



KPR Mill Limited

Result Update

Q1-FY2016



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Manufacturing Facilities



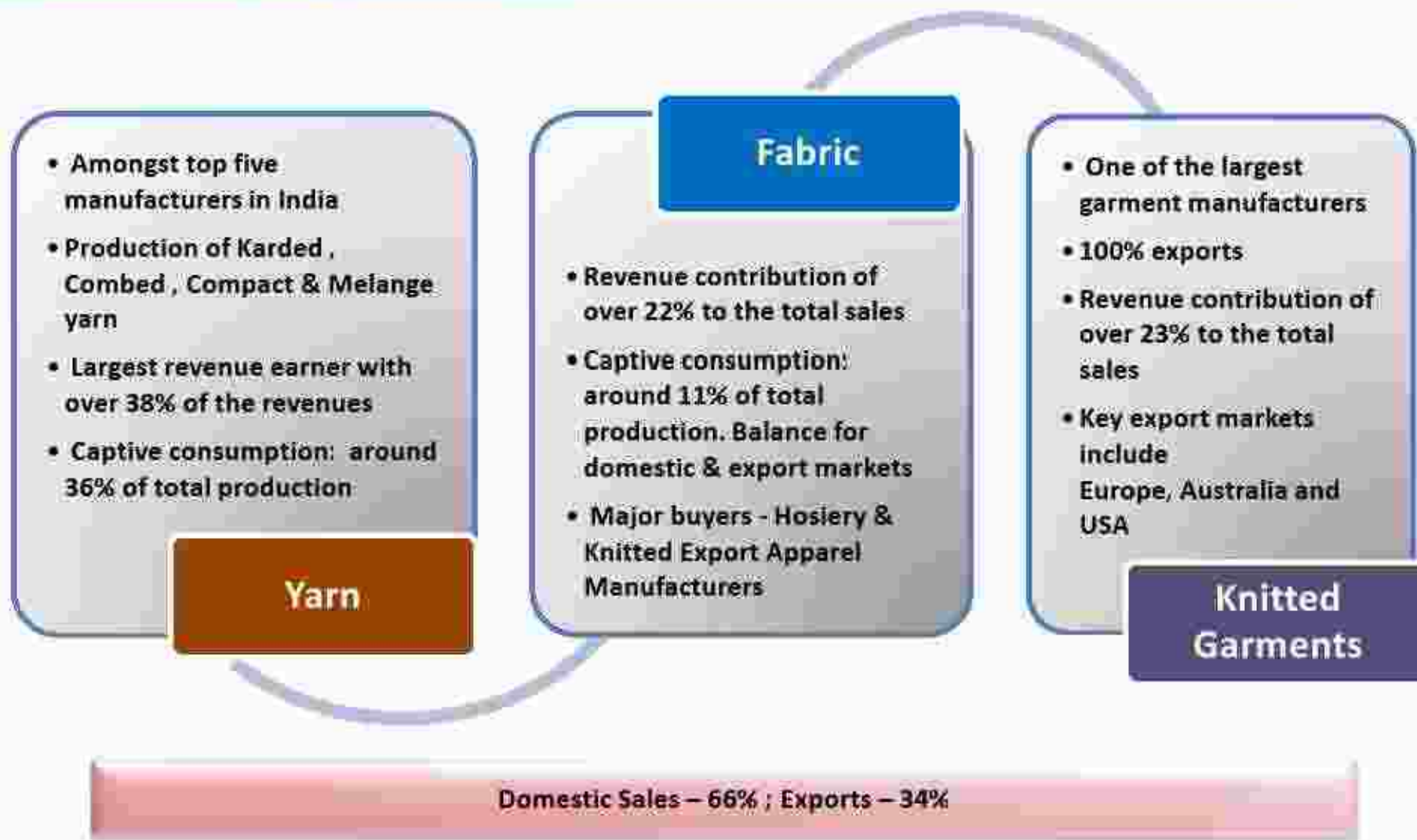
An Overview



- **One of the largest vertically integrated textile player with presence across the entire value chain - from “fibre to fashion”**
- **Best quality cotton ‘Shankar 6’ used as the raw material for consistent quality**
- **Strategic investment in Wind Power Projects & Co-gen plant for captive consumption**
- **Marquee relationships with about 1,000 regular domestic clients for yarn and fabric and around 40 leading international brands for garments**
- **Trendsetting welfare policies for employees & various CSR activities**
- **An exemplary and massive ETP in its Processing Unit to treat 2.5 Million litres a day**
- **Quality initiatives and consistent technology upgradation secured several International Accreditations**
- **Enthused by the impressive growth trend in Apparel sector, KPR expands its garment business**



