





# K.P.R. MILL LIMITED

Corporate Office : 1<sup>st</sup> Floor Srivari Shrimat, 1045, Avinashi Road, Coimbatore - 641018. India ☎ : 0422-2207777 Fax : 0422-220777

## FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges





1.	Name of the Company:	K. P. R. Mill Limited
2.	Annual separate financial statements for the year ended	31st March 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by-	
	<input type="checkbox"/> CEO/Managing Director:	
	Coimbatore	
	<input type="checkbox"/> CFO:	
	Coimbatore	
	<input type="checkbox"/> Audit Committee Chairman:	
	Coimbatore	
	<input type="checkbox"/> Auditor of the Company:	
	Refer our Audit Report dated 05 <sup>th</sup> May 2015 on the separate financial statements of the Company For DELOITTE HASKINS & SELLS Chartered Accountants (Firm Registration No. 008072S)	
		
	(M. Ramachandran) (Partner) (Membership No. 16399)	
	Coimbatore.	

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	 (M. Ramachandran) (Partner) (Membership No. 16399) Coimbatore.	



sustained growth

**12th annual report 2014-15**

## HIGHLIGHTS 2014-15

(₹ in Lakhs)

**Total Revenue 2,58,979**

**PBDIT 46,134**

**PBT 22,338**

**PAT 17,357**

**Cash Profit 32,759**

**Assets 2,23,174**

**Net worth 94,521**

**EPS ₹ 45.73**

**Cash EPS ₹ 86.60**

From a modest entry in 1984, the gradual, steady and consistent growth has elevated KPR as a ₹ 2,100 Crore Asset based group. Besides being India's leading garment exporter, KPR is one of the largest vertically integrated textile players manufacturing & marketing readymade knitted garments, knitted fabrics and cotton yarn.

KPR has Ten 'State-of-the-Art' production facilities in the state of Tamil Nadu, India.

It has a cumulative capacity of 3,53,568 spindles to produce 90,000 MT of yarn per annum; Knitting facility to produce 27,000 MT of fabrics per annum; a largest Garmenting facility in India to produce 59 million pieces of ready-made knitted apparel per annum with further expansion plans; Industry acclaimed Fabric Processing unit with a capacity of 9,000 MT per annum; 66 Wind mills with total power generation capacity of 61.92 MW. KPR also has a Co-gen Cum Sugar Plant with a capacity of 30 MW and 5,000 TCD in its wholly owned Subsidiary Company.

With strong fundamentals and unique key strengths KPR is marching towards achieving further milestones in the years to come.





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## CHAIRMAN'S LETTER

Dear Shareholders,

I am delighted to report yet another better performance of KPR.

In the Financial Year 2014-15, your Company earned a record Consolidated Revenue of ₹ 2,589 Crores and a Net profit of ₹ 173 Crores. The financial results reflected a strong performance. On the total turnover, exports constitutes 33% and domestic 67%. In a challenging, increasingly cost-sensitive environment, our focus on Garment, the prospective textile segment, has prompted expansion. This strategic move has significantly improved the revenue and we hope that the strong level of performance will sustain.

Cotton cost is the governing factor of the Spinning Industry. While its present stable level of prices is advantageous to the Industry, the power shortage, steep hike in power tariff and evacuation issue at Tamil Nadu have been deterrent to the competitiveness of textile mills in Tamil Nadu. However, KPR with the ardent support of captive green power capacity is able to mitigate its impact considerably. Your Company's continued success is due to the dedication, commitment and performance of our workforce, which remains its biggest asset; we continue to invest in their development.

We are glad to inform that in respect of Garment capacity expansion, the Brown Field project and Green Field Project have been successfully completed as envisaged. The Company is planning for a new Green Field expansion with a capacity of 36 Million Garments per annum in the current





year. The unstinted support from the existing buyers and encouraging stimulus from new markets are driving the expansion effort. This shall lead to making KPR as one of the largest Garment Producer in the Country. Though Sugar Industry is under tremendous pressure with matchless cost of Production vis-à-vis sugar price and dismal margin, we are able to breakeven. In Audi Car Dealership, we continue to be the market leader at this territory and widening its sales network at Madurai, Tamil Nadu.

This year, considering strong performance, our dividend payout is ₹ 9 per share including ₹ 5 proposed as final dividend. The earnings per share of the Company increased to ₹46 from ₹ 37 last year.

Being a responsible Corporate, we remain focused in creation of healthy and progressive society. Our key focus areas for helping the community lie in education-including vocational education, leading to sustainable livelihood, especially that of women, by empowering them to stand on their own with the financial strength besides equipping them with the skill that was once claimed to be that of manhood alone. Your Company continues its environment friendly measures including planting trees, substitution of conventional fuel with bio-gas in factories, recycling of waste water apart from generation of substantial green energy, to create a better environment.

KPR is a unique Company because of its strong fundamentals and impeccable Labour force which allows us to take a long-term view and strategy to grow further. Your Company has been recognized by industry, customers and media for excellence along many dimensions including overall

financial performance, human resources, sustainability, investor relations, infrastructure, communications and governance.

We are glad to note that the Business Magazines have ranked K.P.R. Mill Limited:

- ⚙ 15th largest Textile & Garment Company in India.
- ⚙ 285th place out of Top 500 Companies in Profitability
- ⚙ 332nd place out of Top 500 biggest Companies in India.

I want to thank each shareholder for their support and commitment to the Company that has helped to place KPR among the valuable Companies in India. I look forward to your continued support as your Company embarks on the next phase of its growth journey. I am grateful to the Board of Directors for their unwavering support and guidance. I would also like to take this opportunity to thank the entire management team for their energy and tireless work throughout the year.

Leveraged raw material, strengthened and sustained better compliance practices continue to attract the Buyers and International Brands to source from India. Despite the challenges faced by the Spinning Industry, with the uptrend in demand for the Garment Segment, the Industry is expected to achieve the earmarked target in the current year.

With best wishes

**K.P. Ramasamy**  
Chairman





## Board of Directors



**K.P. RAMASAMY**  
Chairman



**KPD SIGAMANI**  
Managing Director



**P. NATARAJ**  
Managing Director



**C.R. ANANDAKRISHNAN**  
Executive Director



**Dr. K. SABAPATHY**  
Director



**K.N.V. RAMANI**  
Director



**M.J. VIJAYARAAGHAVAN**  
Director



**G.P. MUNIAPPAN**  
Director



**A.M. PALANISAMY**  
Director



**C. THIRUMURTHY**  
Director



**Dr. S. RANGANAYAKI**  
Director



**P. SELVAKUMAR**  
Director





#### **REGISTERED OFFICE**

No.9, Gokul Buildings, 1<sup>st</sup> Floor,  
A.K.S. Nagar, Thadagam Road,  
Coimbatore – 641 001.

#### **CORPORATE OFFICE**

1<sup>st</sup> Floor, Srivari Shrimat,  
1045, Avinashi Road,  
Coimbatore – 641 018.

#### **CHIEF FINANCIAL OFFICER**

PL Murugappan

#### **COMPANY SECRETARY & COMPLIANCE OFFICER**

P. Kandaswamy

#### **BANKERS**

Bank of Baroda  
Bank of India  
Corporation Bank  
IDBI Bank Limited  
Oriental Bank of Commerce  
Andhra Bank  
ICICI Bank  
The Karnataka Bank Limited

#### **STATUTORY AUDITORS**

M/s. Deloitte Haskins & Sells,  
Chartered Accountants,  
41, Shanmuga Manram,  
Race Course,  
Coimbatore – 641 018.

#### **REGISTRAR AND SHARE TRANSFER AGENTS**

Karvy Computershare Private Limited,  
Unit: KPR MILL LIMITED,  
Karvy Selenium, Tower B, Plot 31-32,  
Gachibowli,  
Financial District, Nanakramguda,  
Hyderabad – 500 032.  
Phone: 040 6716 2222  
Fax: 040 2300 1153  
Toll Free No: 1800 345 4001  
E-mail: einward.ris@karvy.com

#### **COMPANY CIN**

L17111TZ2003PLC010518



## Dear Shareholders,

We take pleasure in presenting the Report on our Business and Operations for the year ended 31<sup>st</sup> March 2015.

### FINANCIAL RESULTS

(₹ in Lakhs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2014-15	2013-14	2014-15	2013-14
<b>Sales and Other Income</b>				
Domestic Sales (Net of Excise Duty)	1,54,752	1,50,300	1,68,413	1,65,208
Export Sales	48,803	42,851	80,432	65,844
Other Income	6,682	5,800	10,134	9,154
	2,10,237	1,98,951	2,58,979	2,40,206
<b>Profit before Interest &amp; Depreciation</b>	37,843	38,184	46,134	45,327
Less : Interest	6,450	7,234	8,394	10,450
Depreciation	12,587	12,982	15,402	15,670
<b>Profit Before Tax</b>	18,806	17,968	22,338	19,207
Less : Taxation				
Provision for Current Tax	5,546	5,034	6,573	5,313
Tax relating to earlier years	(82)	94	(95)	87
Less : MAT Credit Entitlement	1,281	-	1,522	135
	4,183	5,128	4,956	5,265
Provision for Deferred Tax Liability	25	(216)	25	(226)
<b>Profit After Tax</b>	14,598	13,056	17,357	14,168

### REVIEW OF OPERATIONS

Indian Textile Industry, one of the key drivers of Indian Economy, is passing through a positive phase. Our expanded Garment capacity has joined the mainstream. During the year, production levels at all segments of textiles have gone up. However, the steep decline in Cotton prices has impacted the yarn realisation by around 10% over previous year. The up-trend in demand at the Garment Segment entailed the Company to achieve the reported Turnover, despite the challenges faced by the Spinning Segment. Evacuation issue at Power front in the State still continues. Cost of Power and Labour has gone up due to increase in Power charges & Minimum Wages by the Government. Comfortable cash flow enabled the Company to lower working capital loan and Finance cost. The Company earned a Cash Profit of ₹ 272 Crores and Cash EPS of ₹ 72 as against ₹ 260 Crores and ₹ 69 in the previous year. The favourable market trend and the enhanced Garment capacity would strengthen the prospects of the Company. Competing countries' higher cost of production would further widen India's stake at International Market.

### DIVIDEND

In its Meeting held on 5<sup>th</sup> February 2015, Your Board of Directors had declared an interim dividend of 40% on the Equity Shares of the Company. The Board has recommended a final dividend of 50% on Equity Shares, subject to the approval of the Members at the ensuing 12<sup>th</sup> Annual General Meeting.

Your Directors have recommended the payment of Dividend of 7% on Redeemable Cumulative Non-Convertible Preference Shares of ₹ 100 each.

### GARMENTS EXPANSION

Driven by consistent demand, the Global Textile & Apparel Trade is growing rapidly. The core competency enabled Indian Textile Industry to emerge as the World's second largest Textile Exporter. The uptrend is expected to remain for a long term. The Garment capacity expansion mooted during last year has been successfully completed as detailed below.



# Directors' Report

## BROWN FIELD

The Brown field Garment expansion at our Arasur Garment Facility upgrading its capacity by 10 million pieces per annum was completed as scheduled and its Production had commenced from 24<sup>th</sup> June 2014 onwards.

## GREEN FIELD

We are pleased to announce that the Green field Garment expansion at Thekkalur has also been successfully completed as contemplated. It has commenced commercial production from March 2015 onwards. These enhanced our overall Garment Production capacity from 37 Million Pieces to 59 Million Pieces per annum. The increased capacity is fully backed up by firm orders. The Financial Year 2015-16 shall witness its full-fledged operations.

## FURTHER EXPANSION

To convert its potential into reality, K.P.R. is planning to add a further large Green field manufacturing facility of 36 Million garments per annum at an estimated cost of ₹ 175 Crores. With this, the total garment capacity will become 95 Million garments per annum, one of the largest in the Country. The project is expected to complete during this financial year. Considering the impelling orders from the existing Buyers and the encouraging response from U.S. market, the Board has considered and accorded its approval to the proposal.

## SUBSIDIARY COMPANIES

The Company has the following four Wholly Owned Subsidiary Companies and the Statements pursuant to Section 129 (3) of the Companies Act, 2013 (Hereinafter referred to as the 'Act') in 'Form AOC- 1' containing the details of Subsidiaries forms part of this Annual Report. However as required by the 'Act', we give below a brief report on their performance.

### Quantum KNITS PVT. LIMITED

During the year the Company made a Turnover of ₹ 209.26 Crores and a Net Profit of ₹ 13.37 Crores.

### K.P.R SUGAR MILL LIMITED

Due to the delay in fixation of cane price by the Government for the Sugar Season 2014-15, the Production had commenced during the month of December 2014 only. Produced 8.83 Crore units of power, out of which 6.13 Crore units sold and 2.70 Crore units captively consumed. 92,285 metric tonnes sugar was produced.

### JAHNVI MOTOR PRIVATE LIMITED

During the year the Company sold 265 cars clocking a revenue of ₹ 113.21 Crores. Considering the enlarged demand for 'Audi' vehicles, the Company has extended its network at Madurai in

Tamil Nadu. It continues to maintain the 'No.1' position under category 'B' Dealers. New Models were introduced and market response was good.

## GALAXY KNITS LIMITED

The Company has not yet commenced its operation.

## FIXED DEPOSITS

The Company has not accepted any fixed deposits from public during the year under review.

## FINANCE

Your Company has been regular in meeting its obligation towards payment of Principal & Interest. Comfortable cash scenario enabled lesser Working Capital Loan vis-a-vis Finance Cost.

## DIRECTORS

In pursuance of Section 149 and other applicable provisions of the Act & Clause 49 of the Listing Agreement, Independent Directors were appointed for a Term at the last Annual General Meeting. Pursuant to the provisions of the Act and Listing Agreement Dr. S. Ranganayaki, M.B.B.S., has been co-opted as a Woman Independent Director at the Meeting of the Board of Directors of the Company held on 12.03.2015, subject to her appointment at the Annual General Meeting. To regularise her appointment at the ensuing Annual General Meeting suitable Resolution has been included in the Notice of the said meeting.

Familiarisation Program on the Company and its operations was conducted for the Independent Directors. Requisite declaration from the Independent Directors of the Company under Section 149 (7) of the Act confirming that they meet with the criteria of their Independence laid down in Section 149 (6) have been obtained.

Consequent on the cessation of right to appoint a Director in our Board, as per the Agreement, the Private Equity Investors had withdrawn their Nominee Director Sri. Shujaat Khan from our Board with effect from 30.12.2014. The Board wishes to place on record its appreciation for the valuable services rendered by him during the tenure of his Directorship.

Sri. C.R. Anandakrishnan, Director retire by rotation at the ensuing Annual General Meeting and is eligible for reappointment.

The details of the aforesaid Directors, required to be disclosed under clause 49 of the Listing Agreement, form part of the Notice of the ensuing Annual General Meeting. Your Directors recommend their appointment. All the Directors of the Company have confirmed that they are not disqualified from being appointed as Directors in terms of Section 164 (2) of the Act.

## KEY MANAGERIAL PERSONNEL AND MANAGERIAL REMUNERATION CRITERIA

In pursuance of the Act, Key Managerial Personnel (KMP) for the Company were appointed. None of the Managing Directors or Whole Time directors receive any remuneration or commission from the Subsidiary Companies and the remuneration paid to them is within the purview of the provisions of Section 197 of the Act. The Company pays remuneration by way of salary, perquisites, commission (variable component) to its Chairman, Managing Directors and fixed monthly remuneration to its Executive Director and Whole Time Director in line with the approvals accorded by the General Meetings in pursuance of the recommendation of the Nomination and Remuneration Committee as per the guiding principles laid down in the Nomination and Remuneration Policy. The information as required by Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended.

## ANNUAL PERFORMANCE EVALUATION

In line with the criteria evolved by the Nomination and Remuneration Committee, the performance of all Directors, Committees, Chairman etc., have been evaluated pursuant to the provisions of the Act and the Listing Agreement.

## COMMITTEES

As required by the provisions of the Companies Act and Listing Agreement, the Company has already formed the following Committees, the details of which are disclosed in the Report on Corporate Governance forming part of this Report.

- I. Audit Committee
- II. Stake Holders Relationship Committee
- III. Nomination and Remuneration Committee
- IV. Corporate Social Responsibility (CSR) Committee

## POLICIES

In pursuance of the Companies Act, 2013 and the Listing Agreement, the following policies have been framed and disclosed on the Company's website 'www.kprmilllimited.com'.

- I. Nomination & Remuneration Policy
- II. Related Party Transaction Policy
- III. CSR Policy
- IV. Whistle Blower Policy consisting of Vigil Mechanism
- V. Policy on Determining Material Subsidiaries
- VI. Code for Fair Disclosure

## RISK MANAGEMENT

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Clause 49 of the Listing Agreement, the Company has framed a Risk Management Policy. In the opinion of the Board there

appears to be no element of risk which may threaten the existence of the Company.

