

# K.P.R. MILL LIMITED

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04<sup>th</sup> May, 2018

The Listing Department,  
Bombay Stock Exchange Ltd.  
1<sup>st</sup> Floor, Rotunda Buildings,  
PhirozeJeejeebhoy Towers,  
Mumbai – 400 001.

The Listing Department,  
National Stock Exchange of India Ltd.,  
Exchange Plaza, Plot: C/1, G Block,  
Bandra-Kurla Complex, Bandra (E),  
Mumbai – 400 051.

Dear Sir,

**Sub: Concall Invitation**

**Ref:** Disclosure of Material Events

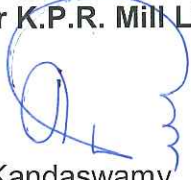
We wish to inform you that the 'B&K Securities, Mumbai' shall hold a **Conference call** for Q4 FY 2017-2018 results of the Company today (04<sup>th</sup> May 2018) from 04.00 pm to 5.00 pm. The invitation of the Concall and investor presentation is enclosed.

This is for your kind Information and dissemination.

Thanking you,

Yours faithfully

**For K.P.R. Mill Limited**



P.Kandaswamy

**Company Secretary**

**Encl:** As above



## CONCALL INVITE

**B&K Securities shall hold a Conference Call of**

### **KPR Mill**

to discuss the 4QFY18 Results  
on **Friday, 04th May 2018** from **04:00 pm - 05:00 pm IST**

**The Management Team will be represented by:**

**Mr. P. Nataraj** – Managing Director  
and other members from the senior management

**You are cordially invited**

#### **Dial-in Numbers**

**Primary Access: +91-22-6608 5354/+91-22-3946 2424**

**India Toll Free: 1800 2666 989**

#### **International Toll Free:**

**USA: 1 855 924 9589 UK: 0 800 031 5725 Singapore: 800 852 6178 Hong Kong: 800 905 107**

#### **Registration Link\* (Optional):**

**[http://book.ijunxion.com/booking/participant\\_registration.jsp?957142](http://book.ijunxion.com/booking/participant_registration.jsp?957142)**

**\*Note: Registration will close 30 minutes before the conference start time**

Post registration, participant would receive unique access code via email.

If not registered earlier, participants need to press **\*0** when asked for the access code.

For further information, please contact

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# KPR MILL LIMITED

RESULT UPDATE Q4 FY18



# Safe Harbor

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*Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the textile industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.*



