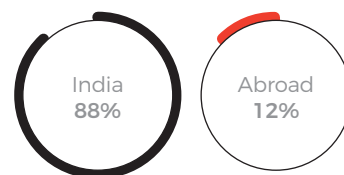


# Challenging times. Sustainable performance.

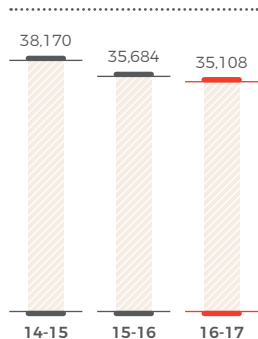
## Financial growth (FY2011-12 versus FY2016-17)



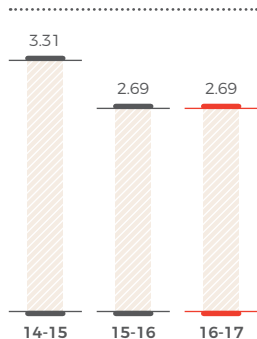
Sales breakdown  
by region\*  
(FY2016-17)



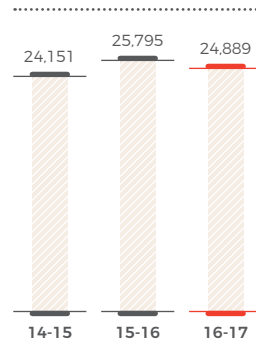
Sales breakdown\*  
(₹ Lakhs)



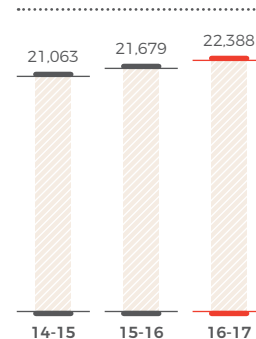
PAT margin\*  
(%)



Production\*  
(kilotonnes per annum)



Gross block\*  
(₹ Lakhs)



\*All figures as on 31st March 2017



# Suryalata's track record.

S.No	Particulars	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	Spindle Capacities (Nos)	71,424	89,376	89,376	89,376	93,264	93,264
2	Spindle Utilisation (%)	87.17%	87.96%	90.22%	93.81%	94.77%	91.18%
3	Qty of Production (MTS)	16,931	16,576	21,708	24,151	25,795	24,889
	Qty of Purchase ( MTS)	11	122	450	658	-	-
4	Product Mix ( in MTS)						
	PSF	10,498	7,911	12,613	15,763	18,077	16,319
	VSF	871	1,158	-	-	-	-
	PV	5,562	7,507	9,095	8,388	7,718	8,570
5	Stock of FG ( in MTS )	319	528	543	678	569	622
6	Qty of Sales ( in MTS)	17,591	16,490	22,143	24,673	25,904	24,836
7	Exports ( ₹ in Lakhs)	12,347	9,821	12,210	10,567	3,055	4,025
	Domestic ( ₹ in Lakhs)	13,967	18,849	24,869	27,603	32,629	31,083
8	Turn Over ( ₹ in Lakhs)	26,314	28,670	37,079	38,170	35,684	35,108
9	AVG Sale Price (₹ Per KG)	149.59	173.86	167.45	154.70	137.75	141.36
10	Raw Material Cost ( ₹ in Lakhs )	18,040	18,592	24,692	24,390	23,250	23,602
11	AVG RM Cost ( ₹ Per KG )	104.53	109.18	111.07	99.21	87.70	92.74
12	Contribution for Operations (P.KG)	45.05	64.69	56.38	55.50	50.05	48.62
13	Value Addition ( ₹ in Lakhs ) in operations	6,296	7,213	8,923	9,925	9,252	8,547
14	EBIDT ( ₹ in Lakhs)	1,979	2,865	3,464	3,855	3,182	2,958
	(%)	7.52	9.99	9.34	10.10	8.92	8.43
15	Finance Charges	694	931	1,225	1,070	915	715
	(%)	2.64	3.25	3.30	2.80	2.56	2.04
	Interest Coverage Ratio (No of Times)	2.85	3.08	2.83	3.60	3.48	4.14
16	PBDT ( ₹ in Lakhs )	1,285	1,934	2,239	2,785	2,267	2,243
	(%)	4.88	6.75	6.04	7.30	6.35	6.39
17	Depreciation	629	747	893	868	811	812
18	PBT	656	1,187	1,346	1,917	1,456	1,431
	(%)	2.49	4.14	3.63	5.02	4.08	4.08
19	Tax	233	379	461	652	495	487
20	PAT ( ₹ in Lakhs)	423	808	885	1,265	961	944
	(%)	1.61	2.82	2.39	3.31	2.69	2.69
21	EPS (in ₹)	9.80	20.30	22.39	28.14	21.88	22.12
22	Bank Borrowings- Term Loans ( ₹ in Lakhs)	4,003	7,522	6,122	6,316	4,601	3,051
23	Bank Borrowings- W.C. Loans ( ₹ in Lakhs)	2,948	3,713	2,951	3,464	2,513	3,525
24	LT Bank Debt Equity Ratio (%)	0.80	1.33	0.95	0.82	0.51	0.31
25	LT & ST Bank Debt Equity Ratio (%)	1.39	1.98	1.41	1.27	0.79	0.66
26	Gross Block (F A) ( ₹ in Lakhs)	14,586	19,432	19,617	21,063	21,679	22,388
27	R.O.A. (%)	8.81	9.95	11.41	13.22	10.46	10.02
28	Capital Employed ( ₹ in Lakhs )	10,660	14,625	13,880	15,231	14,938	14,286
29	R.O.C.E. (%)	12.66	14.48	18.52	19.61	15.87	15.02
30	NETWORTH ( ₹ in Lakhs)	4,991	5,672	6,429	7,731	9,019	9,963
31	Promoter Holdings (%)	65.51	65.51	65.51	70.36	70.36	70.36
32	Dividend Payout (%)	15	15	15	18	20	15
33	Employee Strength (Nos)	1,117	1,424	1,591	1,608	1,532	1,550

# Excelling for the future

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We expect to strengthen our market leadership with the proposed expansion and modernisation of our Kalwakurthy plant. This will enable us to produce more value-added products and take our total production capacity to 1,05,000 spindles. The proposed expansion and modernisation is expected to cost around ₹ 83 crore, for which the Company has achieved a financial closure to the tune of ₹ 65 crore while the rest is through internal accruals.