

**SKNL: FY2009 Financial Results Highlights**

**Net Sales up 29.3% at Rs. 22,604 million**

**EBIDTA at Rs. 4,881 million, a 20.9% increase**

**SKNL: FY2009 Key Events**

**GIC invests Rs. 9,000 million to acquire 25% in RTIL**

**Acquires Leggiuno, a leading Italian HVFC manufacturer**

**12.75 lac mts /annum state-of-the-art HVFC facility commissioned**

**Mumbai, 30 June 2009:** SKNL, a leading brand-led conglomerate involved in marketing and distributing high quality fabrics and ready-to-wear garments, has announced its results for the year ended 31 March, 2009.

**Financial performance update: (All figures are consolidated unless stated otherwise)**

FY2009 Financial results highlights:

- ❖ Net income from operations up 29.3% to Rs. 22,603.6 million from Rs. 17,486.5 million
- ❖ EBIDTA improves 20.9% to Rs. 4,880.9 million from Rs. 4,037.9 million
- ❖ Net profit before minority interest at Rs. 1,951.4 million
- ❖ EPS post minority interest of Rs 8.06

**Financial overview:**

(All Rupee figures in millions unless stated otherwise)

(All figures are consolidated unless stated otherwise)

Key Financials:

<b>Particulars</b>	<b>FY2009</b>	<b>FY2008</b>	<b>Change (%)</b>
<b>Net sales</b>	<b>22,603.6</b>	<b>17,486.5</b>	<b>29.3</b>
<b>EBIDTA</b>	<b>4,880.9</b>	<b>4,037.9</b>	<b>20.9</b>
<i>Margins</i>	<i>21.6</i>	<i>23.1</i>	
<b>PBT</b>	<b>2,913.5</b>	<b>2,616.5</b>	<b>11.3</b>
<i>Margins</i>	<i>12.9</i>	<i>15.0</i>	
<b>PAT</b>	<b>1,951.4</b>	<b>2,055.9</b>	<b>-5.1</b>
<i>Margins</i>	<i>8.6</i>	<i>11.8</i>	

## **SKNL: FY2009 Details to Results Announcement**

SKNL has been successful in delivering a healthy result in weak market conditions demonstrating the soundness and diversity of its business model. The Company has paid great emphasis on distribution and marketing lead operations which have proven to be remunerative even in these variable times. Through dedicated focus on brand building, SKNL has developed leading brands that cater to all socio-economic segments of the Indian consumers. The brands under the SKNL umbrella include Reid & Taylor, Belmonte, Carmichael House and S. Kumars. All these brands are amongst the top brands in their respective segments.

### **Financial Performance Review**

(SKNL results that are being reviewed are consolidated with Reid and Taylor India Limited (RTIL) and SKNL International B.V., Netherlands)

#### **Revenues**

In the financial year under review, SKNL's net sales grew 29.3% to Rs. 22,603.6 million from Rs. 17,486.5 million. This growth in sales was driven by volume enhancement across brands. Sales for the luxury textile segment, which comes under Reid and Taylor fabrics, grew by about 33.4%. Ready-to-wear garments contributed strongly with a 49.1% increase in sales over the corresponding period last year. Driven also by volume expansion across product categories, sales in the consumer textiles division grew by over 21.4%. Starting October 1, 2008 the financial performance of Leggiuno has also been consolidated in the Company's results. This contributed to the enhancement of revenues in FY2009. Leggiuno's contribution in the total sales of the Company was Rs. 598 million.

Increase in sales volumes, despite weak consumer sentiment prevailing currently, can be attributed to the strong recall commanded by SKNL brands.

#### **Expenditure**

Total expenditure in the period under review, excluding depreciation, increased by 31.9% to Rs. 17,881.4 million from Rs. 13,553.6 million. Increase in total expenditure can be largely linked to an increase in scale of the Company's operations across its business divisions.

In FY2009, consumption of raw material increased by 29.4% to Rs. 14,610.2 million from Rs. 11,286.4 million in the last year. Even though FY2009 has been a variable and challenging year SKNL has been successful in maintaining its raw material cost as a percentage of net sales to approximately 64.5% in FY2009, this figure was the same in FY2008.

Staff costs in FY2009 stood at Rs. 730.6 million versus Rs. 420.5 million in FY2008. Increase in staff costs has been caused by a general increase in wage cost over previous year and increase in scale of operations both in manufacturing and distribution. Further, Leggiuno's staff cost have also been consolidated with the Company's results. Given that Leggiuno is an Italian company its staff costs are relatively higher than that of SKNL; this has been reflected in the increase in staff cost.