Presence across the textile value chain





Key competitive advantages

Unique Raw Material Procurement Policy

- Strategic quality cotton procurement through dedicated personnel at Cotton grown area is a key Factor for its sustained Quality
- Single variety of raw material (Shankar-6 cotton) provides consistent quality

Strategic Investment in Green Power

- Ability to maintain power cost through investment in Green Power
- 61.92 MW Wind Power & 30 MW Co-Gen
- Green power availability throughout the year

Rejoiced Workforce

- Feel at home accommodation and amenities including Higher Education, Vocational training, yoga, meditation, library, sports, swimming pool, etc.
- The trendsetting welfare factors crowned by Five Star Certification & Higher Education facilities at KPR distinguishes it from Peer Group with higher efficiency level and lower attrition rate facilitating enhanced Productivity at optimized Operating cost

Stringent quality control measures & on-time delivery

- Mandatory usage of hand gloves, hair net, mask, aprons, etc. for the twin benefits of safety and quality
- Inspection at every stage to ensure stringent quality conformance
- Ensuring on-time delivery earned high reputation in the market,

Strategically located manufacturing facilities

- Facilities located within a 50km radius of Tirupur, largest apparel manufacturing clusters in Asia
- Proximity to buyers helps to reduce the material handling costs and facilitates immediate feedback
- Utilize the key technical personnel across all plant sites



KPR is well Poised to capture the opportunity

INDUSTRY GROWTH DRIVERS

- Growing Domestic & Global demand
- Challenges of growth in neighboring competing countries driving the Indian textile Industry
- India has an edge over other major competitors in Asia in respect of cost of production
- Recent negotiations for India - EU FTA
- Government focus and initiatives on Textile Industry to boost prospects

COMPANY SPECIFIC GROWTH DRIVERS

- Improved realizations after Modernization & Capacity Expansion
- Increase in realization of Value Added Yarn (Compact and Melange Yarn) – Volume Driven Growth
- Reduction of high cost debt
- Increasing capacities in Garment division
- Attain self sufficiency in power generation
- Increased focus on exports
 - Step up garment production by increasing the capacity
 - Penetrate into newer markets for garments & yarn



Evolution

- 1984 – Maiden business commenced at Coimbatore
- 1989 – Knitted garment export began at Tirupur
- 1995 – First spinning unit at Sathyamangalam with 6,000 spindles for cotton hosiery yarn increased to 30,240 spindles by 1999

1984-1999

- 2001 – Spinning mill at Karumathampatti with 30,240 spindles, Knitting facility & Green power Wind mill for captive use
- 2003 – Spinning unit at Neelambur with 50,784 spindles, Knitting facility & Wind mill

2000-2004

- 2005 – 1,00,800 spindles at Arasur along with Knitting facility, Garment Unit and Wind Mills
- 2006 & 2007 – Private Equity Investment & Listed at NSE & BSE
- 2010 – Exclusive Compact Spinning unit with 1,03,680 spindles at Karumathampatti along with Wind Mills

2005-2010

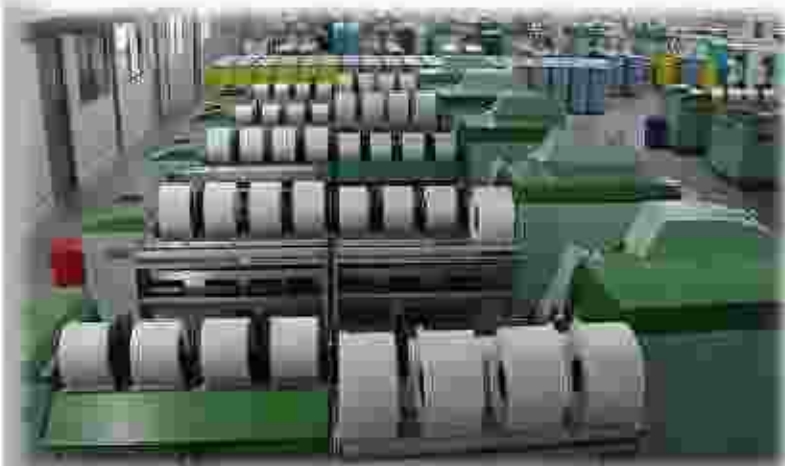
- 2011 – Modernization & expansion at Sathyamangalam by 21,216 spindles
- 2012 – 16,608 spindles of Melange yarn at Karumathampatti, Established Cogen cum Sugar Project through its subsidiary, K.P.R. Sugar Mill Limited
- 2014 -15 Expanded Garment capacity at Arasur by 10 Mn pcs, New unit at Thekkalur with 12 Mn Pcs