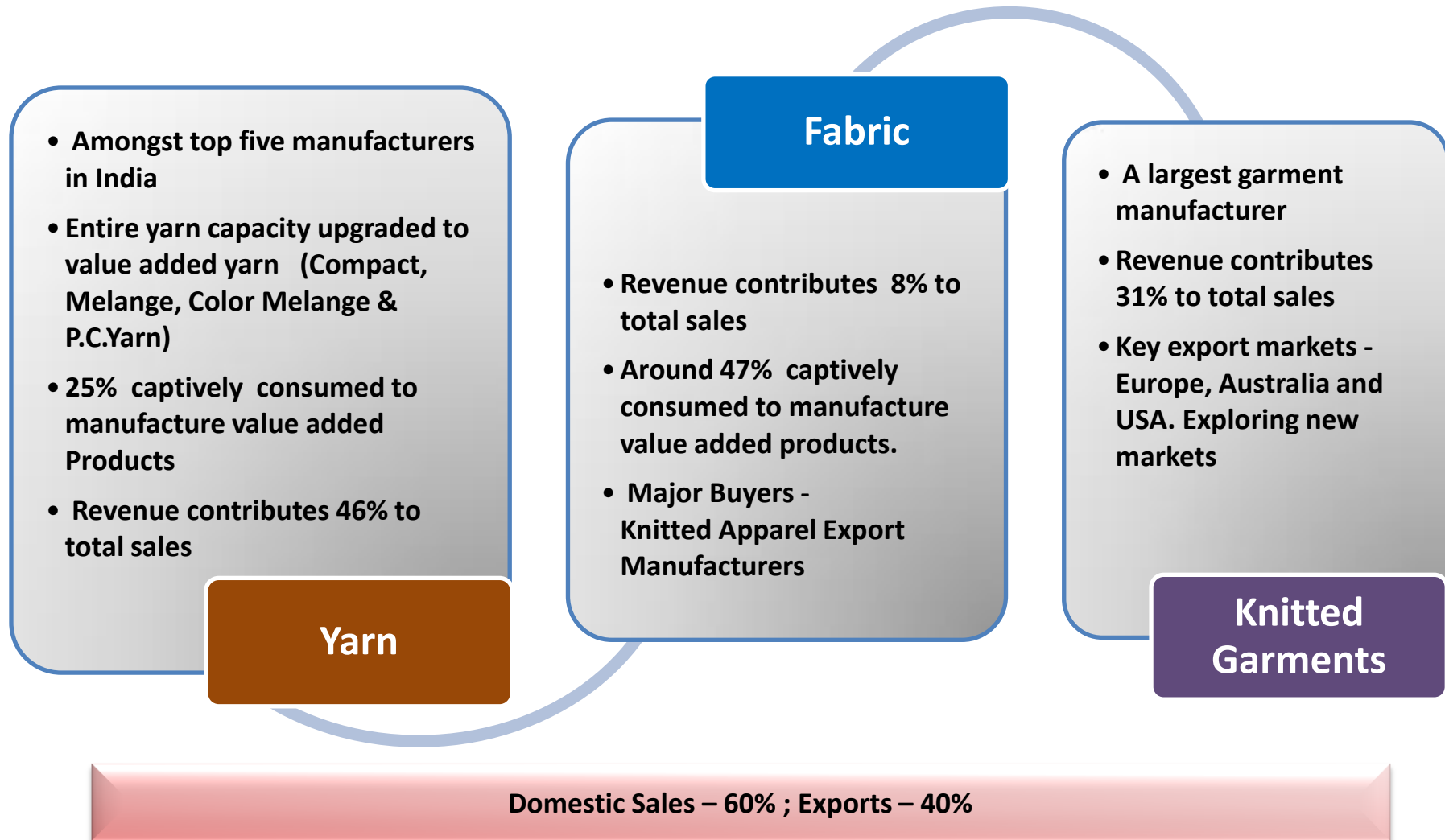
# Manufacturing Facilities



## 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 1,200 regular domestic clients for yarn and fabric and around 55 leading international brands for garments
- Trendsetting welfare policies including higher education facilities 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
- With 95 million Garments capacity , KPR has become one of the largest Apparel Manufacturers in India.
- New Processing ‘Unit 2” ramp up completed as per plan
- Sophisticated high resolution printing division started commercial operations.
- Developing its global footprint with the proposal to setup new Garment plant in Africa

## Presence across the textile value chain



# Key competitive advantages

## Strong Fundamentals

- Rich exposure in textile and apparel Industry
- Consistent better performer even during tough times and growth driven entity
- Dividend track record since listing

## Largest vertically Integrated Apparel Manufacturer strategically located

- Assuring superior quality products meeting market requirement
- On time delivery – An essential factor for market reputation
- Facilities located within a 50 KM radius of Tirupur, largest apparel manufacturing cluster 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

## Strategic Investment in Green Power

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

## Scale of Economy

- Low power cost through captive green power
- Minimal finance cost through prudential financial planning



## Key competitive advantages Contd...

### 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

### Strong client base

- Over 1200 Customers for yarn & fabric
- Around 55 Top International Brands
- A few more large customers from existing / new markets on pipe line

### Growth Initiatives

- Converted conventional yarn capacity to value added yarn, carrying premium prices
- Expanded garment capacity to 95 million garments per annum – Making KPR a largest garment manufacturer in India. Garment Industry is upbeat with the Government Incentives
- Eco-friendly Processing 'Unit 2' and sophisticated high resolution printing division commenced its operations.
- Developing its global footprint with the proposal to setup new Garment plant in Africa

# KPR is well Poised to capture the opportunity

## INDUSTRY GROWTH DRIVERS

- Most cost competitive Textile manufacture base
- Largest Cotton base – Number one in World
- Most efficient Spinning sector in the World
- Second biggest exporter of textile & apparel
- 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
- Negotiations for India - EU FTA

## COMPANY SPECIFIC GROWTH DRIVERS

- Consistent Modernization & Capacity Expansion – enhanced realization
- Value Added Yarn - Compact, Melange, PC & Colour Melange Yarn – Volume Driven Growth
- A largest garment manufacturer with 95 mn capacity
- Comfortable cash position enabling reduction of high cost debt
- Eco-friendly Processing 'unit 2' and sophisticated high resolution printing division commenced its operations
- Self sufficiency in power generation
- Increased focus on exports
  - Enhanced garment production
  - Penetrate into newer markets for garments & yarn
  - Impressive response from existing clients, new buyers and new market
- Developing its global footprint with the proposal to setup new garment plant in Africa

# Evolution

- ❖ 1984 – Maiden business at Coimbatore, India
- ❖ 1989 – Knitted garment export at Tirupur.
- ❖ 1995 – First spinning unit at Sathyamangalam with 6,000 spindles. Increased to 30,240 spindles by 1999