## VIGIL MECHANISM & WHISTLE BLOWER POLICY

The Company has an established Vigil Mechanism for Directors / Employees to report concerns about unethical behaviors, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of Directors / Employees who avail of the mechanism. The Company affirms that no personnel have been denied access to the audit committee. The Company has formulated a Policy of Vigil Mechanism and has established a mechanism that any personnel may raise Reportable Matters. All suspected violations and Reportable Matters are reported to the Chairman of the Audit Committee at e-mail id 'whistleblower@kprmill.com'. The key directions / actions will be informed to the Chairman / Managing Director of the Company.

The Whistle Blower Policy has been framed and displayed in the Company's Website.

## CSR EXPENDITURE

During the year, in pursuance of the recommendations of the CSR committee, the Company has contributed ₹ 2.32 Crores being 2% of the average net profit of the Company towards implementing the CSR activities. Annual Report on CSR, as required by the Act is appended.

## BOARD MEETINGS

The Board of Directors met Six times during the financial year on 19.04.2014, 22.05.2014, 04.08.2014, 06.11.2014, 05.02.2015 and 12.03.2015. The Composition of Board, procedure, dates and other details are included in the Corporate Governance Report that forms part of this Report.

## CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to the provisions of the 'Act' and the Listing Agreement entered into with the Stock Exchanges. They are prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in this regard. The Consolidated Financials also marked a significant increase in its Revenue as well as Profitability.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has duly complied with the provisions of Section 186 of the Act and as required therein the details of the Borrowals, Security, Investment etc., are annexed by way of notes to accounts.

## RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the financial year were only between Holding Company and Wholly

# Directors' Report

owned Subsidiary Companies in the ordinary course of business, whose accounts are consolidated with Holding Company and placed before the shareholders at the General Meeting for approval. Accordingly, pursuant to Section 134 (3) (h) read with Rule 8 (2) of the Companies (Accounts) Rules, 2014 and clause 49 of the Listing Agreement there are no transactions to be reported under Section 188 (1) of the Companies Act, 2013.

However, the Transactions as required under Accounting Standards AS-18 are reported in Note 31 of the Notes to Accounts of the Consolidated Financial Statements as well as Standalone Financial Statements of your Company. The Company's Policy on dealing with related party transactions is available on the Company's website.

## EMPLOYEE WELFARE

Strong and dedicated work force is one of our Key Strengths. The Company continues to extend exemplary facilities to the Employees. Their sustained involvement enabled higher productivity and efficiency with low attrition rate. Their consistent record making ability in Government examinations evidences the high standard of unique educational facilities extended by the Company to the Employees.

## PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the Company Secretary in advance.

## PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 provides for protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and also for the matters incidental thereto. The Company has accordingly adopted the policy against Sexual Harassment of Women at Workplace, for the purpose of preventing, prohibiting and redressing sexual harassment of female employees at all the workplace within the Company which are based on fundamental principles of justice and fair play.

Further, Anti Sexual Harassment Committee has been constituted at each unit which shall be responsible for redressal of complaints related to sexual harassment. The details of all such

Complaints and its proper redressal through prompt corrective steps are informed to the Top Management so as to ensure that suitable processes and mechanisms are put in place to ensure that issues of sexual harassment, if any, are effectively addressed. During the year, no complaints of sexual harassment were received by the Company from any of its Units.

## ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act read with the Companies (Accounts) Rules, 2014 are provided in the Annexure to the Report.

## DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 134(5) of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that;

- I. In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- II. The Directors have selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- III. The Directors have taken proper and sufficient care for the maintenance of adequate record in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV. The Directors have arranged preparation of the accounts for the financial year ended 31.03.2015 on a going concern basis.
- V. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- VI. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

Corporate Governance Report and Management Discussion and Analysis Statement are attached to this Report. Certificate from the Statutory Auditors of the Company confirming the compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is also attached to this report.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The details of internal financial control and their adequacy are included in the Report of Management Discussion & Analysis, which forms part of this report.

## RATIO OF REMUNERATION TO EACH DIRECTOR

Details / Disclosures of Ratio of Remuneration of Director to the median employee's remuneration as required by the Act and Companies Rules are appended.

## SIGNIFICANT & MATERIAL ORDER PASSED BY THE REGULATORS

No significant and material order was passed by any Regulators that have any impact on the going concern status and the operations of the Company.

## DETAILS REGARDING ISSUE OF SHARES

During the year under review the Company has not issued any shares.

## AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, Coimbatore, (ICAI No: 0080725) the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for Re-appointment.

## AUDITORS REPORT

The Auditor's Report to the Shareholders does not contain any qualification.

## COST AUDIT

In pursuance of Companies (Cost Records and Audit) Rules, 2014, the Company has appointed a Cost Auditor for the Company to audit the cost records for the Financial Year 2015-16.

## SECRETARIAL AUDIT REPORT

As required by the Act a Secretarial Audit Report issued by a Company Secretary in practice is annexed.

## EXTRACT OF ANNUAL RETURN

Pursuant to section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 forms part of this Report.

## ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude and express their appreciation for the assistances and co-operation received from the Bankers, Government Authorities, Customers, Vendors, Private Equity Investors and Members during the year under review. Your Directors also wish to thank the employees at all levels for their co-operation and dedication.

By order of the Board of Directors

Coimbatore  
05.05.2015

K.P. Ramasamy  
Chairman

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 12 read with Rule 5 of the Companies (Accounts) Rules, 2014)

## Financial Summary of Subsidiary Companies

(₹ in Lakhs)

Particulars	Quantum KNITS PVT. LIMITED	K.P.R.Sugar Mill Limited	Galaxy Knits Limited	Jahnvi Motor Private Limited
Share Capital	10	583	5	193
Reserves & Surplus	1,958	11,042	(1)	460
Total Assets	9,186	60,892	4	5,150
Total Liabilities	7,218	49,267	-	4,497
Investments	-	-	-	-
Turnover (Net of Excise Duty)	20,926	55,389	-	11,321
Profit Before Taxation	2,018	1,206	-	308
Provision for Taxation	681	-	-	92
Profit After Taxation	1,337	1,206	-	216
Proposed Dividend	-	26	-	-
% of Share Holding	100	100	100	100

## Particulars of Employees - (Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

a) Information as per Rule 5(1) of Chapter XII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

## 1. Remuneration paid to Whole-Time Directors (WTD)

Name of the Director	Title	% Increase over previous year	Ratio of Remuneration to MRE	Ratio of Remuneration on (fiscal 2014-15)	
				Revenues	Net Profit
Sri. K.P.Ramasamy	Chairman	25.99*	97.44	0.27	3.91
Sri. KPD Sigamani	Managing Director	25.99*	97.44	0.27	3.91
Sri. P.Nataraj	Managing Director	25.99*	97.44	0.27	3.91
Sri. C.R.Anandakrishnan	Executive Director	Nil	4.08	0.02	0.16
Sri. A.Sekar	Whole-Time Director	Nil	2.04	0.01	0.08

\* On account of Commission on Net Profits.

## 2. Remuneration paid to Non-Executive Directors

The Non-Executive Directors of the Company are entitled for sitting fee only and its details are provided in the Corporate Governance Report.

## 3. Remuneration of other Key Managerial Personnel (KMP)

Name of the KMP	Title	% Increase over previous year	Ratio of Remuneration on (fiscal 2014-15)	
			Revenues	Net Profit
Sri. PL.Murugappan	Chief Financial Officer	15.29	0.01	0.10
Sri. P.Kandaswamy	Company Secretary	8.00	0.00	0.05

4. Percentage increase in the median remuneration of employees in the financial year : 13%.

5. Number of Permanent employees on the roll of the Company at the end of the year : 7748

6. Explanation on the relationship between average increase in remuneration and the Company's performance

The revenue growth during fiscal 2015 on standalone basis was 6% and net profit growth was 12%. The average increment of 14% was in line with the industry benchmark, cost of living index etc. Increase in Managerial remuneration is determined by the shareholders.

7. Variations in the market capitalization of the Company, price earning ratio as at the closing date of the current and previous year.

Particulars	Market Capitalization (₹ in lakhs)	Price Earnings Ratio
31.03.2015	1,81,255	12.53
31.03.2014	45,464	3.52
Change %	298.67	255.97

Percentage increase or decrease in the market quotations of the share of the Company in comparison to the rate at which the Company came out with the last public offer.

Particulars	NSE	BSE
31.03.2015 - Market Quote - ₹	475.05	481.00
07.08.2007 - IPO - ₹	225.00	225.00
Change %	111.13	113.77

8. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

The average annual increase in the salaries of employees during the year was 13%, while the average increase in managerial remuneration during the year was 25%. The Managerial Remuneration and its increment are fixed by the Shareholders on recommendation of Nomination and Remuneration Committee and Board.

9. Key parameters for any variable component of remuneration availed by the Directors

The variable component of Managerial Remuneration (commission) is based on the performance of the Company.

10. The ratio of remuneration of the highest paid Director to that of the Employees who are not Directors but receive remuneration in excess of the highest paid Director during the year : Not Applicable

11. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration policy of the Company.



**Annual Report on Corporate Social Responsibility (CSR) activities for Financial Year 2014-15.**

A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

CSR activities are not new to KPR and have been practiced ever since it started setting up the main business. Be it environment friendly measures, promotion of education, empowering downtrodden etc., The CSR activities under the Policy are those covered under the ambit of Schedule VII of the Companies Act 2013. Maiden initiatives on Promotion of education, ensuring environmental sustainability, Medical aid etc., The Policy is available in the website of the Company at [www.kprmilllimited.com](http://www.kprmilllimited.com). CSR projects are subject to audit.

**1. The Composition of the CSR Committee**

The Composition of the Committee is as follows:

- a) Sri. K.P. Ramasamy - Chairman
- b) Sri. M.J. Vijayaraaghavan – Independent Director
- c) Sri. KPD Sigamani – Managing Director
- d) Sri. P. Nataraj – Managing Director

**2. Average Net Profit of the Company for last three financial years**

₹ 11,596.05 Lakhs

**3. Prescribed CSR Expenditure (two percent of the amount as in item 2 above)**

₹ 231.92 Lakhs

**4. Details of CSR spent during the financial year**

During the financial year funds were utilised towards Promotion of Education, Environment sustainability, making available safe drinking water etc., directly and through agency.

**5. Total amount to be spent for the financial year**

₹ 231.92 Lakhs

**6. Amount unspent, if any**

Nil

## 7. Manner in which the amount spent during the financial year is detailed below

(₹ in Lakhs)

S.No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise (₹)	Amount spent on the projects or Programs Subheads: 1. Direct expenditure on projects or program 2. Overhead (₹)	Cumulative expenditure upto to the reporting period (₹)	Amount spent: Direct or through implementing agency (₹)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Promotion of Education	Education	Arasur & Kalliyampudur Coimbatore & Erode Districts Tamil Nadu.	228.21	i. 3.21 Direct Expenditure ii. 225.00 Overhead	228.21	i. Direct 3.21 ii. Through Implementing Agency 225.00
2.	Environmental	Environment	Kalliyampudur Erode District Tamil Nadu.	2.15	2.15 Direct Expenditure	2.15	Direct 2.15
3.	Aid to Drinking Water Facility	Safe Drinking Water	Sathyamangalam Erode District Tamil Nadu.	2.00	2.00 Direct Expenditure	2.00	Direct 2.00
	<b>TOTAL</b>			<b>232.36</b>	<b>232.36</b>	<b>232.36</b>	<b>232.36</b>

## 8. Details of implementing agency

1. District Collector, Erode, Tamilnadu 2. District Collector, Coimbatore, Tamilnadu 3. K.P.R. Charities, Coimbatore, Tamil Nadu.

9. The Committee hereby state that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

P. Nataraj  
Managing Director

K.P. Ramasamy  
Chairman  
CSR Committee

**INFORMATION PURSUANT TO  
COMPANIES (ACCOUNTS) RULES, 2014**
**A) CONSERVATION OF ENERGY**
**a) ENERGY CONSERVATION MEASURES TAKEN**

In lighting system, the Energy saver equipment have been installed at all mills. LED Tube Lights installed at Neelambur unit replacing the regular tubes in order to economise the power consumption and improve the illumination level at low maintenance cost.

**b) ADDITIONAL INVESTMENTS AND PROPOSALS, IF ANY, BEING IMPLEMENTED FOR REDUCTION OF CONSERVATION OF ENERGY**

Harmonic filters have been installed in Karumathampatti (Compact) and Sathy units, to improve the quality of electrical network. Besides, reducing the issues in electronic devices to achieve better efficiency level in all energy intensive equipments.

**c) IMPACT OF THE MEASURE (a) & (b) ABOVE FOR REDUCTION OF ENERGY CONSUMPTION AND CONSEQUENT IMPACT ON COST OF PRODUCTION OF GOODS**

The above measures enabled economised power and fuel consumption vis-a-vis reduction in the cost of production. Total Energy Consumption equipments Consumption per unit of production are as per Form 'A' below:

**FORM A – PARTICULARS IN RESPECT OF ENERGY CONSUMPTION**
**I Power and Fuel Consumption**

Particulars	Units	2014-15	2013-14
<b>1. Power &amp; Fuel Consumption</b>			
<b>A) Electricity</b>			
i) Connected Load	KVA	35,915	33,915
ii) Purchase of Units	Lakh Units	468	665
iii) Total Amount	₹ Lakhs	2,830	3,857
iv) Rate Per Unit (Average)	₹	6.05	5.80
v) Demand Charges	₹ Lakhs	1,109	1,002
<b>B) Electricity from Third Party</b>			
i) Purchase of Units	Lakh Units	795	470
ii) Total Amount	₹ Lakhs	5,594	5,387
iii) Rate Per Unit (Average)	₹	7.04	11.46
<b>2. Own Generation</b>			
<b>i) Through Diesel Generator</b>			
Units generated	Lakh Units	2	8
Total Amount	₹ Lakhs	58	145
Cost / Unit	₹	23.24	18.53
Units / Litre of Diesel	Units	2.84	3.01
<b>ii) Through Wind Mill</b>			
Units generated	Lakh Units	997	1,084
<b>iii) Through Steam Turbine Units</b>			
Coal / Furnace Oil / Others	Units	NIL	NIL
<b>II Consumption per unit of Production</b>			
<b>(a) Production of Yarn</b>	Kgs.	7,68,29,637	7,05,08,301
Electricity (units) per Kg of Yarn Production	Units	2.70	2.85
<b>(b) Processed Fabric</b>	Kgs.	65,76,897	79,30,238
Electricity (units) per Kg of Fabric Processed	Units	1.20	1.18

**B. TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT (R&D)**

## 1. Specific areas in which R&amp;D carried out by the Company:

Further Improvement in Quality of Products, Development of new Products and Designs, Cost control measures and Energy Conservation etc.

## 2. Benefits derived as a result of above R&amp;D:

Sustained quality of products at economized cost.

## 3. Future Plan of Action:

Continuous focus on innovations in Textile development process & products.

## 4. Expenditure on R&amp;D : ₹ 138.33 Lakhs

## 5. Technology absorption, adaptation and innovation:

For consistent production of higher quality products, besides State of the Art Machinery, each of our manufacturing facilities is equipped with high-tech quality control equipment and well trained Personnel. Effluent Treatment Plant at Processing Division has Zero Discharge System.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

(₹ in Lakhs)

S.No	Particulars	2014-15	2013-14
1	Foreign Exchange earned through exports	48,803	42,851
2	Foreign exchange used	31,338	35,932

**SUNDARARAJAN.G ACS**  
 PRACTICING COMPANY SECRETARY  
 69-1 LML Colony 3rd Street,  
 P.N.Palayam, Coimbatore - 641 037.  
 ☎ 9443898005  
 Email: soundar05@rediffmail.com  
 ACS No. 13993, CP No. 4993

**SECRETARIAL AUDIT REPORT  
 FOR THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> MARCH, 2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
 (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,  
 M/s. K.P.R. Mill Limited,  
 Coimbatore.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by K.P.R. Mill Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by K.P.R. Mill Limited for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014;
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) and other applicable laws applicable to a Textile Industry Viz., Textile Control Orders, Textile Committee Produce Cess Act, Textile (Development and Regulation) Order etc.,

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with all the applicable Acts, Rules, Regulations, Guidelines, Standards, etc., including the laws mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

I further report that during the audit period there were no instances of:

- Public / Rights / Preferential Issue of shares / Debentures / Sweat Equity
- Redemption / Buy Back of Securities
- Major decisions taken by measures in pursuance of section 180 of the Companies Act, 2013
- Foreign Technical Collaboration

Coimbatore  
25<sup>th</sup> April, 2015

**Soundararajan.G ACS**  
Practicing Company Secretary  
ACS No. 13993, CP No. 4993

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.