2011-2015



Key Highlights of Q1 -FY16

- Consolidated Revenue up 5% YoY to ₹ 623.26 Crore
- PBDIT up 11% YoY to ₹ 122.33 crore
- PBT up 36% YoY to ₹ 72.95 crore
- Net Profit up 28% YoY to ₹ 50.49 crore
- Cash Profit up 11% YoY to ₹ 88.07 crore
- Garment Turnover up 19% to 135.81 crore
- 12 Mn pieces green field garment capacity in stabilization mode
- Establishment of new green field garment facility of 36 Mn pieces is in progress





Consolidated P&L

Rs. Crore	Q1 FY16	Q1 FY15	YoY %	Q4 FY15	QoQ %
Revenue	623	594	4.9%	677	-8.0%
Raw Material	375	389		438	
Employee Expenses	51	44		47	
Other Expenses	75	52		86	
EBITDA	122	109	11.9%	106	15.1%
<i>EBITDA Margin</i>	<i>19.6%</i>	<i>18.4%</i>		<i>15.7%</i>	
Other Income	6	6		6	
Interest & Finance Charges	18	22		21	
Depreciation	37	40		37	
PBT	73	53		54	
Tax	22	14		4	
PAT	51	39	30.8%	50	2.0%
<i>PAT Margin</i>	<i>8.2%</i>	<i>6.6%</i>		<i>7.4%</i>	



Self sufficiency in Power with 92 MW portfolio

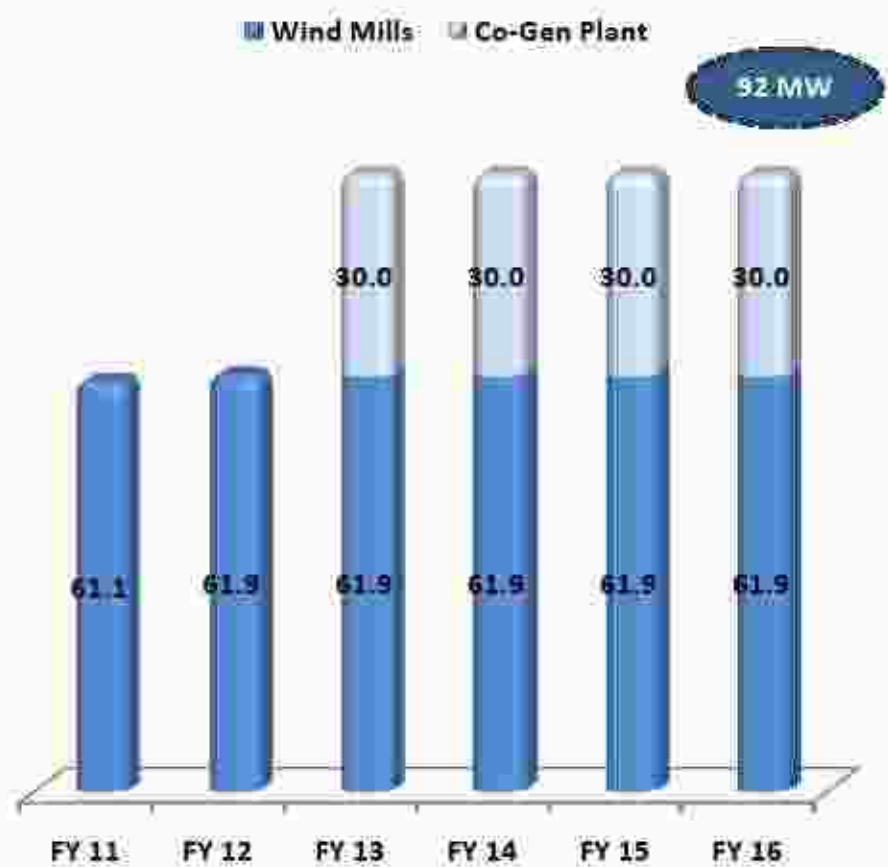
**Strategic Investment in Wind Power Project
61.92 MW**