1984-1999

- ❖ 2001 – Spinning mill at Karumathampatti with 30,240 spindles; Knitting facility & Wind mill for captive use
- ❖ 2003 – Spinning unit at Neelambur with 50,784 spindles; Knitting facility & Wind mill
- ❖ 2005 – At Arasur 1,00,800 spindles; Knitting facility, Garment Unit and Wind Mills

2000-2005

- ❖ 2006 – Private Equity participation by leading US Corporate 'Brandot Investments' & Two others - \$ 25 Mn
- ❖ 2007 – IPO at a premium. Shares Listed at Bombay & National Stock Exchanges, India
- ❖ 2008 – Fabric Processing Unit at SIPCOT, Perundurai 9,000 MT per annum with trendsetter Effluent Treatment Plant

2006-2009

## Evolution Contd...

- ❖ 2010 – Exclusive value added **Compact** Spinning unit of 1,03,680 spindles at Karumathampatti & Wind Mills

- ❖ 2011 – Modernization & expansion of 21,216 spindles at Sathyamangalam

2010-11

- ❖ 2012 – Another Value added product **Melange** yarn. 16,608 spindles at Karumathampatti.

- ❖ 2013 - Co-gen cum Sugar Plant at Karnataka - 30 MW & 5000 TCD capacity

2012-13

- ❖ 2014 - Expanded Garment capacity at Arasur by 10 Mn pcs,

- ❖ 2015 - New green field Garment capacity at Thekkalur with 12 Mn Pcs

2014-15

- ❖ 2015-16 – Established New green field garment facility of 36 Mn garments.

- ❖ 2016-17 Established new Eco-friendly Processing capacity with Advanced Technology - 9000 MT. Established Sophisticated high resolution printing division – 7500 MT

2015-17



# Key Highlights of FY 2018

- Garment division revenue crossed ₹ 1,000 Crore increased by 25% YoY
- Garment production achieved 78.36 mn garments increased by 27% YoY
- Revenue surpassed ₹ 3000 Crore
- PBT increased to ₹ 398 Crore
- PAT increased to ₹ 290 Crore
- The Company is developing its global footprint by initial feasibility for setting up new plant in Africa as also marketing setup in South East Asia & Middle East. Preliminary assessment of market opportunity is being made.



# Consolidated P&L

₹ Crore	Q4 FY18	Q4 FY17	YoY %	FY18	FY17	YoY %
<b>Revenue</b>	<b>823</b>	<b>790</b>	<b>4.2</b>	<b>3039</b>	<b>2844</b>	<b>6.9</b>
Raw Material	504	503		1841	1702	
Employee Expenses	77	70		300	278	
Other Expenses	89	70		308	273	
<b>EBITDA</b>	<b>153</b>	<b>147</b>	<b>4.1</b>	<b>590</b>	<b>591</b>	<b>--</b>
EBITDA Margin	18.6%	18.6%		19.4%	20.8%	
Interest & Finance Charges	11	14		52	65	
Depreciation	33	36		140	149	
PBT	109	97		398	377	
Tax	36	25		108	90	
<b>PAT</b>	<b>73</b>	<b>72</b>	<b>1.4%</b>	<b>290</b>	<b>287</b>	<b>1.0</b>
PAT Margin	8.9%	9.1%		9.5%	10.1%	

# Self sufficiency in Power with 92 MW Green Power portfolio

## Strategic Investment in Wind Power Project 61.92 MW

- One of the largest Captive power generators in Textile Industry
- Invested in eco-friendly Wind Mills at Tirunelveli, Tenkasi, Theni & Coimbatore Districts in Tamil Nadu, India
- Total Wind Power Capacity 61.92 MW
- 60% of Textile power requirement met through wind power