**SOUNDARARAJAN.G ACS**  
PRACTISING COMPANY SECRETARY  
69-1 LML Colony 3rd Street,  
P.N.Palayam, Coimbatore - 641 037.  
☎ 9443898005  
Email: soundar05@rediffmail.com  
ACS No. 13993, CP No. 4993

'Annexure A'

The Members  
M/s. K.P.R. Mill Limited,  
Coimbatore.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. The Company has maintained Legal Management System which takes care of regular Compliance of applicable laws and the amendments are updated then and there by the Company. Wherever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and Happening of events etc.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Coimbatore  
25<sup>th</sup> April, 2015

**Soundararajan.G ACS**  
Practicing Company Secretary  
ACS No. 13993, CP No. 4993

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31.03.2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

- i) CIN : L17111TZ2003PLC010518
- ii) Registration Date : 19.03.2003
- iii) Name of the Company : K.P.R. Mill Limited
- iv) Category / Sub-Category of the Company : Public Company Limited by shares
- v) Address of the Registered office and contact details : 

<u>Registered Office</u>	<u>Corporate Office</u>
No.9, Gokul Buildings, 1 <sup>st</sup> Floor, A.K.S. Nagar, Thadagam Road, Coimbatore – 641 001. Ph: 0422-2478090 Fax: 0422-2478050	1 <sup>st</sup> Floor, Srivari Shrimat, 1045, Avinashi Road, Coimbatore – 641 018. Ph: 0422-2207777 Fax: 0422-2207778
- vi) Whether listed Company (Yes / No) : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Karvy Computershare Private Limited,  
Unit: K.P.R. Mill Limited,  
Karvy Selenium, Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda, Hyderabad – 500 032  
Ph : 040 6716 2222 Fax : 040 2300 1153  
Toll Free No : 1800 345 4001.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the Total Turnover of the Company shall be stated

S.No	Name and Description of Main Products / Services	NIC Code of the Product / Service	% to Total Turnover of the Company
1	Yarn	17121	53.39
2	Fabric	17115	28.21
3	Garment	18101	14.50

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S.No	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1	M/s. K.P.R.Sugar Mill Limited, No-5, AKS Nagar, Thadagam Road, Coimbatore – 641 001.	U15421TZ2006PLC012633	Subsidiary	100	2 (87)
2	M/s. Jahnvi Motor Private Limited, No-5, AKS Nagar, Thadagam Road, Coimbatore – 641 001.	U50100TZ2011PTC017370	Subsidiary	100	2 (87)
3	M/s. Quantum KNITS PVT. LIMITED, S.F. No.181, Kollupalayam Village, Arasur, Coimbatore – 641 407.	U18101TZ2009PTC015251	Subsidiary	100	2 (87)
4	M/s. Galaxy Knits Limited, 252, Periyar Colony, Anupparpalayam, Tirupur – 641 652.	U18100TZ2012PLC018577	Subsidiary	100	2 (87)

## IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

## i) Category-wise Share Holding

Code	Category of Shareholder	No of Shares held at the beginning of the year				No of Shares held at the end of the year				% Change During the Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(I)	(II)									
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual / HUF	27208725	-	27208725	72.21	27208725	-	27208725	72.21	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	1038000	-	1038000	2.75	1038000	-	1038000	2.75	-
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(1)	28246725	-	28246725	74.96	28246725	-	28246725	74.96	-
(2)	FOREIGN									
(a)	Individuals (NRIs / Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(2)	-	-	-	-	-	-	-	-	-
	Total A=A(1)+A(2)	28246725	-	28246725	74.96	28246725	-	28246725	74.96	-
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds / UTI	400163	-	400163	1.06	3450718	-	3450718	9.16	8.10
(b)	Financial Institutions / Banks	30390	-	30390	0.08	5410	-	5410	0.01	-0.07
(c)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	42114	-	42114	0.11	814166	-	814166	2.16	2.05
(g)	Foreign Venture Capital Investors	2554994	-	2554994	6.78	683294	-	683294	1.81	-4.97
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total B(1)	3027661	-	3027661	8.03	4953588	-	4953588	13.14	5.11

Code	Category of Shareholder	No of Shares held at the beginning of the year				No of Shares held at the end of the year				% Change During the Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2)	<b>NON-INSTITUTIONS</b>									
(a)	Bodies Corporate	792861	-	792861	2.10	484693	-	484693	1.29	-0.82
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 1 lakh	1487965	1213	1489178	3.95	1572858	8863	1581721	4.20	0.25
	(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	1573795	-	1573795	4.18	2219183	-	2219183	5.89	1.71
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(d)	Others									
	Trusts	2	-	2	-	-	-	-	-	-
	Overseas Corporate Bodies	505165	1106784	1611949	4.28	-	-	-	-	-4.28
	Foreign Corporate Bodies	792191	-	792191	2.10	45065	-	45065	0.12	-1.98
	Non Resident Indians	93705	-	93705	0.25	148338	-	148338	0.39	0.14
	Clearing Members	54825	-	54825	0.15	3579	-	3579	0.01	-0.14
	Sub-Total B(2)	5300509	1107997	6408506	17.01	4473716	8863	4482579	11.90	-5.11
	Total B=B(1)+B(2)	8328170	1107997	9436167	25.04	9427304	8863	9436167	25.04	-
	Total (A+B)	36574895	1107997	37682892	100	37674029	8863	37682892	100	-
(C)	<b>SHARES HELD BY CUSTODIANS, AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED</b>									
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
(2)	Public	-	-	-	-	-	-	-	-	-
	Sub-Total C	-	-	-	-	-	-	-	-	-
	<b>GRAND TOTAL (A+B+C)</b>	36574895	1107997	37682892	100	37674029	8863	37682892	100	-

## (ii) Shareholding of Promoters

S. No	Name of the Shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No of Shares	% of shares of the Company	% of shares Pledged/ encumbered to total shares	No of Shares	% of shares of the Company	% of shares Pledged/ encumbered to total shares	
1	Sri. K.P.Ramasamy	8127684	21.57	-	8127684	21.57	-	-
2	Sri. KPD Sigamani	8128634	21.57	-	8128634	21.57	-	-
3	Sri. P. Nataraj	8127733	21.57	-	8127733	21.57	-	-
4	M/s. K.P.R.Developers Limited	1038000	2.75	-	1038000	2.75	-	-
5	Smt. N Jayanthi	941842	2.50	-	941842	2.50	-	-
6	Smt. K R Parvathi	941171	2.50	-	941171	2.50	-	-
7	Smt. D. Radhamani	940941	2.50	-	940941	2.50	-	-
8	Sri. C.R.Anandakrishnan	720	-	-	720	-	-	-
	<b>Total</b>	<b>28246725</b>	<b>74.96</b>	<b>-</b>	<b>28246725</b>	<b>74.96</b>	<b>-</b>	<b>-</b>

## (iii) Change in Promoters' Shareholding: None

## (iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

S.No.	Top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	DSP Blackrock Micro Cap Fund	NIL	NA	1072441	2.84
2	L and T Mutual Fund Trustee Ltd - L and T Tax Advant	NIL	NA	744672	1.97
3	Ares Investments	2554994	6.78	683294	1.81
4	DSP Blackrock 3 Years Close Ended Equity Fund	NIL	NA	537563	1.42
5	IDFC Equity Opportunity Series 2	NIL	NA	425000	1.12
6	Shivani T Trivedi	NIL	NA	375000	0.99
7	Tejas B Trivedi	170978	0.45	350000	0.92
8	Gopinath C K	NIL	NA	254287	0.67
9	Chander Bhatia	280000	0.74	180000	0.47
10	Kamlesh Navinchandra Shah	NIL	NA	165000	0.43

## (v) Shareholding of Directors and Key Managerial Personnel

S.No.	For Each of the Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Sri. K.P. Ramasamy	8127684	21.57	8127684	21.57
2	Sri. KPD Sigamani	8128634	21.57	8128634	21.57
3	Sri. P. Nataraj	8127733	21.57	8127733	21.57
4	Sri. C.R. Anandakrishnan	720	0.0019	720	0.0019
5	Sri. K.N.V. Ramani	-	-	-	-
6	Sri. M.J. Vijayaraaghavan	100	0.0001	100	0.0001
7	Sri. G.P.Muniappan	-	-	-	-
8	Dr. K. Sabapathy	-	-	-	-
9	Sri. A.M. Palanisamy	-	-	-	-
10	Sri. A. Sekar	-	-	-	-
11	Sri. C.Thirumurthy	175	0.0001	5	0.0001
12	Dr. S. Ranganayaki	-	-	-	-

S.No.	For Each of the KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Sri. PL. Murugappan Chief Financial Officer	NIL	NA	NIL	NA
2	Sri. P.Kandaswamy Company Secretary	NIL	NA	NIL	NA

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(₹ in Lakhs)

Particulars	Secured Loans	Unsecured Loans	Deposits	Total
<b>Indebtedness at the beginning of the FY</b>				
i) Principal Amount	51,651	322	-	51,973
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	310	-	-	310
<b>Total (i + ii + iii)</b>	<b>51,961</b>	<b>322</b>	<b>-</b>	<b>52,283</b>
<b>Change in Indebtedness during the FY</b>				
Addition	79,105	26	-	79,131
Reduction	64,861	246	-	65,107
Net Change	14,244	-220	-	14,024
<b>Indebtedness at the end of the FY</b>				
i) Principal Amount	65,628	102	-	65,730
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	577	-	-	577
<b>Total (i + ii + iii)</b>	<b>66,205</b>	<b>102</b>	<b>-</b>	<b>66,307</b>



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Directors, Whole-Time Directors and / or Manager

(₹ in Lakhs)

S.No.	Particulars of Remuneration	Name of MD / WTD / Manager					Total Amount
		Sri.K.P.Ramasamy	Sri.KPD.Sigamani	Sri.P.Nataraj	Sri.C.R. Ananda krishnan	Sri.A.Sekar	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	72	72	72	24	12	252
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	-	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961	-	-	-	-	-	-
2.	Stock Option	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-
4.	Commission						
	- as % of profit	500	500	500	-	-	1,500
	- others	-	-	-	-	-	-
5.	Others	-	-	-	-	-	-
	<b>Total (A)</b>	<b>572</b>	<b>572</b>	<b>572</b>	<b>24</b>	<b>12</b>	<b>1,752</b>
	Ceiling as per the Act	10% of the Net Profit of the Company calculated as per Section 198 of the Act.					

Remuneration to other Directors		Name of Directors							Total Amount (₹ in Lakhs)
S. No.	Particulars of Remuneration	Sri. M.J. Vijayaraaghavan	Dr. K. Sabapathy	Sri. G.P. Muniappan	Sri. K.N.V. Ramani	Sri. A.M. Palanisamy	Sri. C. Thirumurthy	Sri. Shujaat Khan *	
1.	Independent Directors								
	• Fee for attending board and Committee Meeting	3	3	2	1	1	1	-	11
	• Commission	-	-	-	-	-	-	-	-
	• Others	-	-	-	-	-	-	-	-
	Total (1)	3	3	2	1	1	1	-	11
2.	Other Non-Executive Directors								
	• Fee for attending board and Committee Meeting	-	-	-	-	-	-	1	1
	• Commission	-	-	-	-	-	-	-	-
	• Others	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	1	1
Total (B) = (1 + 2)		3	3	2	1	1	1	1	12
Total Managerial Remuneration		3	3	2	1	1	1	1	12
Overall Ceiling as per the Act		1% of the Net Profits of the Company calculated as per Section 198 of the Act.							

\* Non - Independent. Ceased to be a Director with effect from 30.12.2014

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	Chief Financial Officer	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	10	14	24
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	(i) as a percentage of Profit	-	-	-
	(ii) others	-	-	-
5	Others - Bonus	2	2	4
	<b>Total</b>	<b>12</b>	<b>16</b>	<b>28</b>

C. Remuneration to Key Managerial Personnel other than MD / Manager/WTD

# Corporate Governance

## COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance refers to the set of systems, principles and processes by which a Company is governed. They provide the guidelines as to how the Company can be directed or controlled such that it can fulfill its goals and objectives in a manner that adds to the value of the Company and is also beneficial for all Stakeholders, ranging from the Board of Directors, Management, Shareholders, Lenders, Customers, Employees and Society in the long term.

The Company's philosophy on Corporate Governance envisages the attainment of high level of transparency in all facets of procedures and reporting systems. KPR's governance practices stems from an inherent desire to improve business excellence and to enhance the stakeholders' value with strong emphasis on transparency, accountability and integrity.

## BOARD OF DIRECTORS

The Board consists of eminent Professionals from different fraternity empowering the Corporate's strive for sustained better Corporate Governance practices. It comprises Twelve Directors viz., One Executive Chairman, Four Executive Directors and Seven Independent Directors (Including one woman Director) having no business relationship with the Company & constituting over 50% of Board's composition in compliance with the Listing Agreement & Companies Act, 2013.

Name of the Director	Category	Number of Directorships held in other Companies**	Number of Board*** Committee Memberships held in other Companies	
			Chairman	Member
Sri. K. P. Ramasamy	Executive	1	-	-
Sri. KPD Sigamani	Executive	1	-	-
Sri. P. Nataraj	Executive	1	-	-
Sri. M. J. Vijayaraaghavan	Independent Director	1	-	-
Dr. K. Sabapathy	Independent Director	1	-	-
Sri. G. P. Muniappan	Independent Director	1	-	1
Sri. K. N. V. Ramani	Independent Director	6	1	2
Sri. A.M. Palanisamy	Independent Director	2	1	-
Sri. A. Sekar	Executive	-	-	-
Sri. C.R. Anandakrishnan	Executive	-	-	-
Sri. C. Thirumurthy	Independent Director	1	-	1
Dr. S. Ranganayaki*	Woman Director	-	-	-

\* Appointed as a Director with effect from 12.03.2015

\*\* Excluding Directorship in K.P.R. Mill Limited & its Subsidiaries, Private Limited Companies which are neither a Subsidiary nor a Holding Company of a Public Company, Companies under Section 8 of the Companies Act, 2013, alternate Directorship and Companies incorporated outside India.

\*\*\* Chairmanship / Membership of Board Committees include Audit Committee and Stakeholders Relationship Committee but exclude Committees of Subsidiary Company, Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

Their Directorships are within the limit prescribed. The Independent Directors have the option and freedom to interact with the Company Management periodically and they are provided with the information required to perform their functions effectively.

The roles and offices of Chairman and CEO are separated to promote balance of power.

## BOARD PROCEDURE

By deciding the dates and issue of notices well in advance, Six Board Meetings were held during the year under review. They were held on 19.04.2014, 22.05.2014, 04.08.2014, 06.11.2014, 05.02.2015 and 12.03.2015. The Agenda papers containing all material information such as raw materials purchased, yarn produced, yarn sold, fabric production, fabric sales, fabric processing, garment production, export of garments, power generated, power consumed, realization, stock details, working capital facilities, term loan availment, risk exposures, annual budget, capital expenditure, sale of assets, status of projects under implementation, financials of Subsidiary Company etc., are circulated to the Directors in advance for facilitating meaningful and focused discussions at the Meetings.

The attendance record of each Director at the Board Meetings and at the last Annual General Meeting is given below:

Name of the Director	Number of Board Meeting Attended	Last AGM Attended Yes/No
Sri. K. P. Ramasamy	6	Yes
Sri. KPD Sigamani	6	Yes
Sri. P. Nataraj	6	Yes
Sri. Shujaat Khan*	2	No
Sri. M. J. Vijayaraaghavan	6	Yes
Dr. K. Sabapathy	6	No
Sri. G.P. Muniappan	6	Yes
Sri. K.N.V. Ramani	6	Yes
Sri. A.M. Palanisamy	6	No
Sri. A. Sekar	3	Yes
Sri. C.R. Anandakrishnan	4	Yes
Sri. C. Thirumurthy	6	Yes
Dr. S. Ranganayaki**	NA	NA

\* Ceased to be a Director with effect from 30.12.2014

\*\* Appointed with effect from 12.03.2015

The Audit Committee consists of 4 Directors of which 3 are Independent Directors. All the Members of the Audit Committee are financially literate wherein two are Chartered Accountants and one is Retd. Deputy Governor of RBI.

During the year under review, the Audit Committee met Four times and the attendance of each Member is furnished as below:

✓ Attended

Sri. P. Kandaswamy, Company Secretary acts as the Secretary of the Audit Committee.

A qualified Chartered Accountant with rich experience conducts Internal Audit.

The Audit Committee charter has been framed and displayed in the Company's Website.