- One of the largest Captive power generators
- Invested in eco-friendly Wind Mills at Tirunelveli, Tenkasi, Theni & Coimbatore Districts in Tamil Nadu
- Total Wind Power Capacity 61.92 MW
- 75% of power requirement of Textile business met through wind power

**Investments in Co-Gen Power Project
30 MW**

- Invested in 30 MW Co-Gen Power Project
- 5,000 TCD Sugar plant at Bijapur, Karnataka
- With Co-gen Power, attained self sufficiency in meeting its substantial power requirement and throughout the year

Cumulative Power Capacity (MW)





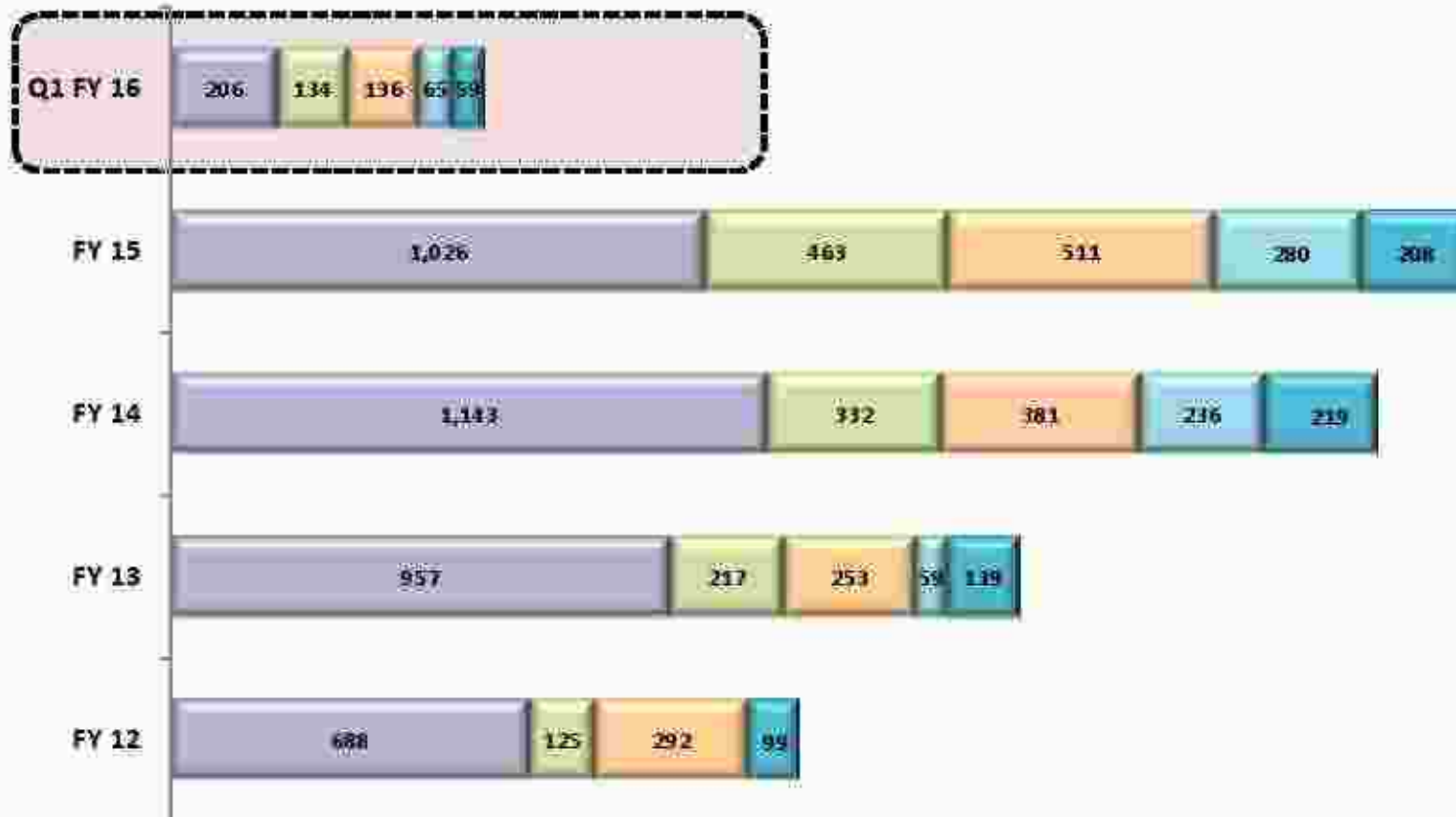
Annexure

Segment Wise Revenue contribution



■ Yarn
 ■ Fabric
 ■ Garments
 ■ Sugar *
 ■ Others **

Rs. in Crore



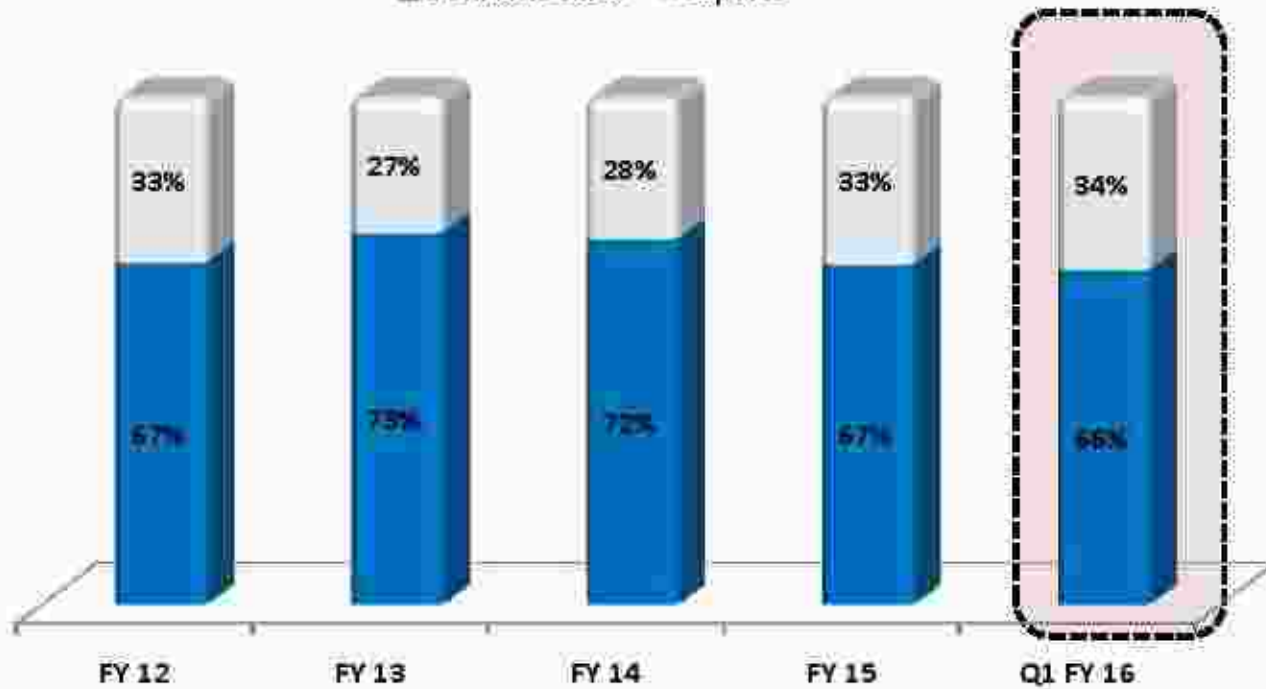
* Sugar includes sale of Sugar, Molasses and Co-gen power