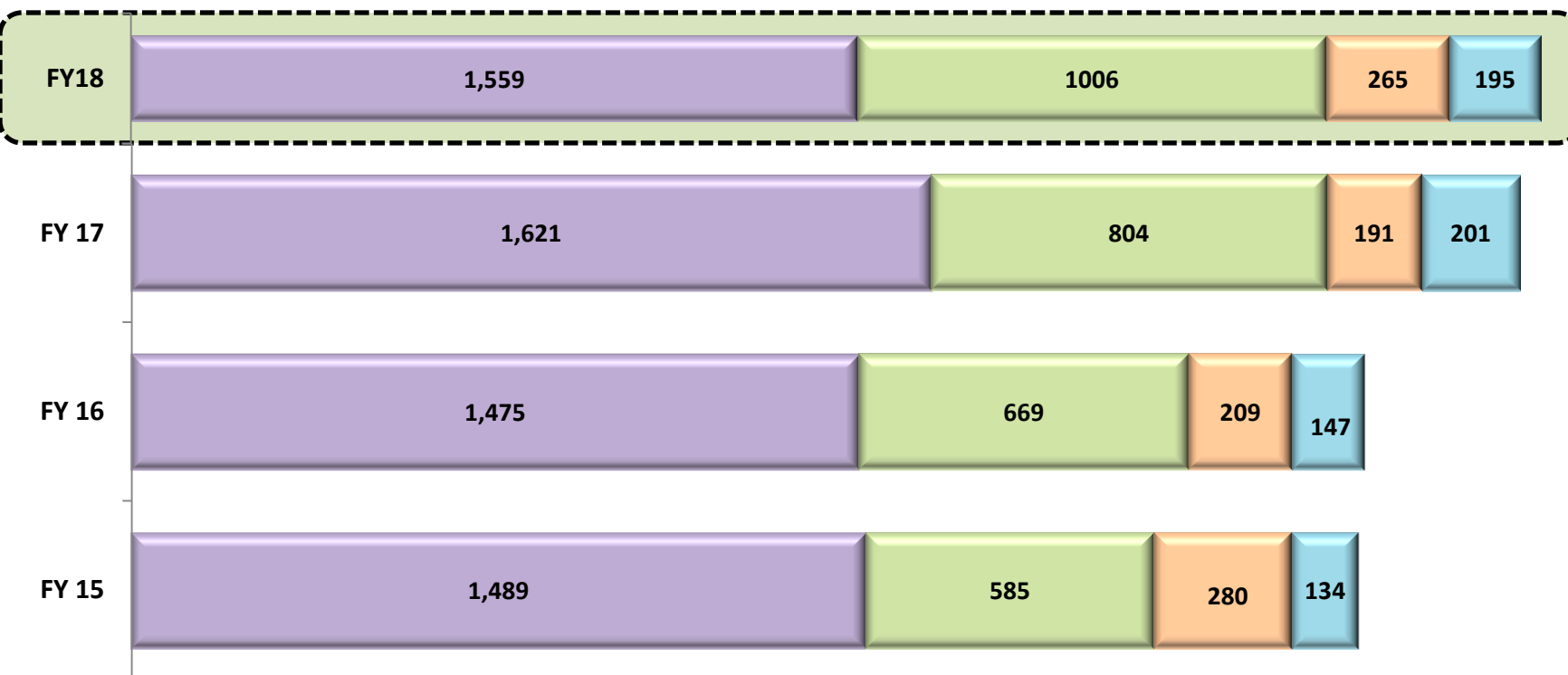
## Investments in Co-Gen Power Project 30 MW

- Invested in 30 MW Co-Gen Power Project
- With Co-gen Power, KPR attained self sufficiency in meeting its substantial power requirement throughout the year