Selling and distribution expenditure, that includes advertising costs, increased 28.4% to Rs. 1,138.8 million from Rs. 887.1 million on the back of larger scale of operations and greater focus on advertisements and brand building. This has significantly helped the company to achieve over 29% increase in turnover in the backdrop of subdued market conditions. The Company writes off all brand building and advertisements costs as incurred and although expensive these initiatives have long term benefits in terms of brand equity and brand recall.

#### **EBIDTA**

EBIDTA during the year stood at Rs. 4,880.9 million compared to Rs. 4,037.9 million, an increase of 20.9%. Margins for the year under review stood approximately at 21.6%. Although operating margins marginally dampened compared to 23.1% delivered FY2008, it is important to point out that the Company has been successful in enhancing volumes across products while keeping costs largely flat even in the challenging market environment prevalent today; this has resulted in a delivery of a healthy EBIDTA. The addition of Leggiuno including the initial cost of integration and business consolidation and a number of promotional sales carried out during the last quarter of CY2008 and first quarter of CY2009 also influenced the Company's margin performance.

#### **Depreciation**

Depreciation, during the year, increased by about 3.8% to Rs. 442.1 million compared to Rs. 426.1 million in FY2008. This is owing to higher depreciation charges incurred on the expanded manufacturing capacity of RTIL. The consolidated depreciation cost for the year also includes the depreciation cost of Leggiuno.

#### **Interest Cost**

Owing to the funds raised for the development of the new High Value Fine Cottons (HVFC) facility and the consciously planned strategic **exit of SKNL from Corporate Debt Restructuring (CDR)** status, the interest cost for the year increased by 55.4% to Rs. 1,388.1 million versus Rs. 893.3 million in FY2008. Although CDR enables low cost of debt, the Company has taken a strategic step to exit CDR to increase corporate flexibility and enable unconstrained decision making that was dampened because of this status. As a result the Company has moved to market-led rate of interest cost versus concessional interest rates enjoyed under the CDR scheme.

#### **PBT**

In FY2009, PBT increased by about 11.4% to Rs. 2,913.4 million from Rs. 2,616.4 million.

#### **Tax Expense**

Until FY2008 the Company has paid lower taxes on account of carried forward losses. Starting Q1 FY2009, the Company is subject to a normal tax rate. Consequently the tax expense for the year has increased by about 63.9% to Rs. 919.0 million compared to Rs. 560.5 million in FY2008. A negligible portion of the total tax expense is by way of deferred tax implying complete cash tax payout on account of current tax.

#### **Net Profit (before minority interest)**

Profit after tax but before minority interest stood at Rs. 1,951.4 million versus Rs. 2,055.9 million, implying healthy earnings performance in a highly challenging operating environment.

Net profit after minority interest for the period under review stood at Rs. 1,765.9 million from Rs. 2,055.9 million. The minority interest primarily pertains to GIC's investment in RTIL where approximately 23% of Reid & Taylor's profit goes to GIC. However, using the proceeds from the GIC investment, SKNL has successfully exited CDR and plans to rapidly expand RTIL's operations which should in the medium to long run enhance value for SKNL shareholders despite the presence of a minority interest.

**SBU-wise revenue analysis:**

Strategic Business Unit (SBU)	FY2009	FY2008	Change (%)
<b>Consumer Textiles</b>			
Sales & Other Income	10,865.1	8,952.2	21.4
EBIDTA	1,794.7	1,499.8	19.7
<b>Luxury Textiles</b>			
Sales & Other Income	5,404.8	4052.1	33.4
EBIDTA	2,085.5	1,622.5	28.5
<b>Total Wardrobe Solution</b>			
Sales & Other Income	2,501.3	1,677.2	49.1
EBIDTA	414.1	347.0	19.4
<b>Total Home Expressions</b>			
Sales & Other Income	3,404.7	2,910.4	17.0
EBIDTA	593.3	568.7	4.3
<b>Legguino SPA</b>			
Sales & Other Income	591.5	-	-
EBIDTA	(6.7)	-	-

**SBU-wise Capacity**

Business Division	Capacity (in mn meters per annum)
Luxury Textile	8.4
Consumer Textiles	15.19
Home Textiles	3.6 (28 mn under implementation)
HVFC	12.75
Total Wardrobe Solution	1.14 mn pieces

