

K.P.R. Mill Limited

October 12, 2026

Facilities/ Instruments	Name of the Regulator ¹	Amount (₹ crore)	Rating ²	Rating Action
Long-term bank facilities	RBI	755.00	CARE AA+; Stable	Reaffirmed
Short-term bank facilities	RBI	472.82	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of K.P.R. Mill Limited (KPR) continue to derive strength from KPR's vertically integrated operations across the textile value chain, its established relationships with reputed global apparel brands, and healthy operating capabilities, which enable it to maintain healthy profitability margins compared to its peers. Ratings also factor in its established track record of operations, diversified revenue profile, and extensive experience of its promoters in the textile business. Ratings further factor in the company's planned capacity additions without reliance on external debt, which are expected to support medium-term growth. Furthermore, ratings continue to be underpinned by KPR's strong net worth base and limited reliance on external debt, resulting in a comfortable capital structure and strong debt-protection metrics, along with superior liquidity.

However, the long-term rating continues to be constrained by the susceptibility of profitability to raw-material price volatility and foreign-exchange-rate fluctuations, trade related uncertainties, risks associated with changes in government policies, and KPR's presence in inherently cyclical, competitive, and regulated textile and sugar industries.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant increase in scale of operations through geographical diversification of client base along with sustained improvement in its profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin and return on capital employed (ROCE) above 25%.
- Substantial improvement in its financial risk profile on a sustained basis.

Negative factors

- In case of any large debt-funded capex undertaken by KPR, leading to moderation in net debt to PBILDT beyond 1x on a sustained basis.
- Prolonged down trend in the sugar industry, impacting the overall revenue and profitability leading to stretched liquidity.

Analytical approach: Consolidated.

CARE Ratings Limited (CareEdge Ratings) has considered the consolidated financials of KPR for its analytical purpose, which includes the financials of its subsidiaries on the back of operational, financial and managerial linkages with them. List of entities consolidated is given under Annexure - 5.

Outlook: Stable

Stable outlook reflects CareEdge Ratings' expectations that KPR will sustain its strong financial risk profile, supported by its established presence in the textile business, diversified revenue profile, and superior liquidity.

Detailed description of key rating drivers

Key strengths

Vertically integrated textile operations

KPR is one of the largest vertically integrated textile companies with presence across the value chain from cotton yarn and processed fabric to garments, providing strong operational flexibility. The product range comprises readymade knitted apparel, fabrics and compact, mélange, carded, polyester, and combed yarn. The spinning division has ~370,000 spindles with a production capacity of 100,000 MTPA (metric tonnes per annum) and produces varied yarn in count range of ~10-40s. The fabric division has a knitting capacity of 40,000 MTPA and a processing capacity of 25,000 MTPA. KPR had a garment manufacturing capacity

¹SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.

²Complete definitions of ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

of 140 million pieces p.a. on a standalone basis, and 189 million pieces p.a. on a consolidated basis, as on March 31, 2026, producing knitted garments, including casual wear, T-shirts, and nightwear.

KPR's integrated operations are further supported by captive renewable-power capacities of 61.92 megawatt (MW) of wind power and 40 MW of rooftop solar power. These meet ~40% of its textile power requirement, while the balance is sourced from the state grid and third parties. Through its subsidiaries, K.P.R Sugar Mill Limited (KPRS, rated 'CARE AA; Stable') and KPR Sugar and Apparels Limited (KPRSAL, rated 'CARE AA+ (CE); Stable, CARE AA; Stable/ CARE A1+'), the group has co-generation power capacity of 90 MW, primarily supporting power requirements of sugar and ethanol operations, with surplus power being utilised for textile operations or sold externally.

Experienced promoters and established track record of operations

KPR is promoted by three brothers, K.P. Ramasamy, K.P.D. Sigamani, and P. Nataraj. Promoters have over four decades of experience in the textile sector, including hosiery, apparel, fabric, and yarn export businesses. K.P Ramasamy ventured into the business as a small power loom cloth manufacturer in 1971 and with the assistance of his brothers, expanded across the textile value chain and other businesses. At present, KPR Group has presence across textiles, sugar, ethanol, power and automobiles, apart from educational institutions operated under the Trust- KPR charities. KPR is an established supplier of yarn to the Tirupur textile cluster and has long-standing relationships with reputed global apparel customers, reflecting its established track record of operations.