# Segment Wise Revenue contribution

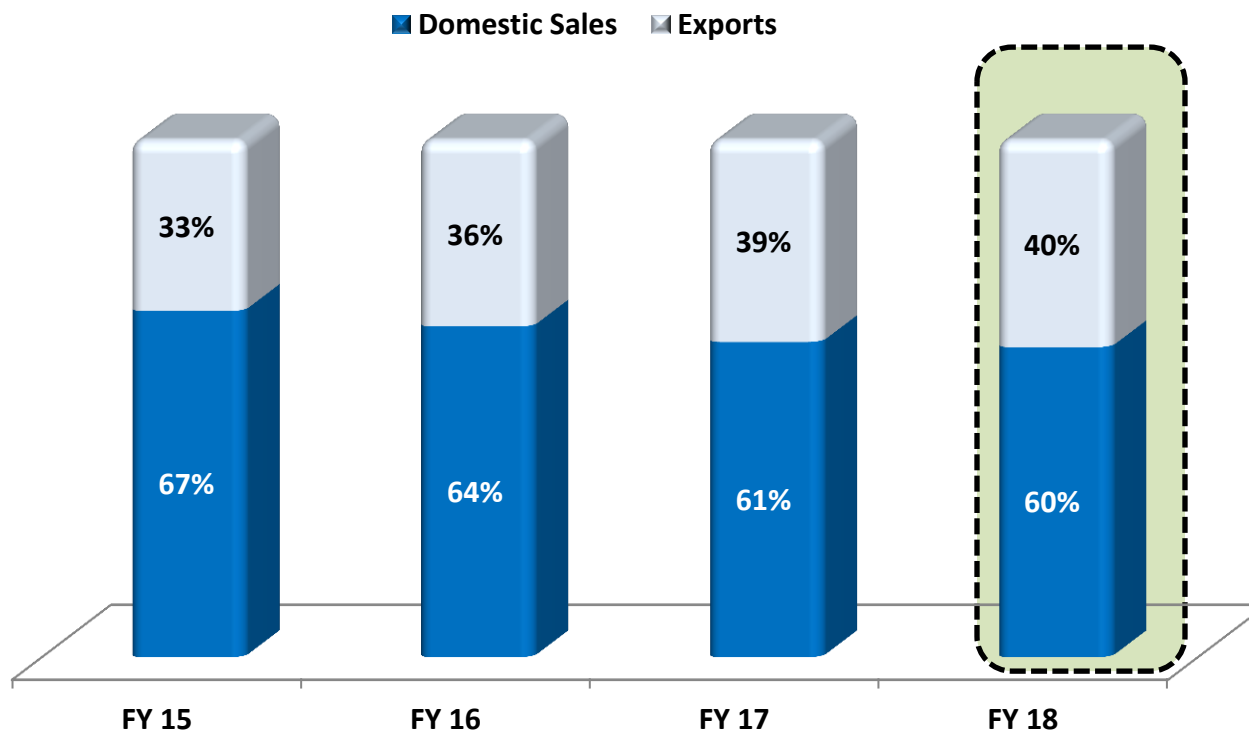
■ Yarn & Fabric 
 ■ Garments 
 ■ Sugar 
 ■ Others