The Nomination and Remuneration Committee consists of 4 Directors of which 3 are Independent Directors.

Pursuant to the cessation of the Directorship of Sri. Shujaat Khan with effect from 30.12.2014, he ceased to be a member of the committee from that date. The committee was reconstituted on 05.05.2015 with the following Members:

\* Appointed as a member with effect from 05.05.2015

The functions of Committee is to formulate criteria to determine qualifications, positive attributes and independence of Directors, Key Managerial Personnel (KMP), Senior Management etc., and recommend to the Board a Policy relating to their appointment and remuneration, so as to ensure that the Company's policies in respect of the Directors, KMP are competitive to recruit and retain the best talent in the Company and to ensure appropriate disclosure of remuneration paid to the said persons.

During the year under review, the Nomination and Remuneration Committee met twice and the attendance of each Member is furnished as below:

✓ Attended                      NA - Not Applicable

\*\* Ceased to be a Member with effect from 30.12.2014.

# Corporate Governance

Details of Remuneration and Sitting Fee paid to the Directors are given below:

(₹ in lakhs)

Name of the Director	Remuneration during the year 2014-15	Sitting fees for attending meetings of the Board and / or Committee thereof
1. Sri. K.P. Ramasamy	572.00	Nil
2. Sri. KPD Sigamani	572.00	Nil
3. Sri. P. Nataraj	572.00	Nil
4. Sri. Shujaat Khan*	Nil	0.50
5. Sri. M.J. Vijayaraaghavan	Nil	3.00
6. Dr. K. Sabapathy	Nil	2.80
7. Sri. G.P. Muniappan	Nil	2.10
8. Sri. K.N.V. Ramani	Nil	1.10
9. Sri. A.M. Palanisamy	Nil	1.10
10. Sri. A. Sekar	12.05	Nil
11. Sri.C.R. Anandakrishnan	24.00	Nil
12. Sri. C. Thirumurthy	Nil	1.10
13. Dr. S. Ranganayaki**	NA	NA

\* Ceased to be a Director with effect from 30.12.2014

\*\* Appointed with effect from 12.03.2015

The Nomination and Remuneration Committee Policy has been framed and displayed in the Company's Website.

## STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholder Relationship Committee was formed specifically to consider and resolve the grievances of Security holders of the Company.

The Stakeholders Relationship Committee consists of 3 Directors of whom 2 are Independent. Sri. P. Kandaswamy, Company Secretary is the Secretary to the Committee and the Compliance Officer of the Company. The Stakeholder Relationship Committee held Four Meetings during the Financial Year and the attendance of each Member is furnished as below:

Name of the Member	Attendance at the Meeting held on			
	15.05.2014	29.07.2014	31.10.2014	28.01.2015
1. Dr. K. Sabapathy – Independent & Non-Executive Director (Chairman)	✓	✓	✓	✓
2. Sri. M.J. Vijayaraaghavan – Independent & Non-Executive Director	✓	✓	✓	✓
3. Sri. P. Nataraj – Non Independent and Executive Director	✓	✓	✓	✓

✓ Attended

Nature of complaint/queries received during 2014-15	No. of complaints
1. For non-receipt of dividend, shares lodged for transfer, issue of duplicate share certificates.	5
2. Queries / Complaints redressed	5
3. Pending queries / complaints as on 31.03.2015	Nil

Pursuant to SEBI's Directions, Company has created a centralized web based complaints redress system 'SCORES' and in that system no complaint has been received during the year.

As per Clause 47 (f) of the Listing Agreement, the Company has designated the following exclusive E-mail ID for the convenience of Investors:

[investors@kprmill.com](mailto:investors@kprmill.com)

In addition they can forward their grievance, if any, to the following E-mail ID also:

[kandaswamy@kprmill.com](mailto:kandaswamy@kprmill.com)

As required by the Listing Agreement, Company's website [www.kprmilllimited.com](http://www.kprmilllimited.com) is updated with the Quarterly information conveyed to the Stock Exchanges.

The Company's website contains a separate dedicated section 'Investor' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

With a view to regulate trading in securities by the Directors and Designated Employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of Directors has constituted the Corporate Social Responsibility Committee consisting of the following Members:

1. Sri. K.P. Ramasamy – Non Independent Executive Director (Chairman)
2. Sri. KPD Sigamani – Non Independent Executive Director
3. Sri. P. Nataraj – Non Independent Executive Director
4. Sri M.J. Vijayaraaghavan – Independent & Non Executive Director

The main objective of the Corporate Social Responsibility Committee is to assist the Board of Directors and the Company in fulfilling its Corporate Social Responsibility ("CSR") activities. Besides and in line with the terms of reference made by the Board of Directors while constituting the Committee, the Committee has the overall responsibility for identifying the areas of CSR activities; recommending the amount of expenditure to be incurred on the identified CSR activities; devising and implementing the CSR policy; co-ordinating with the Agency, if any, appointed to implement programs and executing initiatives as per CSR policy of the Company. The Committee is also responsible for reporting the progress of various initiatives and in making appropriate disclosures on a periodical basis. The CSR Policy has also been framed and its details are uploaded in the Company's website.

The Corporate Social Responsibility Committee held One Meeting on 28.01.2015 during the Financial Year and all the members of the committee attended the meeting.

## MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company had met during the year on 12.03.2015 to review the performance of Non-independent Directors & the Board as a whole and the performance of the Chairperson of the Company. It has assessed the quality, quantity and timeliness of flow of information between the Company management and the Board.

## CEO / CFO CERTIFICATION

The CEO and CFO have furnished a certificate relating to financial statements and internal controls and systems to the Board of Directors as required.

## GENERAL BODY MEETING

a) Details of Location, Date of the General Meetings held during the last three years:

Annual General Meeting	Date	Venue	Time
9 <sup>th</sup>	29.08.2012	Ball Room, Hotel The Residency, Avinashi Road, Coimbatore-641 018	11.30 A.M
10 <sup>th</sup>	31.08.2013	Ball Room, Hotel The Residency, Avinashi Road, Coimbatore-641 018	11.30 A.M
11 <sup>th</sup>	27.08.2014	Ball Room, Hotel The Residency, Avinashi Road, Coimbatore-641 018	11.30 A.M

## SPECIAL RESOLUTIONS PASSED IN 11<sup>th</sup> AGM

The following Special resolutions were passed at the 11<sup>th</sup> Annual General Meeting of the Company through E-Voting and Postal Ballots:

S. No	Subject	Type
1.	Appointment of Dr. K.Sabapathy as an Independent Director	Special
2.	Appointment of Sri. G.P.Muniappan as an Independent Director	Special
3.	Appointment of Sri. M.J.Vijayaraaghavan as an Independent Director	Special
4.	Appointment of Sri. K.N.V.Ramani as an Independent Director	Special
5.	Appointment of Sri. A.M.Palanisamy as an Independent Director	Special
6.	Appointment of Sri. C.Thirumurthy as an Independent Director	Special
7.	According Consent to the Board for Borrowing u/s 180 (1) ( c) of the Companies Act, 2013	Special
8.	Authorizing the Board to create Security for Borrowing u/s 180 (1) (a) of the Companies Act, 2013	Special
9.	Re-appointment of Sri. K.P.Ramasamy as Executive Chairman at a Remuneration	Special
10.	Re-appointment of Sri. KPD Sigamani as Managing Director at a Remuneration	Special
11.	Re-appointment of Sri. P.Nataraj as Managing Director at a Remuneration	Special

## POSTAL BALLOT AND E-VOTING

In pursuance of the Listing Agreement, E-Voting and Postal Ballot facilities were extended to all the Shareholders of the Company to facilitate Voting on the Subjects/Resolutions contained in the 11<sup>th</sup> AGM notice. To conduct the voting procedure in a fair and transparent manner, a Scrutinizer was appointed. Accordingly the Scrutinizer conducted the voting process and submitted his report on the voting polled to the Chairman of the Company.

As per the said Report, the results of the voting on the Subjects / Resolutions, contained in the Agenda of the meeting were announced. Besides Reports were forwarded to the Stock Exchanges and uploaded along with the scrutinizers report, in the Company's website. Entire Resolutions contained in the said agenda were passed.



# Corporate Governance

## DISCLOSURE

1. None of the transactions with related parties during the year 2014-15 were in conflict with the interest of the Company.
2. No penalty or levy has been imposed by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets during last year.
3. Sri. K.P. Ramasamy, Chairman, Sri. KPD Sigamani, Managing Director and Sri. P. Nataraj, Managing Director are related to each other and Sri. C.R. Anandakrishnan, Executive Director is related to Sri. K.P. Ramasamy, Chairman.
4. The Independent Director of the Holding Company was nominated in its Subsidiary Companies Viz: M/s. K.P.R. Sugar Mill Limited (Material Subsidiary), M/s. Jahnvi Motor Private Limited and M/s. Quantum KNITS PVT. LIMITED. The salient features of the Minutes of Meeting of Board of Directors of the Wholly Owned Subsidiary Companies viz., M/s. Quantum KNITS PVT. LIMITED, M/s. K.P.R. Sugar Mill Limited, M/s. Jahnvi Motor Private Limited and M/s. Galaxy Knits Limited are placed before the Board of Directors and their attention are drawn to significant transactions and arrangement entered into by the Subsidiary Company.
5. Directors Responsibility Statement and Management Discussion and Analysis Report along with the Report of the Auditors thereon have been furnished elsewhere in the Annual Report.
6. The Company has a system to inform the Members of the Board about the Risk Assessment and its minimization procedure.

## MEANS OF COMMUNICATION

The Annual Report containing the Financial Statements is posted/e-mailed to the shareholders of the Company in compliance with the provisions of the Companies Act, 2013. Towards Green Initiative, the Shareholders are requested to convey / update their e-mail address as well as register the same with their respective Depository Participant.

Official-news releases and official media releases are sent to Stock Exchanges.

- i. Quarterly Results are usually published in "Business Line" (English) and in "Dinamalar" (Tamil).
- ii. The Financial Results are also accessible on the Company's Website - [www.kprmilllimited.com](http://www.kprmilllimited.com)
- iii. Presentations made to institutional investors and financial analysts on the Company's unaudited quarterly as well as audited annual financial results are uploaded on the Company's website.

## SHAREHOLDERS INFORMATION

### Annual General Meeting

Day and Date	Tuesday, 25 <sup>th</sup> August 2015
Time	11.30 A.M.
Venue	Ball Room, Hotel The Residency, 1076, Avinashi Road, Coimbatore – 641 018.

## DATE OF BOOK CLOSURE

The Register of Members and Share Transfer Books of the Company will remain closed from 19.08.2015 to 25.08.2015 (both days inclusive) for the purpose of Final Dividend and Annual General Meeting of the Company.

## SHARE DETAILS

The Equity Shares of the Company are listed at the following Stock Exchanges:

**Bombay Stock Exchange Limited,** Scrip Code 532889  
1<sup>st</sup> Floor, Rotunda Buildings,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001.

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

The Annual Listing Fee payable to the Stock Exchanges for the Financial Year 2014-15 have been paid in full.

## DEMATERIALISATION OF SHARES

Members have the option to hold their shares in demat form either through the National Securities Depository Limited or the Central Depository Services Limited. The ISIN Number of the Company is INE930H01015.

The Annual Custodian Fee for the year 2015-16 will be paid by the Company to NSDL and CDSL on receipt of the invoices.

As on 31.03.2015, shares representing 99.98 percentage of the total paid up capital of the Company are held in dematerialized form with NSDL and CDSL.

## REGISTRAR AND TRANSFER AGENTS

Karvy Computershare Private Limited,  
Karvy Selenium, Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda, Hyderabad – 500 032.  
Ph: 040 6716 2222  
Fax: 040 2300 1153  
Toll Free No: 1800 345 4001  
E-mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)



## SHARE TRANSFER SYSTEM

After confirmation of the sale transaction from the Broker, Shareholder should approach the depository participant with a request, in the form of delivery instruction slip, to transfer the shares to the account of the broker. The depository participant will execute the instruction and transfer the share to the account of the Broker.

Similarly, in the case of a purchase, the Broker will arrange to credit the shares in the Demat account of Share Holder within 24 hours after the pay out has been declared by the Exchange. There is no need for a separate communication with the Company or its Share Transfer Agents.

Please register your mobile number and email id with the DP, to get instant information through SMS from the Depository, whenever shares are debited from your DP account. Please ensure from your DP that your order is intact. Please collect a copy of transaction/holding from your DP periodically. Also use the nomination facility available with the Depository and register the nominee.

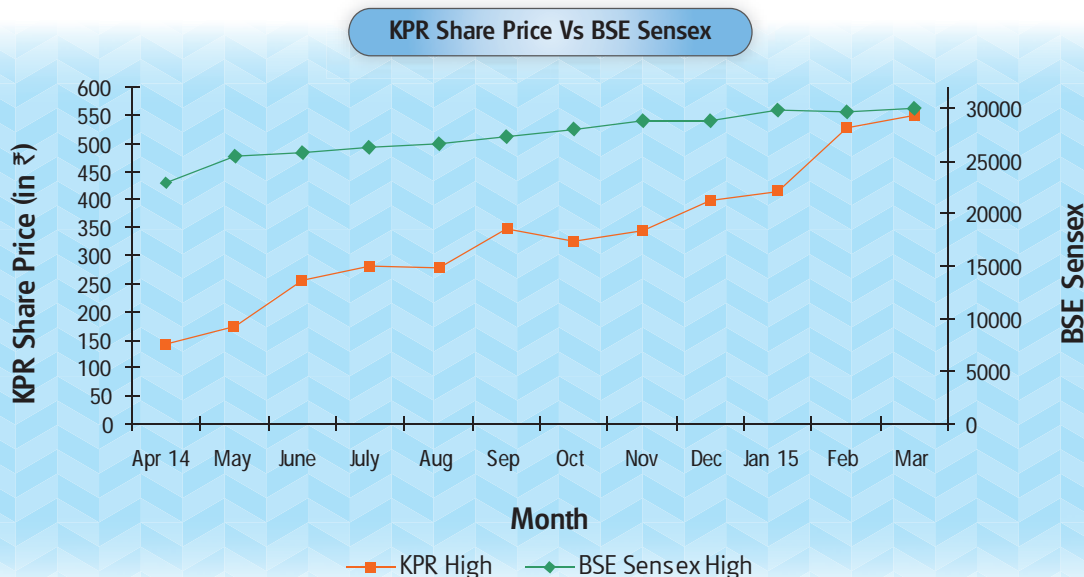
In respect of shares transferred in physical form, the investors need to attach a photocopy of the PAN card issued by the Income Tax Department along with the transfer deed. After the Share transfer committee of the Company, consisting of Chairman and Managing Directors, approves the transfer, the shares will be transferred by the Share Transfer Agent. For matters regarding the physical shares, the investors may approach the Company's Share Transfer Agent.

