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Suryalakshmi Cotton posts healthy Q1 revenue of INR 190.33 crs. and PAT of INR 7.75 crs; 1.6% and 11.8% respective increase from the same period of the previous year

- Continuous process improvements resulted in margin increase in business divisions
- In-house R&D has led to the launch of new variants from the Amravati Spinning unit; to be used in manufacturing high-end denim fabric
- A dividend of Rs. 1.80 per share (18%) was approved in the AGM; shareholders lauded the government's new policy for Garment industry

July 28, 2016 | Mumbai: Suryalakshmi Cotton Limited, India's 3rd largest denim producer and one of India's leading players in premium denim segment today announced its unaudited Q1 results for Financial Year 2016-17.

Financials:

Particulars	(in INR Crs.)		
	Q1 FY17	Q1 FY16	Change %
Total Revenue	190.33	187.36	1.6%
EBIDTA	29.12	26.52	9.8%
PAT	7.75	6.93	11.8%
EPS	4.65	4.16	11.8%

The company recorded net revenue of INR 190.33 crore as compared to INR 187.36 crore in the corresponding period of the previous year, an increase of 1.6%. Profit before Interest, Depreciation and Tax was at INR 29.12 crore, higher by 9.8% from INR 26.52 crore in the same period of the previous year. Profit after Tax and EPS rose by 11.8% to INR 7.75 crore and INR 4.65 as compared to INR 6.93 crore and INR 4.16 respectively recorded in the same period of the previous year.

Sales volume and profitability increased on the back of several process efficiencies at the plant level thereby reducing operating costs. Reduced input costs and optimum use of energy resources resulted in further savings.

Key Business Developments:

During the quarter, new yarn variants were readied for launch in the state-of-the-art spinning unit at Amravati, Maharashtra, India. These will be used by the denim unit for developing premium, latest fashion-led comfort and trendy features.

A capacity of 2,000 units per day of ready-made garments is being added; this will get operational by the end of current financial year. This development has been

envisaged in line with the new textile policy announced by the government.

AGM & Government's Textile Policy

Company's AGM was successfully concluded today with shareholders congratulating the management team on the spectacular performance in spite of global and domestic challenges. A dividend of INR 1.80 per share (18%) was approved in the AGM.

Management Speak

Mr. Paritosh Agarwal, Managing Director said, "Our overall performance for this quarter has been good as compared to the previous period due to our relentless focus on cost and process efficiencies.

New brand launches based on our R&D efforts are helping us win market share both with domestic and international customers. We will continue to focus on the premium and upper-end of the denim market across our integrated offerings of yarn, cloth and garments. During the quarter we have launched new range of Denim fabrics. All our new launches are getting enthusiastic response from existing as well as new customers.

I congratulate the Government of India for the bold measures announced in the new Textile Policy. It will give a fillip to this industry and also help us contribute to the "Make in India" initiative."

Customer Wins

During the quarter we garnered new client wins both in the domestic and international markets. The capacity utilization across our four plants is at 95% and we are able to meet the renewed demand of our customers.

Among our global customers, we supply to Wrangler, Lee, Levis and in the domestic market we partner with Only, Peter England.

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About Suryalakshmi Cotton Limited (www.suryalakshmi.com)

Suryalakshmi Cotton is one of India's leading integrated 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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