

SURYALAKSHMI COTTON MILLS LTD

(AN IS/ISO 9001 : 2008 & ISO 14001 : 2004 CERTIFIED COMPANY)

May 15, 2017.

To

National Stock Exchange of India Limited
"Exchange Plaza"
Bandra-Kurla Complex
Bandra (East)
MUMBAI - 400 051

Dear Sir,

Scrip Code : SURYALAXMI
Reg.: Press Release for the year ended 31/03/2017.

The Company proposes to publish enclosed press release in the News Papers.

This is for your information and records.

Thanking you,

Yours faithfully,
for **SURYALAKSHMI COTTON MILLS LIMITED**


E.V.S.V. SARMA
COMPANY SECRETARY



GOVERNMENT RECOGNISED EXPORT HOUSE

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Suryalakshmi Cotton posts robust Q4Revenues of Rs. 238 crore and PAT of Rs. 4.51 crore;a 64% increase in revenuesfrom Q3

- The company's performance has picked up due to increase of "in store" sales across fashion chains; demonetization led slowdown is gradually waning
- Company achieved highest ever export sales of INR 150 crs. in FY17
- Company's focus on operational excellence & Green Chemistry led R&D have resulted in reduced operational expenses
- The company's value addition strategy through vertical integration is on track and shall start delivering results in the next four quarters (FY 18).

May 13, 2017 | Mumbai: Suryalakshmi Cotton Limited, India's leading denim producer and one of India's leading players in premium denim, today announced its audited Q4 and annual results for Financial Year 2016-17.

Financials:

INR in Crores

	Quarter Results				Annual Results		
	Q4 FY17	Q3 FY17	Growth	Q4 FY16	FY17	FY16	Growth
Total Revenue	238.86	145.17	64.5%	222.17	775.29	773.15	0.3%
EBIDTA	22.38	16.91	32.3%	31.50	99.01	110.08	-10.0%
Depreciation	7.32	8.05	-9.0%	8.48	31.57	31.32	0.8%
Interest	8.51	8.66	-1.7%	9.27	35.03	34.31	2.1%
Profit before Tax	6.54	0.20	3104.9%	0.52	32.42	44.44	-27.1%
Net Profit	4.51	0.18	2351.5%	14.27	21.87	30.05	-27.2%
EPS	2.71	0.11	2351.5%	9.13	13.12	17.59	-25.4%

The company recorded total revenues of INR239 crores as compared to INR145 crores in the previous quarter of current year, an increase of 64.5%. Profit after Tax was at INR4.51 crores from INR0.18crore achieved in third quarter. Company earned an EBITDA INR 22.38 crores compared to INR16.91 crores realized in previous 3-month period.

For the year 2016-17, the company posted higher revenues of INR775 crores as compared to INR 773 crores in the previous year. This in spite of facing severe and sudden demand erosion due to the one-time disruptive demonetization effect in India. Profit After Tax during the year is at INR 21.87 crores as compared to INR 30.05 crores for the twelve months of the previous year.



The company effectively overcame the sudden business contraction in the past two quarters due to demonetization. Increased cost of raw material - cotton and inventory clearance strategy affected the profit margins. Going ahead, the company has passed on the increased raw material cost to the customers. This will ensure resurrection of profits similar to the robust sales performance of first half of FY17.

Management Speak

Mr. Paritosh Agarwal, Managing Director said, "Our performance in the final quarter has been commendable in spite of recent macro-economic challenges. We have not only recovered from the effects of demonetization but also surpassed sales from previous year. The focus is to leverage our operational excellence and vertical integration to ensure quicker speed-to-market strategy. This will ensure increased customer loyalty, improved brand premium realization and market dominance.

The company is deepening its relationship both on the domestic and global front with an intent to capture under-tapped high value denim markets. In FY17 Suralakshmi Cotton achieved highest ever export sales of INR 150 crs. We are focusing on improving our operations and marketing efficiency by moving towards Green Chemistry in manufacturing of denims. Our key strength lies in delivering premium denim products based on domestic and global fashion trends."

Manufacturing Excellence

In Q4, all divisions of Suryalakshmi have performed to an optimum capacity level. The company ensured skill development and safety measures through multiple workshops. One of our premier focus area is Green Chemistry led manufacturing, thereby reducing the effect on our Environment. Increasing operational efficiency through backward integration will reduce the raw material costs and linkages. It will also result in reduced input cost, greener products and consistent betterment of margins in the near and long term.

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For editorial queries, please contact –

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About Suryalakshmi Cotton Limited (www.suryalakshmi.com)

Suryalakshmi Cotton is one of India's leading integrated cotton-to-premium yarn-to-denim-to-garment manufacturing company with over five decades of market leadership. Since the past two decades, it has become the Original Denim Manufacturer (ODM) to leading global and domestic brands with a dominant market share in the premium denim sector. With cutting-edge design, latest spinning technology and end-to-end manufacturing plants, we create the finest yarn, premium denim and garments for leading private labels, fashion brands and retail chains in **31 countries** across the globe.

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