## MARKET PRICE DATA

The details of the monthly highest and lowest closing quotations of the Equity Shares of the Company at the Bombay Stock

Exchange Ltd and National Stock Exchange of India Ltd., during the financial year 2014-15 are given below:

MONTH	BSE			NSE		
	High (₹)	Low (₹)	Total Traded Quantity (in Crs)	High (₹)	Low (₹)	Total Traded Quantity (in Crs)
April 2014	141.00	112.55	0.03	141.55	113.40	0.06
May 2014	172.80	127.00	0.06	173.00	125.90	0.12
June 2014	256.50	157.00	0.16	256.80	156.60	0.42
July 2014	280.00	227.30	0.05	282.00	226.20	0.20
August 2014	277.25	225.10	0.03	275.90	226.10	0.05
September 2014	347.00	242.50	0.15	346.00	241.00	0.44
October 2014	325.00	286.55	0.03	325.00	286.10	0.10
November 2014	342.90	296.00	0.05	343.80	296.00	0.16
December 2014	397.30	318.00	0.15	395.00	315.90	0.29
January 2015	413.00	347.55	0.09	413.00	346.90	0.15
February 2015	528.00	388.00	0.07	528.00	385.50	0.19
March 2015	549.50	456.75	0.02	534.00	456.55	0.05



# Corporate Governance

## DISTRIBUTION OF SHAREHOLDINGS AS ON 31<sup>ST</sup> MARCH 2015

Shareholdings	No. of Share holders	% of Share holders	No. of Shares	% of Equity
1 - 500	6174	88.54	595969	1.58
501 - 1000	339	4.86	269337	0.71
1001 - 2000	182	2.61	279539	0.74
2001 - 3000	69	0.99	175532	0.47
3001 - 4000	23	0.33	84667	0.22
4001 - 5000	33	0.47	156109	0.41
5001 - 10000	54	0.77	406073	1.08
10001 & above	99	1.43	35715666	94.79
<b>Total</b>	<b>6973</b>	<b>100.00</b>	<b>37682892</b>	<b>100.00</b>

## SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH 2015

Category	Number of Shares Held	% of Holding
Promoters & Promoters Group	28246725	74.96
Overseas Corporate Bodies	128179	0.34
Mutual Funds	3450718	9.16
Banks & Financial Institutions	5410	0.01
Foreign Institutional Investors	731052	1.94
Foreign Venture Capital Investors	683294	1.81
NRI's	148338	0.39
Bodies Corporate	484693	1.29
Public	3804483	10.10
<b>Total</b>	<b>37682892</b>	<b>100.00</b>

## SHAREHOLDING OF DIRECTORS AS ON 31<sup>ST</sup> MARCH 2015

S.No	Name of Director	Shareholding
1	Sri. K.P.Ramasamy	8127684
2	Sri. KPD Sigamani	8128634
3	Sri. P. Nataraj	8127733
4	Sri. C.R. Anandakrishnan	720
5	Sri. K.N.V. Ramani	-
6	Sri. M.J. Vijayaraaghavan	100
7	Sri. G.P. Muniappan	-
8	Dr. K. Sabapathy	-
9	Sri. A.M. Palanisamy	-
10	Sri. A. Sekar	-
11	Sri. C.Thirumurthy	5
12	Dr. S. Ranganayaki	-

## PLANT LOCATION

LOCATION	TELEPHONE	FACILITIES
Indiampalayam Village, Sathyamangalam-638 454	+ 91 4285 251490	Spinning
S.F.No.273, Kittampalayam, Karumathampatti, Coimbatore-641 659	+ 91 421 232 1000	Spinning, Compact & Melange
S.F. No.525, Neelambur, Coimbatore-641 062	+ 91 422 262 5115	Spinning & Knitting
S.F.No.181, Kollupalayam, Arasur, Coimbatore-641 407	+ 91 422 2635500	Spinning, Knitting & Garmenting
252, Periyar Colony, Tirupur-641 652	+ 91 421 2259200	Garmenting
SIPCOT Industrial Area, Perundurai	+ 91 4294 234800	Processing
270 J, Periyar Colony, Tirupur - 641 652	+ 91 421 2259500	Marketing (Yarn & Fabric)
S.F. No 7, Avinashi Road, Thekkalur, Tirupur-641 654	+91 89733 33255	Garmenting
Tirunelveli, Tenkasi, Theni & Coimbatore District		Windmills

## ADDRESS FOR CORRESPONDENCE

The Company Secretary,  
K P R Mill Limited, 1<sup>st</sup> Floor, Srivari Shrimat,  
1045, Avinashi Road, Coimbatore - 641 018.  
Ph: +91 422 220 7777

For your reference the Company's CIN: L17111TZ2003PLC010518

## FAMILIARISATION PROGRAM

Familiarisation Program on the Company and its operations was conducted apprising the Independent Directors of the following:

1. Roles, Rights and Responsibilities of Independent Directors in the Company
2. Manufacturing Facilities/Units of the Company
3. Products Manufactured
4. Production Capacity of each segment
5. Key Strengths
6. Evolution
7. Unique Employment Model
8. Power Self-sufficiency through captive green power
9. CSR Activities
10. Historical Performance & Future Plans

The Corporate profile and Corporate film were exhibited to the Directors under the program. Corporate Profile is available in the Company's website.

## CAPITAL INTEGRITY AUDIT

The Certificate from a Practicing Company Secretary, confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with the National Securities Depository Limited and Central Depository Services (India) Limited, is placed before the Board on a quarterly basis. A copy of the said Certificate is submitted to the Stock Exchanges where the securities of the Company are listed.

## PREVENTION OF INSIDER TRADING

Pursuant to SEBI (Prohibition of Insider Trading) Regulation, 1992, the Company has prescribed a Code of Conduct for prevention of insider trading through Purchase / Sale of Share of the Company by an insider on the basis of unpublished price sensitive information. The same is followed and the designated persons are disclosing the related information periodically.

The Company has also formulated a Code for Fair Disclosure of the Price Sensitive information in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 2015 and the same is disseminated in the website of the Company.

Sri. P. Kandaswamy, Company Secretary, has been designated as the Compliance Officer.

## SUBSIDIARY

The financials of the subsidiary companies viz., M/s. K.P.R. Sugar Mill Limited, M/s. Jahnvi Motor Private Limited, M/s. Quantum KNITS PVT. LIMITED & M/s. Galaxy Knits Limited have been duly reviewed by the Audit Committee and the Board of the Holding Company. Salient features of the Board minutes of the unlisted Subsidiary Companies have been placed before the Board of the Holding Company. The Holding Company's Board is also periodically informed about all significant transactions and arrangements entered into by the Subsidiary Companies.

## MATERIAL SUBSIDIARY

The Company has also formulated a policy for determining the Material Subsidiary and the details of such policies are disseminated in the website of the Company.

It has determined that K.P.R. Sugar Mill Limited is a Material Subsidiary Company as per the Listing Agreement.

## RISK MANAGEMENT

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Clause 49 of the Listing Agreement, the Company has framed a Risk Management Policy. In the opinion of the Board there appears to be no element of risk which may threaten the existence of the Company.

The Risk Management Policy is disseminated in the website of the Company.

## RELATED PARTY TRANSACTIONS (RPT)

There has been no materially significant related party transactions with the Company's Promoters, Directors, KMP, the Management, their Subsidiaries or relatives which may have

potential conflict with the interests of the Company at large. The necessary disclosures regarding the transactions in pursuance of Accounting Standards are given in the notes to accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and the details of such policies is disseminated in the website of the Company.

## TRANSFERS TO IEPF ACCOUNT OF CENTRAL GOVERNMENT

The Company has transferred the following IPO Refund/unpaid dividend Accounts which remained unpaid for more than seven years that were due for transfer during the financial year 2014-15 to the Investor Education and Protection Fund of the Central Government:

S. No.	Dividend	Date of Transfer	Amount of Transfer
1	Unpaid IPO Refund	27.09.2014	₹ 1,57,000
2	Interim Dividend 2007-08	18.12.2014	₹ 80,610

## DEMAT SUSPENSE ACCOUNT

(As per Clause 5A of the Listing Agreement)

Particulars	No. of Cases	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. as on April 1 <sup>st</sup> , 2014	9	1175
Number of shareholders who approached for Issuer / Registrar for transfer of shares from suspense account during the year 2014-15	-	-
Number of shareholders to whom shares were transferred from suspense account during the year 2014-15	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. as on March 31 <sup>st</sup> , 2015	9	1175

As per Listing Agreement, separate Demat Suspense Accounts have been opened and the unclaimed Shares have been transferred to those Accounts.

The Voting Rights on the outstanding unclaimed shares lying in suspense account shall remain frozen till the rightful owner of such shares claims the shares.

## CORPORATE GOVERNANCE VOLUNTARY GUIDELINES

Committed to the principles of good Corporate Governance, the Company has, wherever necessary, complied with the Voluntary Guidelines issued by the Ministry of Corporate Affairs on Corporate Governance and the Non Mandatory requirements of Clause 49 of the Listing Agreement.

# Corporate Governance

## REPORT ON COMPLIANCE WITH THE NON MANDATORY REQUIREMENTS

The Report on Compliance of Non-Mandatory Requirements as provided in the Listing Agreement is furnished below:

### 1. The Board

The Chairman of the Company is an Executive Chairman having an office at the premises of the Company.

### 2. Shareholder Rights

Financial Performance and significant events are disclosed in the website of the Company from time to time besides forwarding to stock exchanges and publishing in newspaper. The Company is in the process of obtaining Email-IDs of Shareholders and on completion of the process half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders.

### 3. Audit Qualifications

The Company is already in the regime of unqualified financial statements only.

### 4. Separate posts of Chairman and CEO

The Company has appointed separate persons to the post of Chairman and Managing Director / CEO.

### 5. Reporting of Internal Auditor

The Internal Auditor is reporting directly to the Audit Committee and Managing Director.

The above Corporate Governance Report has been placed before the Board of Directors at their Meeting held on 05.05.2015 and the same was approved thereat.

## CODE OF CONDUCT AND ETHICS – DECLARATION

It is hereby declared that the Board of Directors of the Company have adopted a Code of Conduct for the Board Members and Senior/Key Management of the Company and the same has also been posted in the website of the Company and that all the Board Members and Senior/Key Management Personnel to whom this Code of Conduct is applicable have affirmed the compliance of Code of Conduct during the year 2014-15.

Coimbatore  
05.05.2015

P. Nataraj  
Managing Director

## CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of K. P. R. Mill Limited

We have examined the compliance of conditions of Corporate Governance by **K.P.R. MILL LIMITED** ("the Company") for the year ended on March 31<sup>st</sup> 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above-mentioned Listing Agreement.

We state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Registration No.008072S  
  
**M. Ramachandran**  
Partner  
Membership No. 16399

COIMBATORE,  
May 5, 2015

## CEO/CFO CERTIFICATE

### Pursuant to Clause 49(v) of Listing Agreement

In relation to the audited financial accounts of the Company as at March 31<sup>st</sup> 2015, we hereby certify that:

- (a) We have reviewed financial statements (standalone and consolidated) for the year and that to the best of our knowledge and belief:
  - (i) These statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are to the best of our knowledge and belief, no transactions entered into by the Company during the Period which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept that it is our responsibility to establish and maintain internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and we have disclosed based on our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
  - (i) There were no deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data and there have been no material weakness in internal controls over financial reporting including any corrective actions regard deficiencies.
  - (ii) There were no significant changes in internal control during the period covered by this report.
  - (iii) All significant changes in accounting policies during the period and that the same have been disclosed in the notes to the financial statements.
  - (iv) There were no instances of significant fraud of which we are aware, that involve of the management or an employee who have a significant role in the Company's internal control system.

Coimbatore  
05.05.2015

**PL Murugappan**  
Chief Financial Officer

**P. Nataraj**  
Chief Executive  
Officer &  
Managing Director



# Management Discussion & Analysis

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT-2014-15

Moderate global growth continues amid challenges and risks. Global economic growth is expected to increase marginally at 3.1 per cent in 2015 and 3.3 per cent in 2016, compared with an estimated growth of 2.6 percent for 2014. An expected US interest rate increase, remaining EURO area fragility, a further slowdown in developing economies and geopolitical conflicts pose major concerns for the global economic outlook.

According to the World Bank & International Monetary Fund, India is on course to overtake China, the hardest-hitting heavy weight economy for years, to claim the position as the world's fastest growing, big economy in the next two years. Forecasts for India are raised saying "growth in Asia's third-largest economy would accelerate in the coming years even as much of the world is slowing down, in view of changes implemented to make the Country's economy more efficient and vibrant. The opening up of the coal industry to private investors, a deregulation of diesel prices to reduce the fiscal subsidy bill, a relaxation of labour market laws, and a linking of cash transfers with efforts to increase financial inclusion" were all cited by the report as helping in India's progress towards supercharged growth.

Propelled by sustained demand, the Global Textile and Apparel Trade is expected to grow rapidly in the years to come. The strong expectation that India will bounce back as a world textile superpower by regaining its lost glory and reputation, has been substantiated by the latest ITMF (International Textiles Manufacturers Federation) data. With domestic consumption of approximately \$68 billion and export value of roughly \$40 billion, the sector accounts for about six percent of the \$1.8 trillion Indian economy and nearly 13 percent of the country's total export basket. The Indian Textile and Apparel Industry grew at a CAGR of 13 percent during 2008-13 and is projected to expand at 12 percent to attain a size of \$440 billion by 2025. Being the second largest employment provider to the Indian Economy, around 45 million workers are benefited directly or indirectly accounting for 21 percent of the total employment generated in the economy. The core competency enabled Indian Textile Industry to emerge as the World's second largest Textile Exporter, overtaking Germany and Italy. Abundant availability of raw materials and skilled workforce has made India a preferred sourcing hub. With consumerism and disposable income on the rise, the sector has experienced a rapid growth in the past decade with several international players having entered Indian market.

As for India's position in the global textile value chain, the numbers are impressive. India hosts roughly 25 percent of the global spinning capacity. And, because of the TUF program in the recent past, the age structure of this capacity is relatively young – that means productivity. India produces 20 percent of global cotton supply both for domestic use and for export. About

27 percent of the foreign exchange earnings are on account of export of textiles and clothing alone. The future looks bright for the Indian Textile and Apparel Industry.

### Our Performance

Despite the challenges faced by the Spinning Industry, the vibrant Garment sector entailed the Company to achieve enhanced revenue over last year. Garment sales have grown by 34% and Yarn & Fabric Sales by 30%. Compared to last year, conversion of Yarn into Fabrics has increased – Increase in 'value added products'. The congenial cash flow enabled pre-payment of some of the high cost debts thereby reducing finance cost on consolidated financials.

As a twin blow to the industries 20% non-peak hour power cut and increase in Power Tariff were announced by the State. Sourcing power from other avenues became unattractive as the TANGEDCO started charging additional charges. These, coupled with power evacuation issue at State level pushed up the power cost. To meet the situation the Company had tied up with some of the Tamilnadu Power Producers under group captive consumption by investing in the Equity Capital of those Companies. Hike in the Minimum Wages and the wage level for PF Contribution by the Governments added Labour cost considerably. All these factors impacted the EBITDA level marginally over previous year. However our prompt expansion in Garments to meet the spurt in demand and conversion of some of its spindle from ring spinning to compact spinning that improves the quality & productivity of the yarn, will tend to off-set the aforesaid factors. Moreover resorting to regular nominal Capex and prudent choosing of further area of Expansion would result in cordial cash flow. Because of our competitive advantages (power, labour, close to buyer's market, etc.), integrated operations, diversified product mix, growing exports and strong balance sheet we are much positive on further progress and growth.

### COTTON

Swelling Global cotton stockpiles drove the prices of cotton to the longest slump as demand slows in China, the World's top consumer. The free and stable cotton policy of the government during the past few years led to the largest ever acreage under cotton in India during the season. The repetitive record output prediction and waning Exports to China, due to change in its reserve Policy, led its decline in prices even below MSP that prompted CCI to procure cotton to an extent of 86 lakh bales so far. The Indian cotton price was lower than international price since the beginning of the current cotton season till recently. However, now the Indian cotton prices are substantially above the international prices. Textile units have appealed to the Cotton Corporation of India (CCI) to release cotton stocks with it as prices have gone up in the last few weeks. The Indian cotton Balance sheet is given below.

## Cotton Season - (October-September)

(in Lakh Bales) - 2014-15 (As on 31.03.2015)

Opening Stock	32.00
Production	390.00
Imports	8.00
<b>Total Supply</b>	<b>430.00</b>
Consumption	320.00
Exports	70.00
<b>Total Demand</b>	<b>390.00</b>
Closing Stock	40.00

(Source : Cotton Advisory Board)

## YARN

Indian yarns have become more competitive in International Market, because Indian spinners have specialized in producing superior quality yarns. Spinning margins have been shrinking because of the devaluation in cotton inventories. Indian Cotton yarn export is estimated to have declined by 15 percent during 2014-15, with a steep fall in shipments to China due to slow down in its Textile Industry. Exporters have tried to compensate from elsewhere. As yarn prices fall, fabric prices do not fall as much and therefore fabric margins improve. In fact, both yarn and fabric segments, our margin drop would be lesser than the margin drop of pure spinning companies. The present Lean trend in yarn exports is only temporary. The outlook on the Indian cotton spinning industry has improved after the pressure witnessed in H1 FY 2015 and is expected to remain stable over the next year.

## GARMENTS

Driven by sustained demand the Company has enhanced its Garment manufacturing capacity to 59 Million pieces per annum through Brownfield addition and Greenfield establishment. Current year performance will reflect its full production.

Knitwear exports from Tirupur, the Asia's largest Knit-wear cluster have registered a growth of 15.5 percent in terms of rupee and 15.9 percent in terms of foreign currencies during 2014-15 financial year according to a press statement. As per the data knitwear products worth ₹ 20,730 crore were exported from Tirupur cluster during 2014-15 fiscal when compared to ₹ 18,000 crore worth of exports registered in the previous fiscal. After years of slow growth, Tirupur looks set to exploit overseas orders that are getting diverted from nearby competing Countries, where the industry is increasingly facing

issues related to workshop safety, labour rights, higher wages and political uncertainty. Customers recognise that Tirupur is a better place when it comes to quality, delivery and reliability. However, fortuitously for Tirupur, the past few years have eroded the edge those Countries enjoyed over Garment Exports from India.

## INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company has in place an adequate system of internal controls, with documented procedures covering all corporate Functions. Necessary checks and balances are in place to ensure that transactions are adequately authorized and reported correctly. The Audit Committee considered the systems as laid down and satisfied itself of the adequacy and effectiveness of the internal financial control system as laid down and kept the Board of Directors informed.