** Others include income from sale of Waste Cotton, Processing, & Audi car

Geographical Split



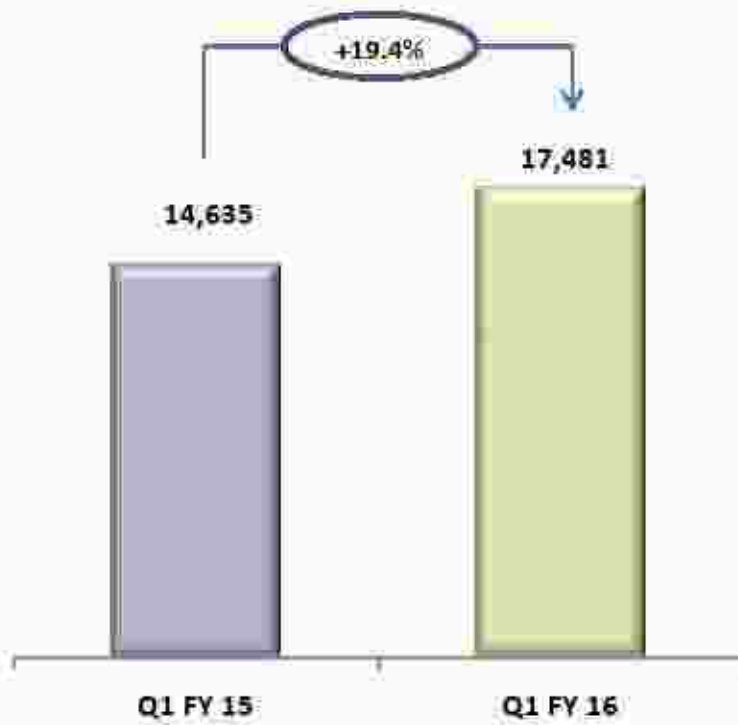
■ Domestic Sales ■ Exports



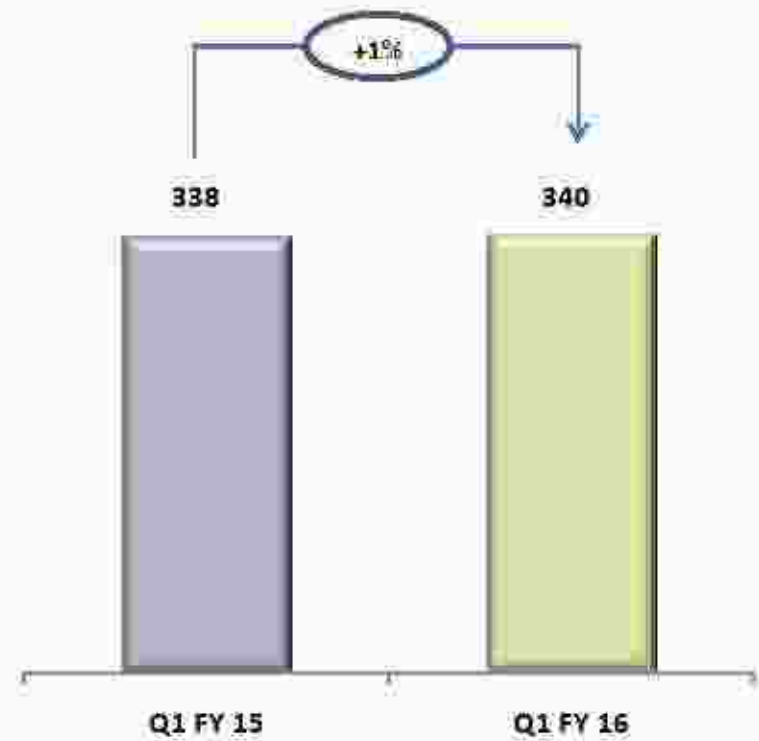
Yarn & Fabric



Yarn & Fabric Sales [MT]