₹ in Crore



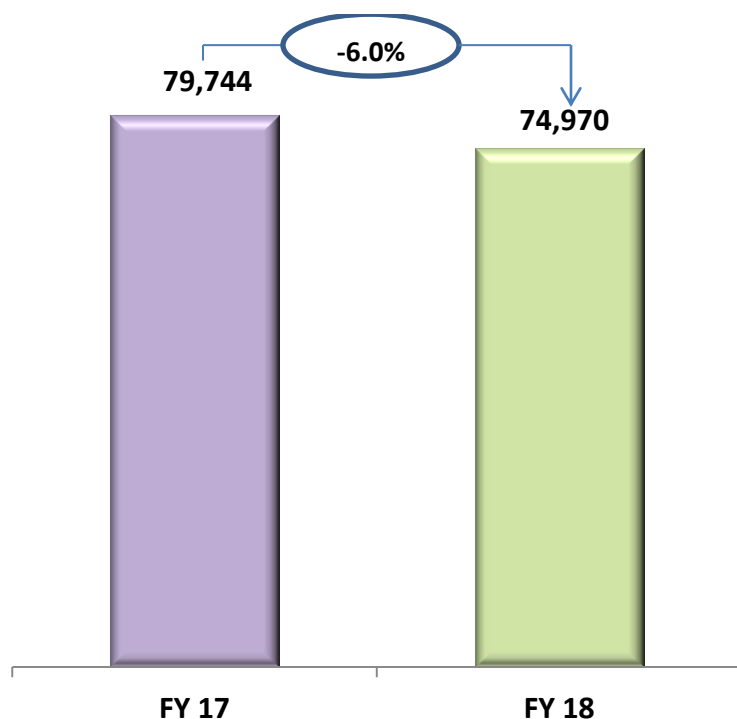


# Geographical Split

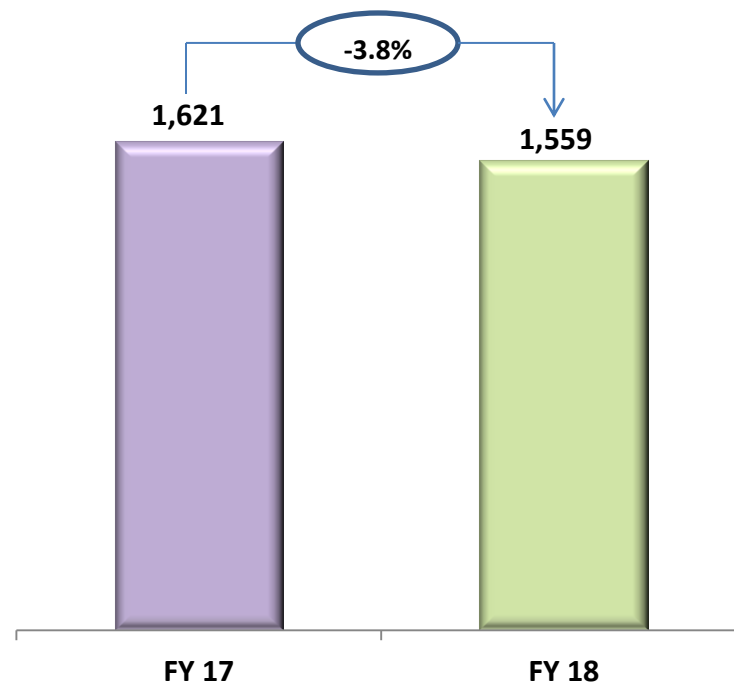


# Yarn & Fabric

**Yarn& Fabric Sales [MT]**



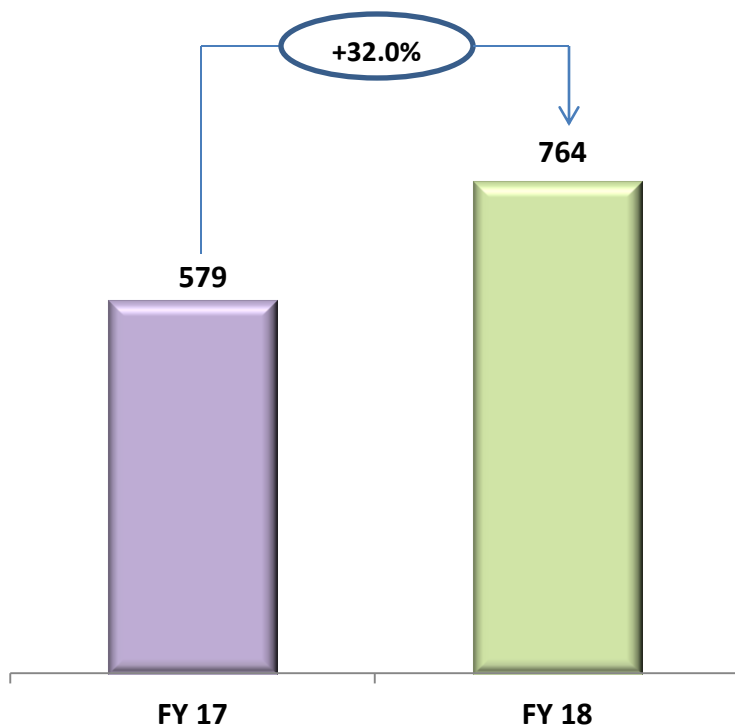
**Yarn & Fabric Sales [₹ Crore]**



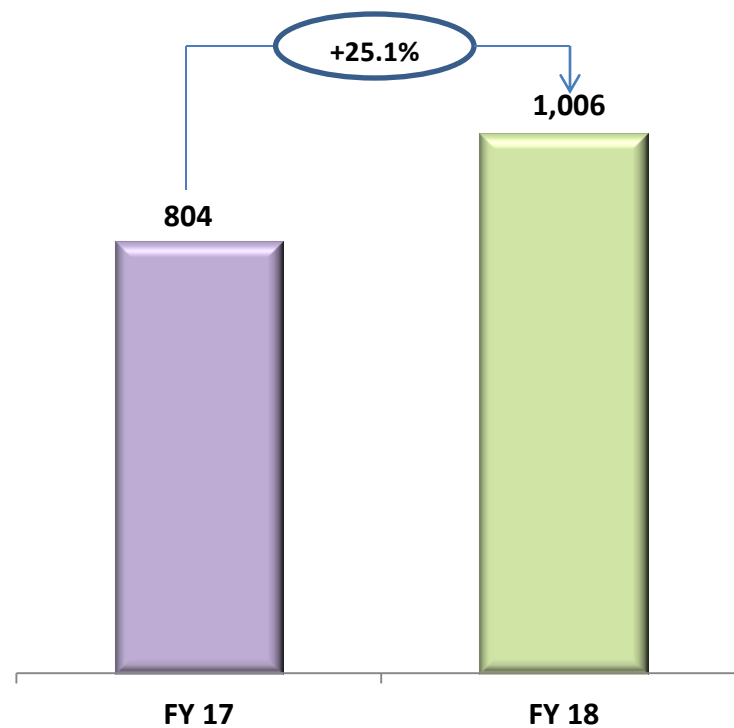
Note : Captive consumption of Yarn & Fabric increased for FY 2018

# Garments

Garment Sales [No. of Garments in Lacs]