Diversified revenue profile

KPR's revenue profile is well diversified across business segments and geographies. In FY26 (FY refers to April 01 to March 31), garments remained the largest contributor to consolidated total operating income (TOI), contributing ~46% (FY25: 44%) followed by the yarn and fabric segment at 31% (FY25: 31%). The balance was contributed by sugar, ethanol, power and automobile businesses under its subsidiaries. In terms of geography, exports contributed ~44% of consolidated sales in FY26. Exports primarily constitute garments. KPR has reputed customers in Europe, the United States (the US), the United Kingdom (the UK), Australia, and other countries. Europe accounted for 63% of exports in FY26, followed by North America and Australia at ~15-16% each. CareEdge Ratings expects KPR's revenue profile to remain diversified with contribution from the garment segment to gradually increase in the medium term with planned capacity additions.

Stable revenue and healthy profitability with planned capacity additions to support growth

KPR's consolidated TOI grew by ~4% in FY26 to ₹6,671 crore (FY25: ₹6,401 crore), supported by growth in textile and sugar and ethanol segments. The textile segment grew by ~4% to ₹5,394 crore (FY25: ₹5,184 crore), supported by growth in garment and yarn businesses, which partly offset the lower fabric revenue. Revenue from the sugar and ethanol segment grew by ~5% to ₹1,173 crore (FY25: ₹1,115 crore), supported by higher ethanol revenue following improved distillery operations, despite lower sugar revenue due to lower sales volume. Consolidated PBILDT margin remained largely stable at 19.39 in FY26 (FY25: 19.71%).

In Q1FY27, consolidated TOI grew by ~10% to ₹1,936 crore (Q1FY26: ₹1,766 crore), primarily driven by the sugar segment, while textile revenue remained broadly stable. In the textiles segment, yarn and fabric sales volumes moderated mainly due to impact on production following ongoing modernisation of certain manufacturing facilities. However, the impact was offset by higher sales realisations. Consolidated PBILDT margin improved to 19.37% in Q1FY27 (Q1FY26: 17.57%), supported by better cotton-yarn spreads and improved profitability in the sugar segment during the period.

KPR has planned greenfield, modernisation, and expansion capex of ₹1,225 crore for FY27-FY28, apart from routine maintenance capex, to be funded through internal accruals. The capex comprises of a new garment facility in Odisha, fabric-processing, and sweater-manufacturing facilities in Coimbatore, and modernisation and expansion of its knitted-fabric and spinning facilities. The garment facility in Odisha marks KPR's geographic diversification, while processing and sweater units are expected to strengthen its integrated operations. The projects are scheduled for completion in phased manner in FY27 and FY28. CareEdge Ratings expects marginal growth in KPR's TOI in FY27, and growth of ~8-10% p.a. from FY28 onwards, supported by completion of its modernisation and expansion projects, and stabilisation of the new facilities. The operating profitability is expected to remain healthy at ~19-20%. Timely execution, ramp-up of capacities, and achievement of envisaged revenue remain monitorable. However, KPR's demonstrated track record of successfully implementing and scaling up projects provides comfort.

Comfortable capital structure and strong debt protection metrics

KPR's capital structure continues to remain comfortable marked by an overall gearing (on a gross debt basis) of 0.11x as on March 31, 2026 (0.12x as on March 31, 2025), supported by its strong net worth base of ₹5,696 crore as on the same date. KPR's total debt largely comprised of working capital borrowings with term debt reducing to ₹48 crore as on March 31, 2026. KPR's

total gross debt to PBILDT (TD/ PBILDT) and PBILDT interest coverage remained comfortable at 0.47x and 26.14x, respectively, in FY26. CareEdge Ratings expects KPR's capital structure and debt protection metrics to remain comfortable in absence of major debt-funded capex plans in the medium term.

Key weaknesses

Profitability susceptible to raw material price volatility

The profitability of spinning mills largely depends on cotton and cotton yarn prices, which are governed by factors, such as area under cultivation, monsoon conditions, and global demand-supply dynamics. Such volatility exposes KPR to inventory losses and fluctuations in cotton-yarn spreads. Cotton and cotton-yarn prices increased in FY27, due to lower domestic cotton production and market arrivals, low inventory levels with mills, and stronger export demand. While the Government of India temporarily exempted cotton imports from customs duty from June to October 2026, reinstatement of the duty amid elevated domestic prices may increase procurement costs. Despite fluctuations in cotton prices over the years, KPR's prudent cotton procurement strategies have enabled it to access quality cotton at competitive prices, thereby largely protecting its margins. KPR's integrated operations partly mitigate the impact of higher raw material costs, as these are absorbed across the value chain.

KPR also remains exposed to foreign-exchange-rate fluctuations, considering its sizeable exports. However, the company enters into forward contracts for ~70-80% of its exposure, mitigating the risk to an extent.