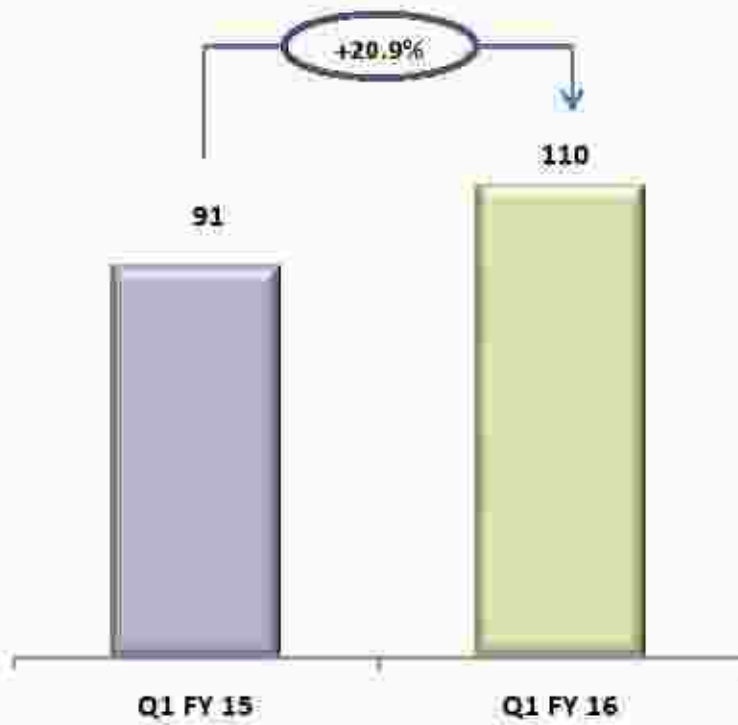
Yarn & Fabric Sales [Rs. Crore]



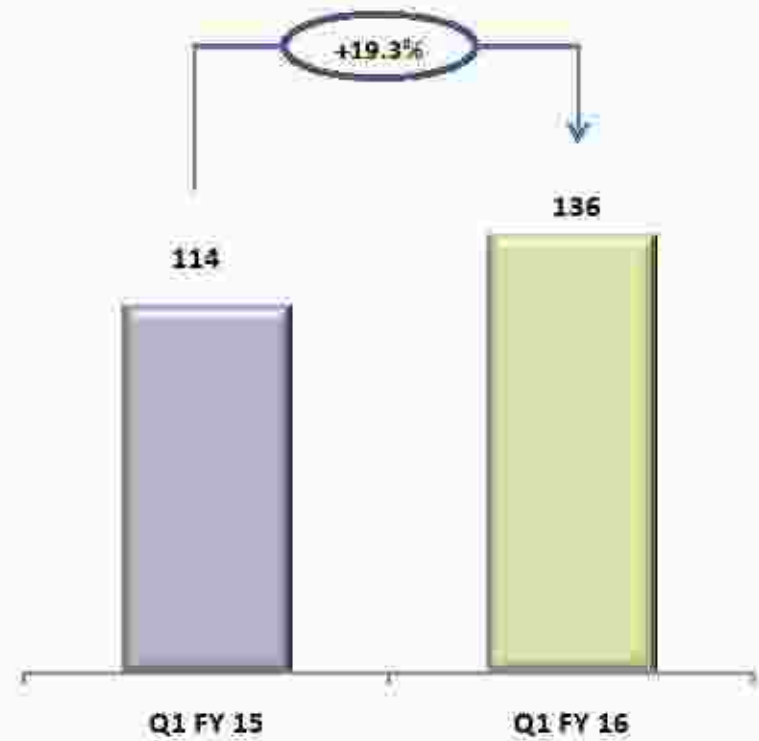
Garments



Garment Sales [No. of pieces in Lacs]



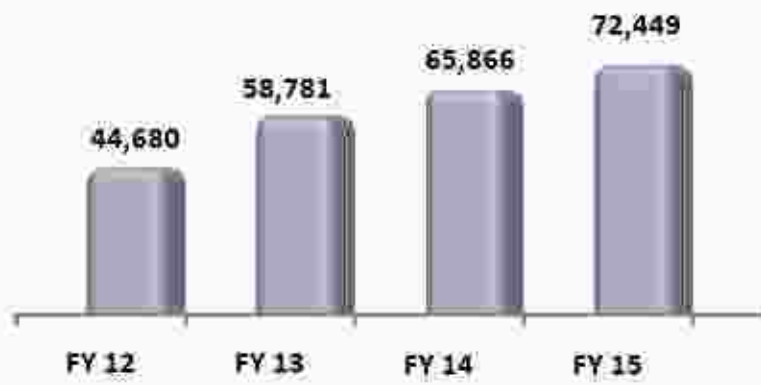
Garment Sales [Rs. Crore]





Historical Performance

Yarn & Fabric Sales [MT]