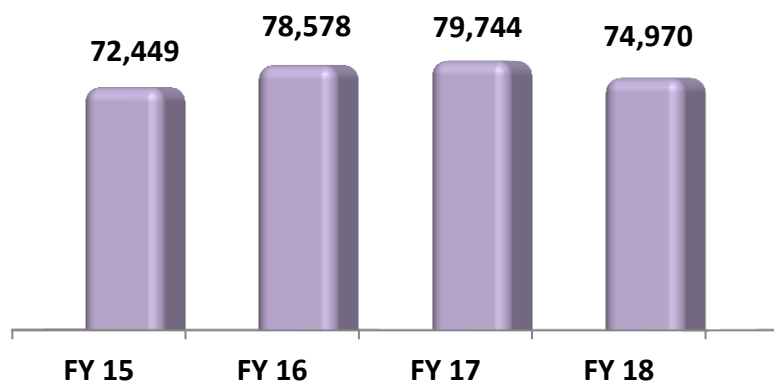


Garment Sales [₹ Crore]

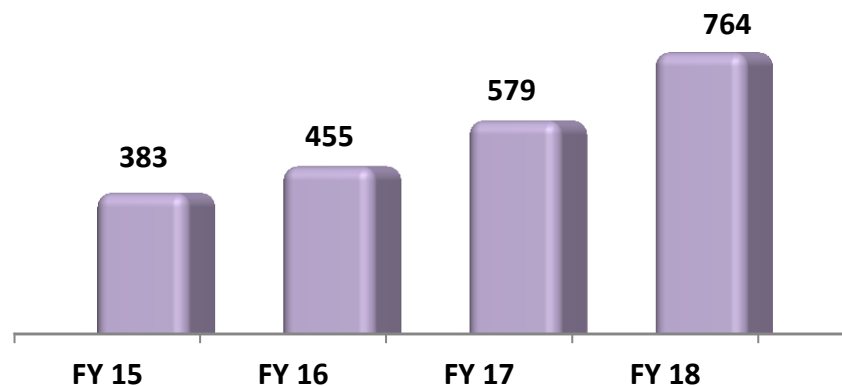


# Historical Performance

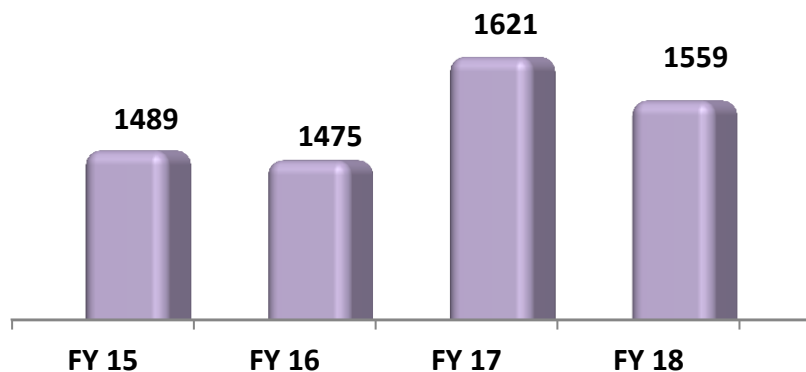
**Yarn & Fabric Sales [MT]**



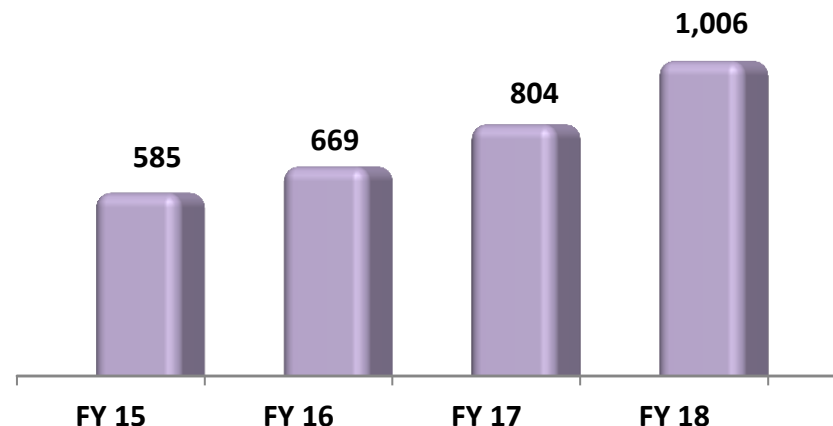
**Garment Sales [No. of Garments in Lacs]**