**SBU-wise analysis:**

**Consumer Textiles**

In FY2009 revenues in the consumer textiles division increased 21.4% to Rs. 10,865.1 million compared to Rs. 8,952.2 million driven primarily by enhanced volumes and average realizations in Belmonte. The Company's traditional brand of S. Kumars also witnessed enhanced volumes in the year under review. EBIDTA in the consumer textile division grew by 19.7% to Rs. 1,794.7 million in FY2009 compared to Rs. 1,499.8 million in FY2008. Notably the Company was successful in maintaining operating margins in the consumer textile division even in a market where a volatile environment prevailed. Average realizations in the

consumer textiles business unit increased by 2.0%, to Rs. 95.83 per meter from Rs. 93.91 per meter witnessed during FY2008.

#### Luxury Textiles

The Luxury textiles division reported revenues for Rs. 5,404.8 million in FY2009 compared to Rs. 4,052.1 million last year, implying a growth of 33.4%. This healthy revenue growth was primarily on account of enhanced Reid and Taylor fabric sales during the year. EBIDTA in the Luxury Textiles unit grew 28.5% to Rs. 2,085.5 million compared to Rs. 1,622.5 million in FY2008 mainly on account of enhanced volumes and marginally improved average realization. Average Realization in the year stood at Rs. 342.60 per meter compared to Rs. 328.72 per meter in FY2008.

#### Total Wardrobe Solutions

Total Wardrobe Solutions includes ready-to-wear garment offerings of Reid & Taylor, Belmonte and Stephens Brothers. Revenues in this division grew healthily by 49.1% to Rs. 2,501.3 million compared to Rs. 1,677.2 million in FY2008. This sales increase can be attributed primarily to enhanced volumes and secondarily to increased realizations across brands especially Reid & Taylor. Average realizations in the division stood at Rs. 656.93 per unit in FY2009 compared to Rs. 626.6 per unit in FY2008.

#### Total Home Expressions

In FY2009, Sales in the Total Home Expression SBU grew 17.0% to 3,404.7 million from Rs. 2,910.4 million in FY2008. Volumes enhancement and marginal appreciation in realizations have been the key revenue drivers in the division. Average Realizations during the year stood at Rs. 112.70 per meter compared to Rs. 111.45 per meter in FY2008.

#### HVFC & Leggiuno

The new state-of-the-art 12.75 million meters per annum HVFC facility has been commissioned and revenue contribution is expected from Q2 FY2010 onwards. Apart from supplying top quality fabrics to leading brands directly, the HVFC facility will also be providing back end manufacturing support for SKNL's recently acquired leading Italian High Value Fine Cotton provider, Leggiuno. Leggiuno has already been contributing to consolidated financial performance from Q4 FY2009 and has reported sales of Rs. 598 million with an EBIDTA of over 76.1 million. Leggiuno's EBIDTA performance is expected to improve considerably once integration efforts are completed and the HVFC facility commences servicing part of Leggiuno's manufacturing requirement.

#### **Key Balance Sheet Items:**

Net worth of the Company at the end of FY2009 stood at Rs. 17,182.6 million. As on 31 March 2009, cash on books amounted to Rs. 893.8 million. SKNL has a gross block of Rs. 15,174.5 million. Net current assets stood at Rs. 19,305.2 million at the end of FY2009.

#### **Capex Plan:**

Rs. 1648.6 million went towards the acquisition and integration of Leggiuno, Rs. 2,010 million was for the first phase development of the state-of-the-art 12.75 lakh meters per annum HVFC facility in Gujarat.

**GIC Investment in RTIL:**

Out of the Rs. 9,000 million agreed upon for GIC's investment in RTIL, Rs. 7,900 million has been received by the Company in the form of equity. The remaining Rs 1,100 million is in the form of warrants, which will be converted into equity at the same valuation of the transaction and will be drawn down for utilisation during the second phase of expansion within RTIL. From the funds received Rs. 2,500 million has been utilized by RTIL towards repayment of CDR debt brought down to RTIL from SKNL as a part of the scheme of subsidarization. Post this repayment RTIL has no long-term debt on its balance sheet as of date. Additionally, Rs. 4,400 million has been loaned to SKNL in order to completely repay its CDR debt in SKNL & for funding growth plan in SKNL. The balance Rs. 1,000 million has been earmarked to be utilized by RTIL for expansion of facilities and to fund brand building activities. Rs. 500 million off the 1,000 million has already been utilized by RTIL. This break-up of fund utilization is in line with the plan spelt out at the time of the investment.