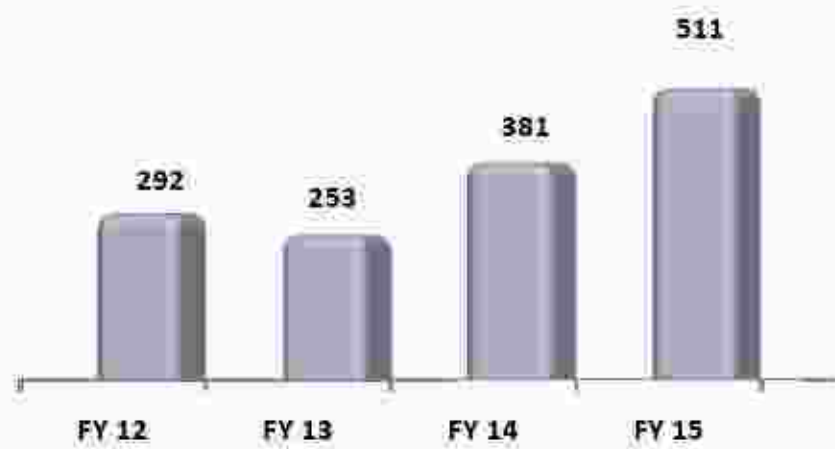
Garment Sales [No. of pieces in Lacs]



Yarn & Fabric Sales [Rs. Crore]

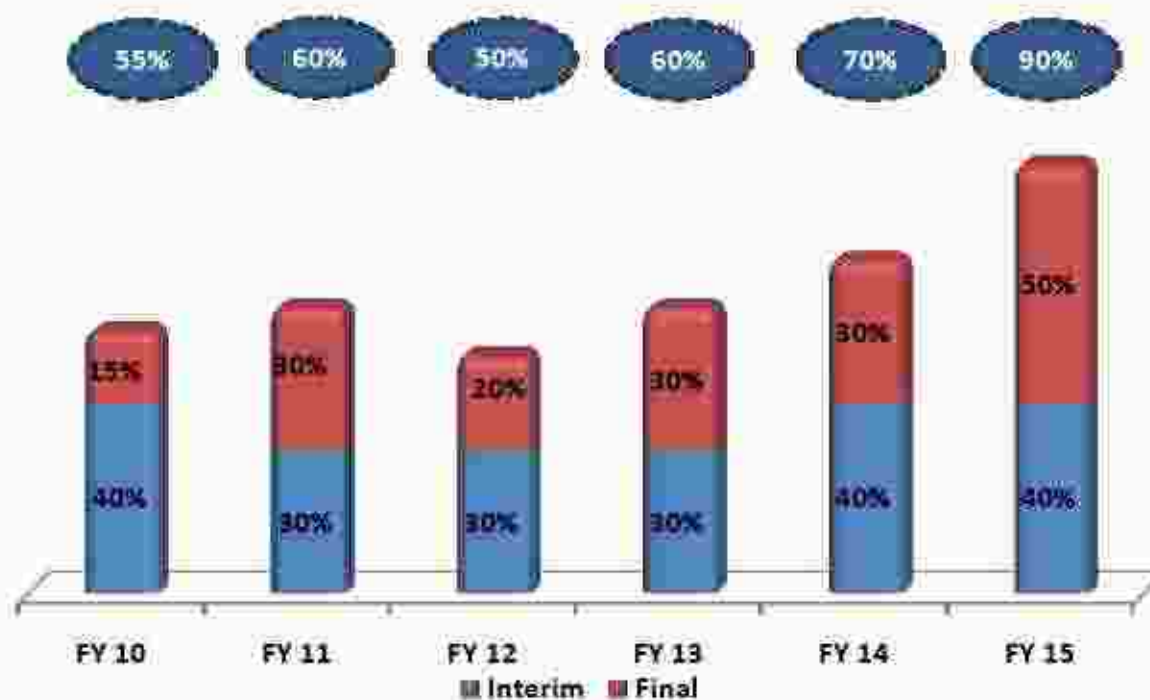


Garment Sales [Rs. Crore]





Dividend Track Record



Book Value (Rs.)	142.29	158.25	167.41	187.42	216.16	250.83
Earning Per Share (Rs.)	13.38	18.97	8.38	27.01	37.27	45.73
Dividend Per Share (Rs.)	5.50	6.00	5.00	6.00	7.00	9.00 *

* Subject to approval at Annual General Meeting of the Company



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