Trade related uncertainties and risk associated with changes in government policies

Despite the removal of secondary/ reciprocal tariffs, tariff related uncertainty continues amid evolving tariff structures and differential treatment across exporting countries. Any increase in tariffs on Indian textile and apparel products or relatively favourable treatment for competing countries may affect the competitiveness and order flows of Indian exporters. However, the risk is largely mitigated by KPR's limited direct exposure to the US market (~8% of total sales), diversified geographic presence, integrated operations, and established relationships with reputed global brands.

KPR derives sizeable benefits from export incentive schemes, such as Rebate of State and Central Taxes and Levies (RoSCTL) and Remission of Duties and Taxes on Exported Products (RoDTEP), constituting ~8% of its export sales. Any withdrawal or modification of these schemes or material delay in receiving incentives may affect KPR's competitiveness, profitability, and cash flows.

Presence in cyclical, competitive, and regulated textile and sugar industries

The Indian textile industry is inherently cyclical. Any adverse changes in global economic outlook and domestic demand-supply conditions directly impact demand and profitability of players. Its highly fragmented structure results in intense competition and pricing pressures. These risks are partly mitigated by KPR's diversified and integrated operations, and established market position.

KPR's exports remain exposed to demand conditions in key global markets and sourcing decisions of international brands. The India-UK trade agreement and prospective India-EU trade agreement are expected to improve competitiveness and support further growth in key export markets. However, conversion of improved market access into incremental orders will depend on pricing, product capabilities, compliance requirements, delivery timelines, and buyer relationships. The export demand also remains susceptible to global economic conditions, adverse tariff changes and cautious inventory management by global retailers.

The sugar industry remains inherently cyclical and highly regulated, with profitability significantly influenced by government policies relating to state advised prices (SAP) / fair and remunerative prices (FRP) based sugarcane pricing, sugar sales quotas, ethanol allocations, and export regulations. Accordingly, sugar segment performance remains vulnerable to disproportionate increases in cane prices and changes in government policies governing sugar and ethanol sectors. Further, with India having achieved ~20% ethanol blending and substantial industry-wide distillery capacity additions, ethanol supply has increasingly outpaced procurement demand, resulting in lower distillery utilisation and inventory build-up. This, and stagnant ethanol procurement prices, despite higher cane costs, has exerted pressure on ethanol profitability. While stronger domestic sugar prices amid expectations of lower availability and tighter inventories, have improved the relative attractiveness of sugar production, government policies relating to cane pricing, ethanol procurement, blending targets, and sugar exports will continue to remain key monitorable for the industry.

Liquidity: Superior

KPR's liquidity remained superior, marked by robust cash accruals against minimal debt repayment obligations at the consolidated level, while KPR remained term debt free on a standalone basis. KPR had sizeable free cash and liquid investments of ₹1,430 crore as on March 31, 2026 (₹579 crore as on March 31, 2025). Further, the average utilisation of its fund-based limits stood low at ~17% for 12 months ended July 2026, on a standalone basis, providing an additional liquidity cushion. With improvement in collection days and inventory holding period, KPR's operating cycle has improved in the last two years and stood at 148 days in FY26 (FY25: 165 days).

KPR has greenfield, modernisation, and expansion capex plans of ₹1,225 crore for FY27-FY28, apart from routine maintenance capex of ~₹100-200 crore p.a. The envisaged capex is expected to be funded through internal accruals and available liquidity. Going forward, despite the sizeable capex, KPR's liquidity is expected to remain superior, supported by its sizeable cash and liquid investments and strong expected cash accruals.

Environment, social, and governance (ESG) risks

Risk factors	Compliance and actions by KPR
Environmental	For the textile industry, the main factor of ESG affecting the sector is the environmental aspect and optimum utilisation of natural resources, and promotion of fair labour practices. KPR practices zero discharge of hazardous chemicals. For conserving the usage of water, the company has fully automated controlling systems and has also installed effluent treatment plant (ETP) and sewage treatment plant (STP) plant for recycling of water. KPR also focuses upon generating green renewable energy through wind, solar power, and co-generation to minimise environmental pollution. KPR has captive renewable-energy capacity of 61.92 MW of wind power and ~40 MW of solar power, besides co-generation facilities. Apart from this, KPR invests in new advanced technology machinery and equipment that are more energy efficient.
Social	KPR has a well-designed safety management policy that eliminates or reduces the risk of workplace incidents, injuries, and fatalities through adoption of well-defined safety measures and devices. The company has implemented an occupational health and safety system across its units and is certified under ISO 45001:2018. KPR is primarily involved in 'Promotion of Education' under its corporate social responsibility (CSR) activities and women empowerment and rural development.
Governance	KPR's board comprises 12 directors, with 50% as independent directors. KPR assures separate meetings for independent and non-independent directors and regular internal risk management committees to address the risks and measures to mitigate them. KPR also has a dedicated investor grievance redressal mechanism in place.