**Leggiuno S.p.A, Italy:**

During the quarter under review, SKNL through its wholly owned subsidiary SKNL International B.V. acquired Leggiuno S.p.A (Leggiuno). Leggiuno is one of the world's leading High Quality Shirting Fabrics enterprises, which is characterized by a legacy that over 100 years old. It is among the top 3 Italian Shirting Fabrics businesses. Leggiuno's products are patronized by leading fashion houses & brands such as Prada, Hermes, Versace, Zegna, Etro, Kenzo, Faconnable, Burberry & Paul Smith, to name a few.

This is a strategic acquisition for SKNL, as it brings to the plate numerous synergies with SKNL's new state-of-the-art High Value Fine Cotton plant been commissioned in Gujarat. It brings key advantages to the company including an immediate access to the high end brands catered to by Leggiuno and a readily available European market. Leggiuno is a profit making entity at both the operating and the net level. Given the international operating profile of Leggiuno, its operating margins are lower than that of SKNL. SKNL expects better earnings delivery from this new venture once it is able to synergistically operate the new HVFC facility, which will soon start commercial production.

**Summary of FY2009 performance and developments**

SKNL is a brand, distribution and marketing led Company and in line with its ideology poses a strong set of diverse brands catering to virtually all branded socio-economic segments in the Indian textile and garment industry. The Company's strong emphasis on brand, distribution and marketing led activities has enabled it to enhance its performance significantly in an environment that was market by variable and often challenging conditions at all levels.

In Q2 FY2009 GIC recognized the inherent strengths in the SKNL model and invested Rs. 9,000 million for a ~25% stake in Reid & Taylor India Limited (RTIL) which was then a fully owned subsidiary of the Company. This development has enabled SKNL to successfully move out of the CDR scheme making the Company more flexible and independent in terms of decision making and business opportunities.

SKNL, during the year also acquire Leggiuno a leading Italian manufactures of High Value Fine Cottons that supplies its products to leading luxury brands including Versace, Prada, Hermes, Zegna, Burberry and Paul Smith to name a few. The Company plans to service a significant amount of Leggiuno's production requirement from its state-of-the-art 12.75 lac meters per annum HVFC production unit which has just been commissioned recently.

As a result of the Company's brand, distribution and marketing led activities and soundness in its business model and strategy SKNL has been successful overcoming the variable environment that prevailed in FY2009 and has in fact delivered a healthy and substantially improved performance. In FY2009, net sales increased 29.4% to Rs. 22,621.2 million compared to Rs. 17,486.5 million in FY2008. EBIDTA during the quarter stood at Rs. 4,907.8 million versus Rs. 4,037.9 million implying an increase of 21.5% over FY2008.

Interest cost for the quarter increased by 60% to Rs. 1,429.6 million versus Rs. 893.3 million in FY2008 owing to the funds raised for the development of the new High Value Fine Cottons (HVFC) facility and the consciously planned strategic exit of SKNL from CDR status.

PBT for the year stood at Rs. 2,913.4 million from Rs. 2,616.4 million, implying an 11.4% increase. Previously, SKNL had carry-forward losses. Starting FY2009 the Company has been subject to the normal rate of taxation; this has caused the tax expense to rise sharply. An additional minority interest component has been included as a result of the GIC transaction; as a consequence PAT is lower for the quarter under review, however the performance of the company at operating level is better as compared to the previous year, as is evident from the rise in EBIDTA.

**Outlook:**

Despite FY2009 being one of the most variable and challenging fiscals, SKNL has succeeded in delivering a healthy financial and operating result demonstrating the soundness in its business model and strategy. The Company has a model which is diverse, yet well integrated, both vertically and horizontally. Its brand portfolio that includes Reid & Taylor, Stephens Brothers, Belmonte, Carmichael House and S. Kumars cater to nearly every segment of the socio-economic strata of the Indian branded textile industry. Apart from offering quality fabrics, Reid & Taylor and Belmonte have strategically forward integrated their offerings to garments giving them a unique advantage over competition. The diversity in SKNL's business model has enabled in to successfully penetrate different age groups, preferences and wallet shares and has played a primary role in enabling delivery of a performance which is not just resilient but is in fact healthy.