**Yarn & Fabric Sales [₹ Crore]**



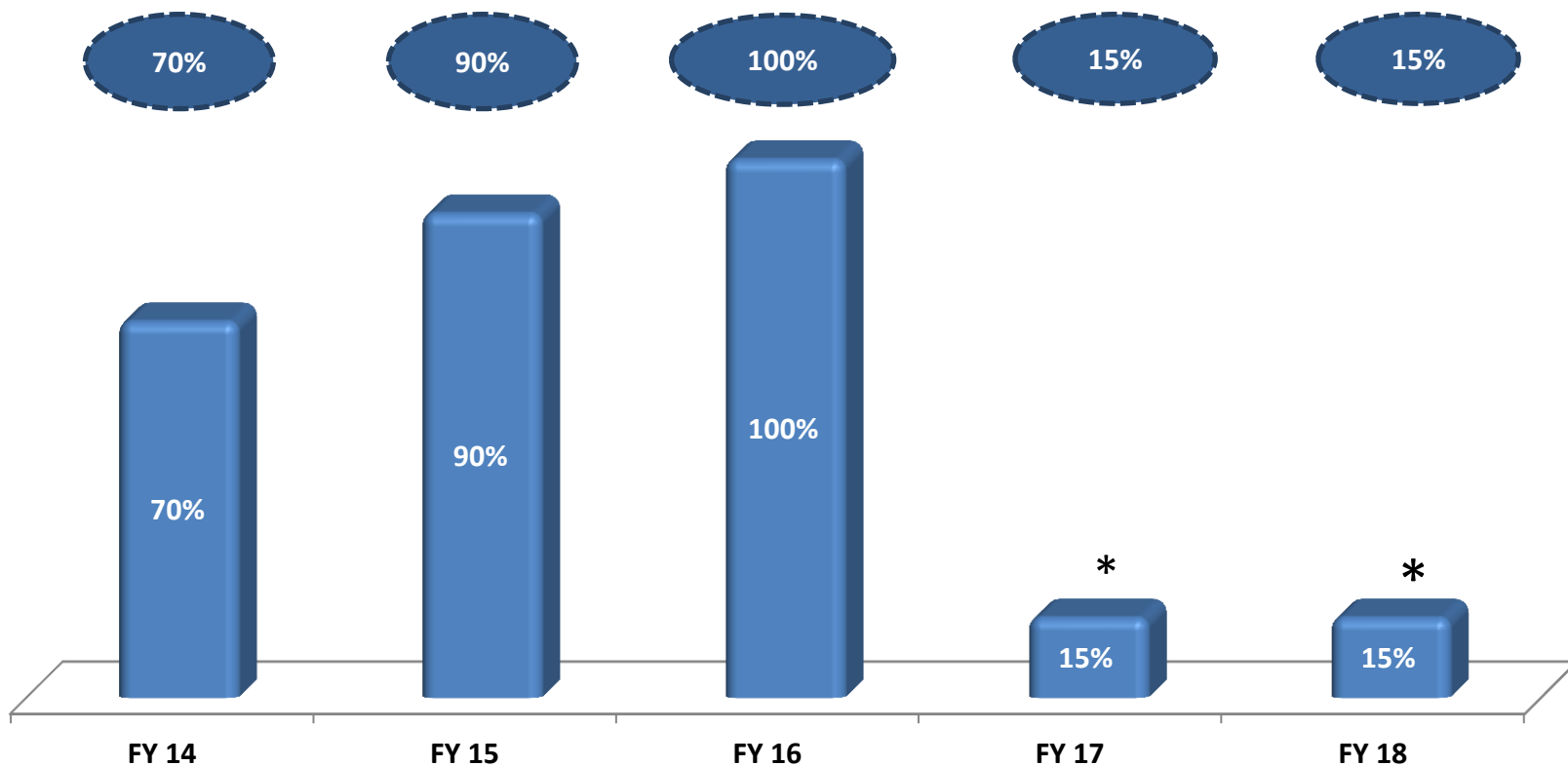
**Garment Sales [₹ Crore]**



Note : Captive consumption of Yarn & Fabric increased for FY 2018



# Dividend track Record



\* During the year Company initiated buyback of shares with a consideration of ₹ 10,814 Lakhs (Previous year ₹ 9,702 Lakhs)

## Book Value & EPS

Particulars	FY 14	FY 15	FY 16	FY 17	FY18
Book Value Per Share (₹)	108.08	125.42	146.03	174.01	212.45
Earning Per Share (₹)	18.64	22.86	27.86	38.17	39.30
Dividend Per Share %	70%	90%	100%	* 15%	* 15%
Dividend Per Share (₹)	7.00	9.00	10.00	* 0.75	* 0.75

\* During the year Company initiated buyback of shares with a consideration of ₹ 10,814 Lakhs (Previous Year ₹ 9,702 Lakhs)

For further information, please contact:

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**Company :**

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