To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee and to the Managing Director of the Company. The scope and authority of the Internal Audit function is defined in the Audit Committee Charter. The Internal Auditor of the Company conducts Audit of various departments to ensure that necessary controls are in place. The Audit Committee reviews these controls periodically. Based on the report of internal audit function, corrective actions in the respective areas are taken to further strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board periodically.

## HUMAN RESOURCES

One of the Key Issues the Textile Industry grappling with is Labour shortage. However, its impact on K.P.R is minimal in view of its acclaimed 'Five Star' rated Labour care such as provision of safe shelters, nutritious food, hygienic working conditions and enormous facilities for a comfortable living and more than all a 'feel at home atmosphere'. To further ensure a bright & prosperous life ahead of each & every Employees at KPR group, they are offered higher education facilities with the tie-up of Leading Universities, which remained a distant dream for those who hailed from downtrodden rural areas. With the high standard of such coaching, every year the Employees prove their outstanding talent in the Government conducted Examinations. Towards their social contribution, they have participated in 'Swachh Bharat (Clean India) Campaign' at various villages in a massive way.

## GREEN INITIATIVES

Towards green initiative, planted numerous trees in the Villages and at all the Units; Re-cycling waste water at all plants and



# Management Discussion & Analysis

uses it for productive purposes; Producing Bio-gas from human waste, thereby reducing usage of LPG; Installed a massive Effluent Treatment Plant with zero discharge system at its Processing facility since its inception.

## OPPORTUNITIES & STRENGTHS

Textile Industry's growth depends upon certain significant factors as detailed below:

**Raw Material:** The major Raw material is Cotton which is available aplenty in India, the second largest producer of cotton and net exporter. Increase in area of cultivation and record production in the recent years ensures availability of quality cotton throughout the Year.

**Availability of Labour:** Textile is a Labour Intensive Industry. Availability of Labour, more particularly skilled work force is essential for its Growth. India has the largest labour resource in the world. The Industry and the Government are taking the initiative to enhance the skilled labour resource.

**Improvement in Domestic Consumption:** Fuelled by factors including rising disposable income, growth in organised retail, increasing brand awareness, rapid urbanisation and increase in working age population, the domestic consumption is growing rapidly.

## PREVAIL OVER COMPETING COUNTRIES

Buoyed by both strong domestic consumption as well as export demand the Indian Textile Industry is set for strident growth. China, India, Pakistan, Thailand, Indonesia are some of the leading countries in terms of installed machinery capacity. However, sharp improvement in raw material supplies, steady surge in domestic as well as global demand, decline in Chinese exports to major markets, Labour and Safety issues at Indonesia & Bangladesh extend an edge to Indian Textile Industry over other competing countries.

## WEAKNESS & THREATS

While there is a proper structure for risk management, which is regularly implemented across the organization, there are certain regular risks and concerns that surface in the business.

The threats to the Company, closely monitored and addressed, comprise of:

- **Foreign exchange fluctuation risk:** Significant portion of our revenues is sourced from exports, exposing us to foreign exchange risk. We have always taken a conservative stance on it, fully hedge our risk.
- **Volatile raw material prices:** For us, cotton is the utmost crucial raw material. Cotton being commodity, whose supply is dependent on the forces of nature, has been quite volatile in nature. But over the years, we have learned to assess the situation and respond to them. In the recent years, we have also successfully explored into new geographies to source the same high quality cotton, putting us in a better position to mitigate domestic supply constraints.
- **Rising Competition:** Abundant availability of cotton in India and rising domestic consumption, gives an impetus to rising competition in business. We believe competition is healthy and we will continue to adopt new technologies, diversify our product offerings, strengthen marketing network.

## ROAD AHEAD

The future outlook for the Indian Textile Industry looks promising. With consumerism and disposable income on the rise, the sector has experienced a rapid growth in the past decade. The up-trend is expected to remain for a long term. There are positive drivers which indicate further growth, such as availability of cotton in abundance with potential for higher yield; emerge of ample opportunities to produce value added products; garment market's upbeat; thriving export and domestic market demands etc.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF K. P. R. MILL LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **K.P.R. MILL LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

# Independent Auditors' Report

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm Registration No. 008072S

**M. Ramachandran**  
Partner  
Membership No. 16399

COIMBATORE,  
May 5, 2015

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of its inventories:
  - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. In respect of such loans:

- (a) In the absence of stipulations, the regularity of the receipts of principal amounts and interest has not been commented upon.
- (b) As the terms of repayment of principal have not been specified, we are unable to comment whether there are any overdue principal exceeding ₹ 1 Lakh remaining outstanding as at the year-end and whether the Management has taken reasonable steps for recovery of the principal amounts.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our audit we have not observed any continuing failure to correct major weaknesses in such internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2015 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-Tax, Service Tax, Excise Duty which have not been deposited as on 31<sup>st</sup> March, 2015 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ In Lakhs)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals), Coimbatore	1997-98, 2001-02 & 2004-05	101.42
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal, Chennai	2008-09, 2009-10, & 2010-11	3,128.96
Finance Act, 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal, Chennai	2004-07	27.52
Central Excise Act, 1944	Excise Duty	Customs, Excise and Service Tax Appellate Tribunal, Chennai	2005-06	3.82

- (d) The Company has been generally regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.

## Annexure to the Independent Auditors' Report

- (viii) The Company does not have accumulated losses at the end of the financial year, and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company has not issued any debentures.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, prima facie, prejudicial to the interests of the Company.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

COIMBATORE,  
May 5, 2015

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm Registration No. 008072S

**M. Ramachandran**  
Partner  
Membership No. 16399

	Note	As at 31.03.2015	As at 31.03.2014
		(₹ in Lakhs)	
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	3	5,268	5,268
(b) Reserves and Surplus	4	82,572	72,230
		<b>87,840</b>	<b>77,498</b>
<b>2 Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5	21,507	28,972
(b) Deferred Tax Liabilities (Net)	6	6,004	6,011
(c) Other Long-Term Liabilities	7	-	2,516
		<b>27,511</b>	<b>37,499</b>
<b>3 Current Liabilities</b>			
(a) Short-Term Borrowings	8	34,518	28,792
(b) Trade Payables	9	8,358	11,816
(c) Other Current Liabilities	10	11,456	11,218
(d) Short-Term Provisions	11	3,457	1,746
		<b>57,789</b>	<b>53,572</b>
		<b>1,73,140</b>	<b>1,68,569</b>
<b>B ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	12	92,444	95,688
(ii) Capital Work-in-Progress		-	598
		<b>92,444</b>	<b>96,286</b>
(b) Non-Current Investments	13	7,988	17,416
(c) Long-Term Loans and Advances	14	8,458	915
(d) Other Non-Current Assets	15	58	-
		<b>1,08,948</b>	<b>1,14,617</b>
<b>2 Current Assets</b>			
(a) Inventories	16	28,434	24,122
(b) Trade Receivables	17	22,350	19,204
(c) Cash and Cash Equivalents	18	1,930	4,074
(d) Short-Term Loans and Advances	19	8,479	2,937
(e) Other Current Assets	20	2,999	3,615
		<b>64,192</b>	<b>53,952</b>
		<b>1,73,140</b>	<b>1,68,569</b>

Accompanying notes forming part of the financial statements

For and on behalf of the Board of Directors

K.P. Ramasamy  
Chairman

KPD Sigamani  
Managing Director

P. Nataraj  
Chief Executive Officer  
& Managing Director

PL Murugappan  
Chief Financial Officer

P. Kandaswamy  
Company Secretary

Coimbatore  
05.05.2015

In terms of our report attached

For Deloitte Haskins & Sells  
Chartered Accountants

M. Ramachandran  
Partner

Coimbatore  
05.05.2015

# Statement of Profit and Loss

Statement of Profit and Loss for the year ended 31.03.2015

	Note	Year Ended 31.03.2015	Year Ended 31.03.2014
		(₹ in Lakhs)	
I. Revenue from Operations (Gross)	21	2,08,048	1,95,975
Less: Excise Duty		-	-
Revenue from Operations (Net)		2,08,048	1,95,975
II. Other Income	22	2,189	2,976
III. Total Revenue		2,10,237	1,98,951
IV. Expenses			
Cost of Goods Consumed	23	1,35,859	1,30,639
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	2,151	(3,299)
Employee Benefit Expenses	25	12,853	10,923
Finance Costs	26	6,450	7,234
Depreciation and Amortization Expenses	12	12,587	12,982
Other Expenses	27	21,531	22,504
Total Expenses		1,91,431	1,80,983
V. Profit Before Tax		18,806	17,968
VI. Tax Expenses			
Current Tax Expense for Current Year		5,546	5,034
Less: MAT Credit Entitlement		1,281	-
Current Tax Expense relating to Prior Years		(82)	94
Deferred Tax		25	(216)
Net Tax Expenses		4,208	4,912
VII. Profit for the Year		14,598	13,056
VIII. Earnings per Equity Share of ₹ 10 each:			
Basic & Diluted (in ₹)		38.40	34.32

Accompanying notes forming part of the financial statements

For and on behalf of the Board of Directors

K.P. Ramasamy  
Chairman

KPD Sigamani  
Managing Director

P. Nataraj  
Chief Executive Officer  
& Managing Director

PL Murugappan  
Chief Financial Officer

P. Kandaswamy  
Company Secretary

Coimbatore  
05.05.2015

In terms of our report attached

For Deloitte Haskins & Sells  
Chartered Accountants

M. Ramachandran  
Partner

Coimbatore  
05.05.2015

	Year Ended 31.03.2015	Year Ended 31.03.2014
	(₹ in Lakhs)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	18,806	17,968
Adjustments for:		
Depreciation and amortisation expense	12,587	12,982
(Profit) / Loss on Sale / Write-off of Assets	12	24
Finance Costs	6,450	7,234
Interest Income	(283)	(463)
Dividend Income	(39)	(116)
Rental Income from Operating Leases	(169)	(32)
Bad Debts Written-off & Provision for Doubtful Trade and Other Receivables	(15)	207
<b>Operating Profit Before Working Capital Changes</b>	<b>37,349</b>	<b>37,804</b>
Changes in Working Capital:		
Adjustments For (Increase) / Decrease in Operating Assets:		
Inventories	(4,312)	(10,187)
Trade Receivables	(3,161)	(5,424)
Short-Term Loans and Advances	(5,810)	(282)
Long-Term Loans and Advances	(3,083)	(110)
Other Current Assets	729	(2,922)
Other Non-Current Assets	(58)	21
Adjustments for Increase / (Decrease) in Operating Liabilities:		
Trade Payables	(3,458)	4,185
Other Current Liabilities	(378)	546
Other Long-Term Liabilities	(2,500)	2,500
<b>Cash Generated From Operations</b>	<b>15,318</b>	<b>26,131</b>
Net Income Tax (Paid) / Refunds	(4,700)	(3,910)
<b>Net Cash Flow From / (Used In) Operating Activities</b>	<b>(A) 10,618</b>	<b>22,221</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital Expenditure on Fixed Assets, Including Capital Advances	(11,516)	(21,133)
Bank Balance not considered as Cash and Cash Equivalents:		
Margin Deposit-Accounts	1,967	2,881
Proceeds from Sale of Fixed Assets	144	340
Purchase of Non-current Investments:		
- Subsidiaries	9,775	(10,000)
- Others	(347)	-
Loans Given:		
- Subsidiaries	(414)	(883)
Loans Realised:		
- Subsidiaries	41	2,523
Interest Received:		
- Subsidiaries	35	86
- Others	135	643
Dividend Received:		
- Subsidiaries	26	28
- Others	13	88
Rental Income Received from Operating Leases	169	32
<b>Net Cash Flow From / (Used In) Investing Activities</b>	<b>(B) 28</b>	<b>(25,395)</b>



# Cash Flow Statement

Cash Flow Statement for the year ended 31.03.2015

	Year Ended 31.03.2015	Year Ended 31.03.2014
	(₹ in Lakhs)	
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds From Long-Term Borrowings	2,187	10,871
Repayment Long-Term Borrowings	(9,081)	(9,008)
Repayment of Other Long-Term Loans	(220)	(317)
Net Increase / (Decrease) in Working Capital Borrowings	5,726	6,367
Finance Costs Paid	(6,183)	(7,448)
Dividends Paid	(2,742)	(2,741)
Tax on Dividend Paid	(506)	(466)
Bank Balance Not Considered as Cash and Cash Equivalents:		
(i) Share Application Money	(2)	-
<b>Net Cash Flow From / (Used In) Financing Activities</b>	<b>(C) (10,821)</b>	<b>(2,742)</b>
Net Increase in Cash and Cash Equivalents	<b>(A+B+C) (175)</b>	<b>(5,916)</b>
Add: Opening Cash and Cash Equivalents	1,952	7,868
<b>Closing Cash and Cash Equivalents</b>	<b>1,777</b>	<b>1,952</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents (Refer Note 18)	1,930	4,074
Less : Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements:		
(i) In earmarked accounts:		
- Unpaid dividend accounts	8	8
- Share application money received for allotment of securities and due for refund	-	2
- Balances held as margin money or security against borrowings, guarantees and other commitments	145	2,112
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 18	1,777	1,952
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)	-	-
<b>Closing Cash and Cash Equivalents</b>	<b>1,777</b>	<b>1,952</b>
<b>Closing Cash and Cash Equivalents Comprises:</b>		
(a) Cash on Hand	56	174
(b) Balance with Banks:		
i) In Current Accounts	710	1,464
ii) In EEFC Accounts	1,011	281
iii) In Deposit Accounts	-	33
	<b>1,777</b>	<b>1,952</b>

Accompanying notes forming part of the financial statements

For and on behalf of the Board of Directors

K.P. Ramasamy  
Chairman

KPD Sigamani  
Managing Director

P. Nataraj  
Chief Executive Officer  
& Managing Director

PL Murugappan  
Chief Financial Officer

P. Kandaswamy  
Company Secretary

Coimbatore  
05.05.2015

In terms of our report attached

For Deloitte Haskins & Sells  
Chartered Accountants

M. Ramachandran  
Partner

Coimbatore  
05.05.2015

**1 CORPORATE INFORMATION**

K.P.R. Mill Limited along with its wholly-owned subsidiary Quantum KNITS PVT. LIMITED is one of the largest vertically integrated apparel manufacturing Companies in India. The Company produces Yarn, Knitted Fabric, Readymade Garments and Windpower. It has state-of-the-art production facilities in the State of Tamil Nadu, India.

The Company's shares are listed in Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

**2 SIGNIFICANT ACCOUNTING POLICIES****A) BASIS OF ACCOUNTING**

- (i) The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable.
- (ii) The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation as more fully described in Note 44.

**B) USE OF ESTIMATES**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**C) INVENTORIES**

Inventories are valued at the lower of cost (e.g. on FIFO / specific identification method) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

**D) CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASH FLOW STATEMENT)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**E) CASH FLOW STATEMENT**

Cash flow are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**F) DEPRECIATION**

Depreciation on Fixed Assets is provided on Straight Line Method at the rates prescribed in Schedule II of the Companies Act, 2013, except 1) Wind Mill @ 8.33% 2) Plant & Machinery @ 10.34% and 3) Electricals @ 7.07% based on useful life ascertained for such asset through technical assessment by competent Professional.

**G) REVENUE RECOGNITION**

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax. Sale of Service and revenue from sale of windmill power are recognised when services are rendered and related costs are incurred. Dividend Income is recognised when right to receive the income is established. Interest income is recognised on time proportion basis (accrual basis) taking into account the amount outstanding and rate applicable. Export incentives are accounted for in the year of exports based on eligibility and expected amount on realisation.

**H) FIXED ASSETS**

- i) Fixed assets and intangibles are stated at cost less accumulated depreciation / amortisation and impairment losses, if any. Cost includes all costs relating to acquisition and installation of fixed assets including any incidental costs of bringing the assets to their working condition for their intended use. The Company has adopted the provisions of para 46 / 46A of AS 11. The Effects of Changes in Foreign Exchange Rates,

and accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

- ii) Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Capital work-in-progress

- iii) Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

### I) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

**Initial Recognition :** Transactions in Foreign Currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transactions or at rates that closely approximate the rate at the date of the transaction or at the forward contract rate for the transaction.

**Measurement at the Balance Sheet Date :** Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

**Treatment of exchange differences - when para 46 / 46A of AS 11 is adopted :** Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

**Accounting for forward contracts :** Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

### J) GOVERNMENT GRANTS, SUBSIDIES AND EXPORT INCENTIVES

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidies will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve. Government grants in the form of non-monetary assets, given at a concessional rate, are recorded on the basis of their acquisition cost. In case the non-monetary asset is given free of cost, the grant is recorded at a nominal value.

Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

### K) INVESTMENTS

Long term investments (excluding investment properties) are carried at cost less provision for diminution other than temporary in the value of such investments. Current investments are stated at lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Fixed Assets.

### L) EMPLOYEE BENEFITS

#### (a) Short Term

Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

#### (b) Long Term Post Retirement

Post Retirement Benefits comprise of Provident Fund and Gratuity which are accounted for as follows:

##### i) Provident fund

This is a defined contribution plan, and contributions made to the Fund are charged to Revenue. The Company has no further obligations for future provident fund benefits other than monthly contributions.

## ii) Gratuity unB

This is a defined benefit plan. The Company makes annual contribution to a Gratuity Fund administered by LIC. The liability is determined based on the actuarial valuation using projected unit credit method. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur. The Retirement Benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost.

## iii) Leave cashment

There is no scheme for encashment of unavailed leave.

## M) BORROWING COSTS

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such assets are added to the cost of the assets. Capitalisation of borrowing cost is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying asset is interrupted.

## N) SEGMENT REPORTING

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

## O) LEASE

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

## P) EARNINGS PER SHARE

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

## Q) TAXATION

Current tax is determined on the basis of taxable income and tax credits computed in accordance with the applicable tax rates and the provisions of applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are off set if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

### R) RESEARCH AND DEVELOPMENT EXPENSES

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

### S) IMPAIRMENT OF ASSETS

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The recoverable amount of such asset is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to

their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

### T) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

### U) INSURANCE CLAIMS

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

### V) SERVICE TAX INPUT CREDIT

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

### W) EXCISE DUTY

The Company has opted to adopt for 'Exempted Route' under Central Excise Rules for local sales. Accordingly, CENVAT credit on inputs is not available to the Company and no excise duty is payable on sales of manufactured goods.

### X) OPERATING CYCLE

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



	As at 31.03.2015	As at 31.03.2014
	(₹ in Lakhs)	
<b>3. SHARE CAPITAL</b>		
a) Authorised Share Capital		
4,00,00,000 (Pr.Yr. 4,00,00,000) Equity Shares of ₹ 10 each with voting rights	4,000	4,000
15,00,000 (Pr.Yr.15,00,000) 7% Redeemable Cumulative Non-Convertible Preference Shares of ₹ 100 each	1,500	1,500
	<b>5,500</b>	<b>5,500</b>
b) Issued, Subscribed & Paid up Capital		
3,76,82,892 (Pr.Yr 3,76,82,892) Equity Shares of ₹ 10 each fully paid-up with voting rights	3,768	3,768
15,00,000 (Pr.Yr.15,00,000) 7% Redeemable Cumulative Non-Convertible Preference Shares of ₹ 100 each	1,500	1,500
	<b>5,268</b>	<b>5,268</b>

3.1 Pursuant to the approval of Shareholders at the Annual General Meeting held on 25.08.2010, the Company allotted 15,00,000 7% redeemable cumulative Non-convertible Preference shares to K.P.R Developers Limited for consideration other than cash.

### 3.2 Term / Rights to Shares

#### Equity Shares:

The Company has issued only one class of equity shares having a face value of ₹ 10 per share. The holder of each equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

During the year, the amount of per share interim dividend paid to equity shareholders was ₹ 4 (31st March 2014: ₹ 4) and per share final dividend recommended for distribution to equity shareholder is ₹ 5 (31st March 2014: ₹ 3).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after settling the dues of preferential and other creditors as per priority. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### Preference Shares:

7% Redeemable Cumulative Non-Convertible Preference Shares are redeemable at par within a period of 10 years from the date of issue, as may be decided by the Board.

### 3.3 Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

#### a. Equity Shares

	As at 31st March, 2015		As at 31st March, 2014	
Particulars	Number of Shares	(₹ in Lakhs)	Number of Shares	(₹ in Lakhs)
At the beginning of the period	3,76,82,892	3,768	3,76,82,892	3,768
Changes during the year	-	-	-	-
Outstanding at the end of the period	3,76,82,892	3,768	3,76,82,892	3,768

#### b. 7% Redeemable Cumulative Non-Convertible Preference Shares

	As at 31st March, 2015		As at 31st March, 2014	
Particulars	Number of Shares	(₹ in Lakhs)	Number of Shares	(₹ in Lakhs)
At the beginning of the period	15,00,000	1,500	15,00,000	1,500
Changes during the year	-	-	-	-
Outstanding at the end of the period	15,00,000	1,500	15,00,000	1,500

## 3.4 Details of Shareholders holding more than 5% of Shares in the Company

## a. Equity Shares

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Number of Shares	%	Number of Shares	%
Sri K.P.Ramasamy	81,27,684	21.57	81,27,684	21.57
Sri KPD Sigamani	81,28,634	21.57	81,28,634	21.57
Sri P.Nataraj	81,27,733	21.57	81,27,733	21.57
M/s Ares Investments	-	-	25,54,994	6.78

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares as at the balance sheet date.

## b. 7% Redeemable Cumulative Non-Convertible Preference Shares

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Number of Shares	%	Number of Shares	%
M/s K.P.R Developers Limited	15,00,000	100	15,00,000	100

## 4 RESERVES AND SURPLUS

## Securities Premium

Opening Balance

Closing Balance

## General Reserve

Opening Balance

Add: Transfer from Surplus in the Statement of Profit and Loss

Closing Balance

## Foreign Currency Monetary Item Translation Difference Account

Opening Balance

Add / (Less): Effect of foreign exchange rate variations during the year

Closing Balance

## Surplus in Statement of Profit and Loss

Opening Balance

Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax)

Add: Profit for the year

Less:

Interim Dividend

Dividends proposed to be distributed to equity shareholders (₹ 5 per share)

Dividends proposed to be distributed to preference shareholders (₹ 7 per share)

Tax on Dividend

Transferred to:

General Reserve

Closing Balance

	As at 31.03.2015	As at 31.03.2014
	(₹ in Lakhs)	
Securities Premium		
Opening Balance	15,233	15,233
Closing Balance	15,233	15,233
General Reserve		
Opening Balance	18,189	16,883
Add: Transfer from Surplus in the Statement of Profit and Loss	1,460	1,306
Closing Balance	19,649	18,189
Foreign Currency Monetary Item Translation Difference Account		
Opening Balance	-	104
Add / (Less): Effect of foreign exchange rate variations during the year	-	(104)
Closing Balance	-	-
Surplus in Statement of Profit and Loss		
Opening Balance	38,808	30,261
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax)	61	-
Add: Profit for the year	14,598	13,056
Less:		
Interim Dividend	1,507	1,507
Dividends proposed to be distributed to equity shareholders (₹ 5 per share)	1,884	1,130
Dividends proposed to be distributed to preference shareholders (₹ 7 per share)	105	105
Tax on Dividend	699	461
Transferred to:		
General Reserve	1,460	1,306
Closing Balance	47,690	38,808
	<b>82,572</b>	<b>72,230</b>

	As at 31.03.2015	As at 31.03.2014
	(₹ in Lakhs)	
<b>5 LONG TERM BORROWINGS</b>		
From Banks (Secured)		
Term Loans	21,507	28,875
From Others (Unsecured)		
Interest Free Sales Tax Loan	-	97
	<b>21,507</b>	<b>28,972</b>
5.1 Term Loans from banks are secured by pari-passu first charge on fixed assets and second charge on current assets of the Company.		
5.2 i) Loan amounting to ₹ 28,878 Lakhs (Pr. Yr. ₹ 31,652 Lakhs) is repayable in 12 quarterly installments.		
ii) Loan amounting to ₹ 48 Lakhs (Pr. Yr. ₹ 590 Lakhs) is repayable in 1 quarterly installment.		
iii) Loan amounting to ₹ 2,184 Lakhs (Pr. Yr. ₹ Nil) is repayable in 24 quarterly installments.		
iv) Loan amounting to ₹ Nil (Pr. Yr. ₹ 4,831 Lakhs) is fully paid.		
v) Loan amounting to ₹ Nil (Pr. Yr. ₹ 933 Lakhs) is fully paid.		
5.3 Interest rate relating to term loans from banks is in the range of 10.75% to 12.75%.		
5.4 The Company has not defaulted in the repayment of principal and interest during the year.		
5.5 For the current maturities of long-term borrowings, refer Note 10 Other Current Liabilities.		
<b>6 DEFERRED TAX LIABILITIES (NET)</b>		
Tax effect of items constituting deferred tax liabilities:		
i) On difference between book balance and tax balance of fixed assets	6,011	6,227
Add : Deferred tax liability for current year	25	-
Less : Deferred tax asset for earlier years due to change in method of depreciation as per New Companies Act, 2013	32	-
Closing Balance	<b>6,004</b>	6,011
Opening Balance	<b>6,011</b>	6,227
Net Deferred Tax Charge / (Credit)	<b>(7)</b>	<b>(216)</b>
<b>7 OTHER LONG TERM LIABILITIES</b>		
Trade Advance Received from Customers	-	2,500
Payables on Purchase of Fixed Assets	-	16
	<b>-</b>	<b>2,516</b>
<b>8 SHORT TERM BORROWINGS</b>		
Loans repayable on demand		
From Banks (Secured):		
Loans for Working Capital	29,220	6,599
Packing Credit	5,298	7,046
Other - Acceptances Under Buyers Credit	-	15,147
	<b>34,518</b>	<b>28,792</b>
8.1 The above loans are secured by first charge on inventories and book debts, and second charge on fixed assets to lending banks on pari-passu basis.		
8.2 The Company has not defaulted in its repayments of the loans and interest during the year.		
<b>9 TRADE PAYABLES</b>		
(Refer Note 30)		
Other than Acceptance	8,358	11,816
	<b>8,358</b>	<b>11,816</b>

**10 OTHER CURRENT LIABILITIES**

Current Maturities of:

i) Long Term Loan (Refer Note 5.1 to 5.5)

ii) Interest Free Sales Tax Loan

Interest accrued but not due on borrowings

Advance from Customers

Other Liabilities #

As at 31.03.2015	As at 31.03.2014
(₹ in Lakhs)	
9,603	9,131
102	225
577	310
83	500
1,091	1,052
<b>11,456</b>	<b>11,218</b>

# Includes (a) Unclaimed dividend of ₹ 8 Lakhs (Pr. Yr. ₹ 9 Lakhs), (b) Share application money due for refund of ₹ Nil (Pr. Yr. ₹ 2 Lakhs) (c) Statutory dues of ₹ 1,005 Lakhs (Pr. Yr. ₹ 970 Lakhs) and (d) Others ₹ 78 Lakhs (Pr. Yr. ₹ 71 Lakhs).

**11 SHORT TERM PROVISIONS**

Provision - Others

Provision for Tax (Net of Advance Tax Paid) \*

Provision for Proposed Preference Dividend

Provision for Proposed Equity Dividend

Provision for Tax on Proposed Dividends

1,070	306
105	105
1,884	1,130
398	205
<b>3,457</b>	<b>1,746</b>

\* Net of Advance Tax paid ₹ 4,476 Lakhs (Pr. Yr. ₹ 4,728 Lakhs).

12. FIXED ASSETS	PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION AND IMPAIRMENT				NET BLOCK	
		Cost as on 01.04.2014	Additions	Deletions	Cost as on 31.03.2015	Upto 31.3.2014	For the Year #	Withdrawn on Deletions	Upto 31.03.2015	As on 31.03.2015	As on 31.3.2014
	Land*	4,683	1,060	-	5,743	-	-	-	-	5,743	4,683
		2,894	1,792	3	4,683	-	-	-	-	4,683	2,894
	Factory Building	19,749	1,238	-	20,987	3,748	622	-	4,370	16,617	16,001
		19,749	-	-	19,749	3,097	651	-	3,748	16,001	16,652
	Non Factory Building	6,855	2,065	-	8,920	656	117	-	773	8,147	6,199
		6,855	-	-	6,855	544	112	-	656	6,199	6,311
	Plant & Machinery	91,053	4,446	390	95,109	43,925	7,944	266	51,603	43,506	47,128
		87,789	4,112	848	91,053	35,768	8,659	502	43,925	47,128	52,021
	Wind Mill	35,668	-	-	35,668	19,972	2,851	-	22,823	12,845	15,696
		35,668	-	-	35,668	17,140	2,832	-	19,972	15,696	18,528
	Electrical	6,200	448	19	6,629	2,381	441	11	2,811	3,818	3,819
		6,178	22	-	6,200	1,934	448	1	2,381	3,819	4,244
	Furniture & Fixtures	2,801	144	5	2,940	1,096	496	2	1,590	1,350	1,705
		2,727	86	12	2,801	922	175	1	1,096	1,705	1,805
	Computers & Accessories	353	138	14	477	254	71	12	313	164	99
		340	15	2	353	226	29	1	254	99	114
	Intangible Asstes - Software	143	15	-	158	70	48	-	118	40	73
		126	17	-	143	47	23	-	70	73	79
	Vehicles	569	37	39	567	284	90	21	353	214	285
		563	20	14	569	241	53	10	284	285	322
	<b>Total</b>	<b>1,68,074</b>	<b>9,591</b>	<b>467</b>	<b>1,77,198</b>	<b>72,386</b>	<b>12,680</b>	<b>312</b>	<b>84,754</b>	<b>92,444</b>	<b>95,688</b>
		1,62,889	6,064	879	1,68,074	59,919	12,982	515	72,386	95,688	1,02,970

\* Includes Lease Hold Land - ₹ 318 Lakhs (Pr.Yr: ₹ 318 Lakhs)

# The charge of depreciation on fixed assets due to adoption of the rates as per schedule II of the Companies Act, 2013 and re-estimate of useful life of assets is ₹ 93 Lakhs and the amount charged to Reserves and Surplus is ₹ 61 Lakhs (Net of Deferred Tax).

Note : Previous Year figures are shown in italics



	As at 31.03.2015	As at 31.03.2014
	(₹ in Lakhs)	
<b>13 NON CURRENT INVESTMENTS (AT COST)</b>		
(a) In Equity Instruments - Trade, Unquoted, fully paid up:		
i) Subsidiaries		
1,00,000 (Pr. Yr. 1,00,000) Equity Shares of ₹ 10 each in Quantum KNITS PVT. LIMITED	10	10
In Equity Instruments - Non Trade, Unquoted, fully paid up:		
50,000 (Pr. Yr. 50,000) Equity Shares of ₹ 10 each in Galaxy Knits Limited	5	5
15,10,000 (Pr. Yr. 15,10,000) Equity Shares of ₹ 10 each in Jahnvi Motor Private Limited	151	151
4,16,666 (Pr. Yr. Nil) Equity Shares of ₹ 10 each at a Premium of ₹ 20 each in Jahnvi Motor Private Limited	125	-
10,50,000 (Pr. Yr. 10,50,000) Equity Shares of ₹ 10 each at a Premium of ₹ 140 per share in K.P.R. Sugar Mill Limited	1,575	1,575
10,00,000 (Pr. Yr. Nil) Equity Shares of ₹ 10 each in K.P.R.Sugar Mill Limited	100	-
ii) Other Entities		
700 (Pr. Yr. Nil) Equity Shares of ₹ 10 each at a premium of ₹ 265 per share in A.R.S. Metals Private Limited	2	-
34,00,000 (Pr. Yr. Nil) Equity shares of ₹ 10 each of Cauvery Power Generation Chennai Pvt. Ltd.	340	-
3,500 (Pr. Yr. Nil) Equity Shares of ₹ 10 each at a premium of ₹ 126 per share in Surya Dev Alloys and Power Pvt. Ltd.	5	-
b) Investment in Preference shares		
Subsidiaries		
37,83,000 (Pr. Yr. 37,83,000) 7% Redeemable Cumulative Non-Convertible Preference Shares of ₹ 10 each at a Premium of ₹ 140 per share in K.P.R. Sugar Mill Limited	5,675	5,675
Nil (Pr. Yr. 10,00,000) 7% Redeemable Cumulative Non-Convertible Preference Shares of ₹ 10 each at a Premium of ₹ 990 in K.P.R. Sugar Mill Limited	-	10,000
	<b>7,988</b>	<b>17,416</b>
<b>14 LONG TERM LOANS AND ADVANCES</b>		
Unsecured and Considered good		
Loans and Advances to Related Parties	3,141	-
Capital Advances	2,538	-
Security Deposit	1,467	884
Deposit with Central Excise & Service Tax	31	31
	<b>7,177</b>	<b>915</b>
MAT Credit Entitlement - unsecured, considered good		
Opening Balance	-	1,295
Changes during the year	1,281	(1,295)
Closing Balance	1,281	-
	<b>8,458</b>	<b>915</b>