FY2010 looks to be an eventful year for the Company. The new state-of-the-art HVFC facility has recently been commissioned and is expected to commence revenue contribution and synergistic support for Leggiuno from Q2 FY2010 onwards.

Integration efforts for the acquisition of Leggiuno in the second half of FY2009 are underway and the Acquisition of Hartmarx, a leading American designer and provider of quality fashion, is nearing completion. Domestically, SKNL is well positioned, with a branded presence, in nearly every socio economic segment of the textile industry. With its inorganic growth model the Company is enhancing its presence steadily in new geographies.

Currently a majority of SKNL's business contribution is strategically from operations in the domestic market which is a high growth market. The global economic slowdown has given the Company a unique opportunity to expand its footprint internationally at acquisition costs that are relatively dampened. The Company plans to continue to expand its reach abroad so that once the global economic environment stabilizes it is in good stead to cater to rising / continuous demand. With well diversified branded product portfolio, a good blend of professional and entrepreneurial personnel and an undiminished appetite for growth, SKNL is well placed to deliver improving and sustainable financial and operational performances going forward.

#### **About SKNL**

SKNL is one of India's leading textiles and apparel manufacturing companies with expertise in multi-fibre manufacturing. The company has extended its presence in multiple product categories from Fabrics to Apparels and Home Textiles. Ever since its inception, the company has been a frontrunner in its line of business and has come to be known as one of the most respected businesses in the sector.

SKNL offers an excellent set of high value products ranging from low cost high quality textiles to world class premium ready-to-wear suiting and is present in every segment of the Indian textile industry.

SKNL has state-of-the-art manufacturing capabilities and is characterized by a distribution network that is unparalleled in terms of its reach. The company also has a management team with several years of experience translating to an exhaustive knowledge of the industry.

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*any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.*

**[Attached: Background Information]**

**SKNL; a pioneer in quality clothing; an overview**

SKNL is one of the largest integrated manufacturers of high value fabrics and apparel in the country with a dominant presence right across the value chain. At present, the Company has a host of brands with good recall that offer high quality fabrics and ready-to-wear clothing catering to an audience that is diverse in terms of age, income levels and preferences. The brands under its umbrella include Reid & Taylor (premium and luxury segment), Belmonte (mid premium segment), Carmichael house (mid-premium home textiles segment), Stephens Brothers (Super Premium segment) and S. Kumars (economy segment). SKNL is the only textile company operating in all socio-economic segments of the Indian market, catering to clothing and home textile products for all needs, occasions and budgets, thereby qualifying as the true “clothiers to the Nation”.

SKNL is a completely professionally managed enterprise with its top management team comprising of several dedicated specialists, professionals, entrepreneurs.

SKNL essentially comprises the following strategic business units.

**Luxury textiles**

In the luxury textile segment SKNL supplies high quality fabrics under the Reid & Taylor brand name. The luxury textile segment is a significant contributor towards the consolidated revenues of the Company. SKNL distributes Reid & Taylor products both through EBOs and MBOs and plans to focus on increasing the number of Reid & Taylor EBOs as this format offers the opportunity to realize higher prices. The EBO format also contributes towards subliminal advertisement and has a greater recall impact on consumers.

**Consumer textiles**

S. Kumars (work wear and career wear) and Belmonte (daily wear) are SKNL's brands in the consumer textile space. Consumer textiles include fabrics for work-wear and suiting made in a variety of designs. With a 30% market share (approx) in the work wear and career wear division; SKNL has emerged as a leading supplier of career. SKNL offers a range of high quality budget blends of polyester and viscose in numerous designs. Most fabrics are characterized with special attributes such as wrinkle-free and moisture absorbent thereby enhancing their value.

#### High Value Fine Cottons (HVFC)

The high value fine cottons segment is the newest venture undertaken by SKNL. This business is characterized by high margins and has the potential to deliver strong returns. SKNL has successfully commissioned a completely integrated (yarn to fabric) 12.75 million meters per annum manufacturing facility for the production of High Value Fine Cotton. This is one of the most technologically advanced textile manufacturing units in the country. Along with the manufacturing facility, the Company is also setting up a captive cogeneration power plant in order to minimize costs.

With this facility, SKNL will be one of the few companies in India offering high value shirting fabrics. Around 60-65% of the high value fabrics produced will be exported to foreign luxury brands. Almost all of SKNL's competitors in this segment are located in high wage countries therefore giving the Company a natural advantage and an opportunity to supply equal grade fabric at a substantially lower cost. There is also a backend-frontend synergy with Leggiuno whereby the design talent and capabilities of Leggiuno will help the division.