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Sugar Sector](#)

[Financial Ratios – Non financial Sector](#)

[Cotton Textile](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Textiles	Textiles and apparels	Other textile products

KPR is promoted by three brothers, K.P. Ramasamy, K.P.D. Sigamani, and P. Nataraj. Promoters, assisted by a team of professionals, manage the company's day-to-day operations. KPR is an integrated textile player with 15 manufacturing units (including its subsidiaries), with capacities to produce annually 100,000 MT of cotton yarn, 10,000 MT of viscose yarn, 40,000 MT of knitted fabrics, and 189 million pieces of garments from its facilities in the Tirupur-Coimbatore region. With capacity of ~370,000 spindles, KPR is one of the leading yarn suppliers in the region. KPRS, KPRSAL, and Jahnvi Motor Private Limited (JMPL; rated 'CARE A+; Stable/ CARE A1+') are its three main subsidiaries.

KPRS, a wholly owned subsidiary of KPR, owns and operates a sugar mill with a capacity of 10,000 TCD (tonnes of cane crushed per day), an ethanol unit of 250 KLPD (kilolitres per day), and a 40-MW multi-fuel cogeneration power plant in Karnataka.

KPRSAL, a wholly owned subsidiary of KPR, was incorporated in October 2020, to establish an integrated sugar plant at Afzalpur, Karnataka, and a garmenting facility at Tirupur, Tamil Nadu. KPRSAL has established a sugar mill with a capacity of 10,000 TCD, an ethanol unit of 250 KLPD, and a 50-MW multi-fuel cogeneration power plant in Karnataka, and a garmenting facility with a capacity of 64 million pieces p.a. at Tirupur.

JMPL is a wholly owned subsidiary of KPR and operate Audi car dealerships in Madurai and Coimbatore.

Brief Financials – Consolidated (₹ crore)	FY25 (A)	FY26 (A)	Q1FY27 (UA)
Total operating income	6,401	6,671	1,936
PBILDT	1,261	1,293	375
Profit after tax (PAT)	815	867	259
Overall gearing (x)	0.12	0.11	NA
PBILDT Interest coverage (x)	26.24	26.14	25.80

A: Audited; UA: Unaudited; NA: Not available; Note: These are latest available financial results.

Status of non-cooperation with previous CRA: Not applicable.

Any other information: Not applicable.

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

For complexity level of instruments rated refer to Annexure-1.

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:

A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	RBI	NA	-	-	-	-	755.00	CARE AA+; Stable
Fund-based - ST-EPC/PSC	RBI	NA	-	-	-	-	300.00	CARE A1+
Non-fund-based - ST-Bank Guarantee	RBI	NA	-	-	-	-	2.82	CARE A1+
Non-fund-based - ST-Letter of credit	RBI	NA	-	-	-	-	170.00	CARE A1+

NA: Not applicable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	Fund-based - LT-Cash Credit	LT	755.00	CARE AA+; Stable	-	1)CARE AA+; Stable (10-Oct-25)	1)CARE AA+; Stable (10-Oct-24)	1)CARE AA+; Stable (09-Oct-23)
2	Non-fund-based - ST-Letter of credit	ST	170.00	CARE A1+	-	1)CARE A1+ (10-Oct-25)	1)CARE A1+ (10-Oct-24)	1)CARE A1+ (09-Oct-23)
3	Non-fund-based - ST-Bank Guarantee	ST	2.82	CARE A1+	-	1)CARE A1+ (10-Oct-25)	1)CARE A1+ (10-Oct-24)	1)CARE A1+ (09-Oct-23)
4	Fund-based - ST-EPC/PSC	ST	300.00	CARE A1+	-	1)CARE A1+ (10-Oct-25)	1)CARE A1+ (10-Oct-24)	1)CARE A1+ (09-Oct-23)

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable.**Annexure-4: Lender details**To view lender-wise details of bank facilities please [click here](#)**Annexure-5: List of entities consolidated**

Sr. No.	Name of the entity	Extent of consolidation	Rationale for consolidation
1	K.P.R Sugar Mill Limited	Full consolidation	Subsidiary
2	KPR Sugar and Apparels Limited		
3	Jahnvi Motor Private Limited		
4	Quantum Knits PVT Limited		
5	Galaxy Knits Limited		
6	KPR Exports PLC, Ethiopia		

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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