#### Home textiles, Total Home Expressions

SKNL entered the market for mid-premium branded home textiles with the launch of Carmichael House in 2006. The Company already has a home textile manufacturing unit in Dewas, Madhya Pradesh. In addition to this facility SKNL is in the process of developing another state-of-the-art manufacturing unit to cater to rising demand for premium and luxury branded home textiles. Even though the growth in the branded luxury and premium home textiles industry is rapid it is still largely in its infancy stage. The industry is also characterized with very few organized players. Establishing a strong presence at this juncture should assist SKNL to achieve a dominant position in the market for organized home textiles going forward.

The Company also recognizes the need to introduce a brand in the economy segment owing to the rising demand, from the growing middle class in India, for quality home linen.

#### Ready-to-wear garments, Total Wardrobe Solutions

At present, SKNL has three brand offerings in the ready-to-wear garment industry. The brands in this segment include Stephens Brothers in the super premium segment, Reid & Taylor in the premium segment and Belmonte in the mid premium segment. SKNL is focusing on and investing in this area as it has identified it as a high growth segment. The Company is also actively scouting for potential opportunities to add brands in the economy and luxury segments. Branded ready made garments constitute around 10% of SKNL's top line and this contribution is expected to increase in the future owing to the forecasted growth in the branded clothing market in India. In line with the growth in the industry, SKNL is constantly expanding its distribution reach.

#### **SKNL Brands**

Over the years, SKNL has been successful in building top brands across socio-economic segments in the fabric and garment industry. This brand building ability has been a key factor in the Company's success and will continue to play an integral part in the growth of the Company going forward.

#### **Reid & Taylor**

Reid & Taylor (India) Ltd., a subsidiary of SKNL, offers the Reid & Taylor brand in the premium segment of the industry in India. In less than ten years after its introduction, Reid & Taylor has been successful in capturing a healthy market share and is rated amongst top two brands for premium clothing.

Reid & Taylor has a diverse portfolio of products and also offers total wardrobe solutions. The categories include high quality fabrics, over 500 designs of premium ready-to-wear clothing, smart casuals and accessories.

#### **Stephens Brothers**

Stephens Brothers is a leading international brand and is part of the Austin Reed group and is offered by RTIL in India. Stephens Brothers is an English brand that offers a wide range of business attire that is designed to perfection. The brand produces suits both for ladies and gentleman with the finest pure wool and pure linen fabrics.

#### **Belmonte**

Belmonte was launched in 2006 and has already started to enjoy a healthy market share. The brand is SKNL's offering in the mid-premium segment. Belmonte offers fabrics, work-wear and suiting and its products are custom made for a consumer who is both fashionable and value conscious. SKNL has set up a comprehensive distribution network for Belmonte and at present the brand is retailed across the top 100 cities in India through EBOs, MBOs and retailers.

#### **Carmichael House**

Carmichael House is a brand that offers complete home textile solutions in a range of fabrics and weaves. The brand was launched in 2006 and has grown healthily ever since. Carmichael House caters to the mid-premium segment of the home textiles market in the country. In line with growing demand for high value branded home textiles, SKNL plans to increase the number of Carmichael House outlets going forward.

#### **S. Kumars**

S. Kumars is synonymous with work wear and is a trusted name in the value-for-money suiting category. The brand provides total end to end solutions catering to the economy segment. Apart from work wear, S. Kumars also supplies an entire range of blended fabrics.

#### Manufacturing capabilities

State-of-the-art integrated manufacturing units are one of the key strengths of the Company. SKNL has 6 manufacturing units catering to all its business units. Reid & Taylor has a

dedicated 8.4 million metres per annum worsted suiting facility near Mysore, Karnataka. With the help of the proceeds received from the private equity investment in Reid & Taylor, SKNL plans to enhance the capacity of this facility to 13.2 million metres per annum to cater to the rising order book of the Company. Other facilities operated by the Company include three facilities catering to the consumer fabrics and home textiles in Dewas, Madhya Pradesh. SKNL also has a completely integrated facility in for garments including shirts, trousers, jackets and suits which is located in Bangalore.

Apart from its existing facilities, SKNL is in the process of commissioning two state-of-the-art manufacturing facilities in the High Value Fine Cotton segment and the Home Textile segment. These units will be installed with the latest machinery and will be one of the most technologically sophisticated facilities in the world.

*-Ends-*