	As at 31.03.2015	As at 31.03.2014
	(₹ in Lakhs)	
<b>15 OTHER NON CURRENT ASSETS</b>		
Unsecured and Considered good		
Long Term Trade Receivables	190	182
Less: Provision for Doubtful Trade Receivables	132	182
	<b>58</b>	-
<b>16 INVENTORIES</b>		
(At lower of cost & Net realisable value)		
Raw Materials	22,175	15,208
Stock-in-process **	1,201	1,513
Finished Goods	3,911	5,750
Stores, Spares, Packing & Others	1,147	1,651
	<b>28,434</b>	<b>24,122</b>
** Includes Yarn ₹ 1,181 Lakhs (Pr. Yr. ₹ 1,280 Lakhs), Fabric ₹ 20 Lakhs (Pr. Yr. ₹ Nil) and Garments ₹ Nil (Pr. Yr. ₹ 233 Lakhs).		
<b>17 TRADE RECEIVABLES</b>		
Unsecured, Considered good		
Outstanding for more than six months from the payment due date	9	69
Others	22,341	19,135
	<b>22,350</b>	<b>19,204</b>
<b>18 CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	56	174
Balance with Banks		
i) In Current Accounts	710	1,464
ii) In EEFC Accounts	1,011	281
iii) In Deposit Accounts #	145	2,145
iv) In Earmarked Deposit accounts	8	10
	<b>1,930</b>	<b>4,074</b>
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is ₹ 1,777 Lakhs (Pr.Yr. ₹ 1,952 Lakhs).		
# Deposit Accounts include deposits with maturity of more than 12 months is ₹ Nil (Pr. Yr. ₹ 33 Lakhs) and Margin Deposits is ₹ 145 Lakhs (Pr. Yr. ₹ 2,112 Lakhs)		
<b>19 SHORT TERM LOANS AND ADVANCES</b>		
Unsecured and Considered good		
Loans and Advances to Related Parties (Refer Note 31.2)	-	268
Loans and Advances to Employees	34	34
<b>Balances with Government Authorities</b>		
VAT Credit Receivable	70	45
Advance for Purchase	7,925	2,100
Others (Primarily prepaid expenses)	450	490
	<b>8,479</b>	<b>2,937</b>
<b>20 OTHER CURRENT ASSETS</b>		
Interest accrued on Deposits	124	11
Income Receivable	1,194	1,241
Investment promotion Subsidy Receivables	1,681	2,363
	<b>2,999</b>	<b>3,615</b>

	Year Ended 31.03.2015	Year Ended 31.03.2014
	(₹ in Lakhs)	
<b>21 REVENUE FROM OPERATIONS</b>		
Sale of Products	1,95,892	1,88,067
Sale of Services	7,663	5,084
Other Operating Income	4,493	2,824
Revenue from Operations (Gross)	2,08,048	1,95,975
Less : Excise Duty	-	-
	<b>2,08,048</b>	<b>1,95,975</b>
<b>21.1 Sale of Products</b>		
Garment	28,409	29,527
Yarn	1,04,596	1,14,443
Fabric	55,267	35,673
Cotton Waste	7,620	8,424
	<b>1,95,892</b>	<b>1,88,067</b>
<b>21.2 Sale of Services</b>		
Processing & Fabrication Income	7,663	5,084
	<b>7,663</b>	<b>5,084</b>
<b>21.3 Other Operating Income</b>		
Export Incentives	2,968	2,422
Others (Primarily Scrap)	1,525	402
	<b>4,493</b>	<b>2,824</b>
<b>22 OTHER INCOME</b>		
<b>Interest from:</b>		
Bank Deposits	124	300
Others	159	163
<b>Dividend Income:</b>		
<b>From Current Investments:</b>		
Others	13	88
<b>From Long-Term Investments:</b>		
Subsidiaries	26	28
Investment Promotion Subsidy	1,681	2,363
Miscellaneous Income	186	34
	<b>2,189</b>	<b>2,976</b>

	Year Ended 31.03.2015	Year Ended 31.03.2014
	(₹ in Lakhs)	
<b>23 COST OF GOODS CONSUMED</b>		
a) Opening Stock		
Cotton	12,945	8,886
Dyes & Chemicals	288	203
Yarn, Fabric & Garments	1,975	104
	15,208	9,193
b) Add: Purchases & Production Expenses		
Cotton	1,19,576	1,13,497
Dyes & Chemicals	2,104	2,128
Yarn, Fabric, Polyester & Garments	15,357	13,312
Production Expenses	2,786	5,045
Trims, Packing & Others (Consumption)	3,003	2,672
	1,42,826	1,36,654
c) Less : Closing Stock		
Cotton	21,798	12,945
Dyes & Chemicals	317	288
Yarn, Fabric & Garments	60	1,975
	22,175	15,208
	<b>1,35,859</b>	<b>1,30,639</b>
<b>24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE</b>		
A) OPENING STOCK		
Finished Goods	5,750	2,923
Stock-in-Process	1,513	1,041
	7,263	3,964
B) CLOSING STOCK		
Finished Goods	3,911	5,750
Stock-in-Process	1,201	1,513
	5,112	7,263
	<b>2,151</b>	<b>(3,299)</b>
<b>25 EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, Wages & Bonus	11,131	9,487
Contribution to Provident Fund & Other Funds	949	709
Staff Welfare Expenses	773	727
	<b>12,853</b>	<b>10,923</b>
<b>26 FINANCE COSTS</b>		
Interest Expense on		
Term Loans	3,608	3,584
Working Capital Loans	2,481	2,490
Others		
Interest on Delayed / Deferred payment of Income Tax	62	69
Bank Charges	299	352
Net (Gain) / Loss on Foreign Currency Transactions & Translation	-	739
	<b>6,450</b>	<b>7,234</b>

	Year Ended 31.03.2015	Year Ended 31.03.2014
	(₹ in Lakhs)	
<b>27 OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Power & Fuel	10,584	11,802
Consumption of Stores & Packing materials	1,718	1,706
Insurance Charges	157	178
<b>Repairs and Maintenance</b>		
Building	273	272
Machinery	4,700	4,292
Others	223	188
<b>Administration Expenses</b>		
Professional Fees	124	83
Rent (Refer Note 37)	67	67
Rates & Taxes	114	203
Payment to Auditors (Refer Note 29)	8	8
Loss on Sale of Fixed Assets (Net)	12	24
Travelling Expenses	167	155
Expenditure on Corporate Social Responsibility	232	1
Donations	325	330
Bad Debts Written Off	47	25
Provision for doubtful trade and other receivables	(46)	182
General Expenses	172	149
<b>Selling Expenses</b>		
Freight & Forwarding	1,369	1,134
Sales Commission	1,208	1,582
Other Selling Expenses	77	123
	<b>21,531</b>	<b>22,504</b>

**28 Contingent Liabilities and Commitments (to the extent not provided for):**

- 28.1** The Company is in receipt of a demand of ₹ 82 Lakhs (Pr. Yr. ₹ 82 Lakhs) from the Indian Bank towards prepayment charges. The same has been contested in writ filed before the High Court of Judicature at Madras which has restrained Indian Bank from applying proceeds of TUF subsidy towards its demand for prepayment charges. The case is pending disposal.
- 28.2** The Company has issued Bank Guarantee amounting to ₹ 164 Lakhs (Pr. Yr. ₹ 164 Lakhs) in favour of TANGEDCO, Bank Guarantee amounting to ₹ 10 Lakhs (Pr. Yr. ₹ 5 Lakhs) in favour of Tamilnadu Pollution Control Board, Bank Guarantee amounting to ₹ 698 Lakhs (Pr. Yr. ₹ Nil) in favour of Suryadev Alloys and Power Pvt Ltd, Bank Guarantee amounting to ₹ 67 Lakhs (Pr. Yr. ₹ Nil) in favour of A.R.S. Energy Private Limited, Bank Guarantee amounting to ₹ 160 Lakhs (Pr. Yr. ₹ Nil) in favour of A.R.S. Metal Private Limited and Bank Guarantee amounting to ₹ 25 Lakhs (Pr. Yr. ₹ Nil) in favour of New Tirupur Area water Development Corporation Ltd. The Company has issued Corporate Guarantees amounting to ₹ 18,290 Lakhs (Pr Yr. ₹ 15,665 Lakhs) towards working capital facilities availed by the wholly owned subsidiaries from banks.
- 28.3** The Company has an Export obligation of ₹ 6,187 Lakhs (Pr. Yr. ₹ 5,101 Lakhs) to be completed upto 2020-21. The duty implication involved is ₹ 1,031 Lakhs (Pr. Yr. ₹ 836 Lakhs).
- 28.4** At the request of the Company, the Bankers have extended Foreign Letter of Credit facility for ₹ 773 Lakhs (Pr. Yr. ₹ 36 Lakhs) and Inland Letter of Credit facility for ₹ 16 Lakhs (Pr. Yr. ₹ 873) in favour of suppliers.
- 28.5** The Company has discounted sales invoices amounting to ₹ 7,358 Lakhs (Pr. Yr. ₹ 4,089 Lakhs) with banks as at the balance sheet date.



28.6 The disputed Income Tax demands pending in appeals as at the balance sheet date is ₹ 3,230 Lakhs (Pr. Yr. ₹ 2,345 Lakhs).  
The disputed Central Excise duty demands pending in appeals as at the balance sheet date is ₹ 4 Lakhs (Pr. Yr. ₹ 6 Lakhs).  
The disputed Service Tax demands pending in appeals as at the balance sheet date is ₹ 28 Lakhs (Pr. Yr. ₹ 28 Lakhs).

28.7 Estimated amount of contracts on capital account remaining to be executed (net of advances) aggregate to ₹ 1,232 Lakhs (Pr. Yr. ₹ Nil).

## 29 Payment to Auditors

Particulars	(₹ in Lakhs)	
	2014-15	2013-14
Statutory Audit Fees	8	8
Tax Audit and Tax Matters	-	-
Other Services	-	-
Cost Audit	-	-
Expenses (incl. Service Tax)	-	-
Total	8	8

## 30 Disclosure with respect to Micro, Small and Medium Enterprises

In accordance with the Notification No: GSR 719 (E) dated 16.11.2007 issued by the Ministry of Corporate Affairs, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Development Act, 2006. The Company circulated for the information of its suppliers about their coverage under the said Act. Since there is no response from supplier, no disclosures have been made in these Financial Statements. However, in the considered view of the management and as relied upon by the auditors, impact of interest, if any that may be payable in accordance with the provisions of this Act is not expected to be material.

## 31 Related Party Disclosures

Disclosures under Accounting Standard 18 – Related Party Disclosure, as identified and disclosed by the management and relied upon by the Auditors:

### 31.1 Name of related parties and nature of relationships

Key Management Personnel	Sri K.P.Ramasamy Sri KPD Sigamani Sri P.Nataraj Sri C.R.Anandkrishnan
Relatives of Key Managerial Personnel	Sri E.K.Sakthivel (Daughter's Husband of Sri. KPD Sigamani) Smt D.Geetha (Daughter of Sri. KPD Sigamani)
Enterprises owned by key management personnel/ Directors or their relatives	M/s K.P.R. Developers Limited M/s K P R Cements Private Limited M/s K P R Holdings Private Limited M/s K P R Agro Farms Private Limited M/s K.P.R. Charities
Subsidiary Company	M/s Quantum KNITS PVT. LIMITED M/s K.P.R.Sugar Mill Limited M/s Jahnvi Motor Private Limited M/s Galaxy Knits Limited

## 31.2 Transactions during the year and the balance outstanding at the balance sheet date

(₹ in Lakhs)					
Nature of Transaction	Enterprises owned by key management personnel / Directors or their relatives	Key Managerial Persons	Relatives to Key Managerial Persons	Subsidiary Company	Total as on 31.03.2015
Purchase of Goods / Assets	-	-	-	709	709
	-	(1,521)	(4)	(5,685)	(7,210)
Sales of Goods / Assets	-	-	-	21,844	21,844
	-	-	-	(18,171)	(18,171)
Lease Rent Paid	-	1	-	-	1
	-	(1)	-	-	(1)
Lease Rent Received	-	-	-	156	156
	-	-	-	(18)	(18)
Remuneration / Salary	-	1,740	24	-	1,764
	-	(1,386)	(24)	-	(1,410)
Processing / Service Charges income	-	-	-	4,777	4,777
	-	-	-	(812)	(812)
Processing / Service Charges Expenses	-	-	-	1,321	1,321
	-	-	-	(4,297)	(4,297)
Interest Receipts	-	-	-	35	35
	-	-	-	(86)	(86)
Donation	300	-	-	-	300
	(300)	-	-	-	(300)
Investments	-	-	-	7,641	7,641
	-	-	-	(17,416)	(17,416)
Loans & Advances	-	-	-	722	722
	-	-	-	(268)	(268)
Amount Receivable	-	-	-	8,859	8,859
	-	-	-	-	-
Amount Payable	-	1,040	-	-	1,040
	-	(800)	(1)	(4,146)	(4,947)

(Previous year figures are shown in brackets)

## 31.3 Details of major transactions with related parties

a. Purchase of Goods / Assets (₹ in Lakhs)		
Name	2014-15	2013-14
Sri K.P.Ramasamy	-	507
Sri KPD Sigamani	-	507
Sri P.Nataraj	-	507
Sri K.P.Murugasamy	-	4
M/s. K.P.R.Sugar Mill Limited	457	5,250
M/s. Quantum KNITS PVT. LIMITED	252	435
Total	709	7,210

b. Sale of Goods / Assets (₹ in Lakhs)		
Name	2014-15	2013-14
M/s. Quantum KNITS PVT. LIMITED	6,207	18,136
M/s. K.P.R.Sugar Mill Limited	15,637	35
Total	21,844	18,171

c. Processing / Service Charges Income (₹ in Lakhs)		
Name	2014-15	2013-14
M/s. Quantum KNITS PVT. LIMITED	-	812
M/s. K.P.R.Sugar Mill Limited	4,777	-
Total	4,777	812

d. Processing / Service Charges Expenses (₹ in Lakhs)		
Name	2014-15	2013-14
M/s. Quantum KNITS PVT. LIMITED	-	392
M/s. K.P.R.Sugar Mill Limited	1,321	3,905
Total	1,321	4,297

e. Interest Receipts (₹ in Lakhs)		
Name	2014-15	2013-14
M/s. K.P.R.Sugar Mill Limited	1	86
M/s. Jahnvi Motor Private Limited	34	-
Total	35	86

f. Donations (₹ in Lakhs)		
Name	2014-15	2013-14
M/s. K.P.R.Charities	300	300
Total	300	300

g. Lease Rent Paid (₹ in Lakhs)		
Name	2014-15	2013-14
Sri K.P.Ramasamy	0.19	0.27
Sri KPD Sigamani	0.19	0.26
Sri P.Nataraj	0.18	0.26
Total	0.56	0.79

h. Lease Rent Received (₹ in Lakhs)		
Name	2014-15	2013-14
M/s.K.P.R.Sugar Mill Limited	156	18
Total	156	18

i. Remuneration / Salary (₹ in Lakhs)		
Name	2014-15	2013-14
Sri K.P.Ramasamy	572	454
Sri KPD Sigamani	572	454
Sri P.Nataraj	572	454
Sri C.R.Anandakrishnan	24	24
Sri E.K.Sakthivel	18	18
Smt.D.Geetha	6	6
Total	1,764	1,410

j. Amount Payable (₹ in Lakhs)		
Name	2014-15	2013-14
Sri K.P.Ramasamy	347	266
Sri KPD Sigamani	347	266
Sri P.Nataraj	346	266
Sri C.R.Anandakrishnan	-	2
M/s. Quantum KNITS PVT. LIMITED	-	304
M/s. K.P.R.Sugar Mill Limited	-	3843
Total	1,040	4,947

k. Amount Receivable (₹ in Lakhs)		
Name	2014-15	2013-14
M/s. Quantum KNITS PVT. LIMITED	7,066	-
M/s. K.P.R.Sugar Mill Limited	1,793	-
Total	8,859	-

l. Loans & Advances (₹ in Lakhs)		
Name	2014-15	2013-14
M/s. K.P.R.Sugar Mill Limited	-	41
M/s. Jahnvi Motor Private Limited	722	227
Total	722	268

m. Investments (₹ in Lakhs)		
Name	2014-15	2013-14
M/s. K.P.R.Sugar Mill Limited	7,350	17,250
M/s. Jahnvi Motor Private Limited	276	151
M/s. Quantum KNITS PVT. LIMITED	10	10
M/s. Galaxy Knits Limited	5	5
Total	7,641	17,416

## 32 Expenditure in Foreign Currency and CIF Value of Imports

(₹ in Lakhs)		
Particulars	2014-15	2013-14
(a) Expenditure in Foreign Currency:		
Travel, sales commission etc.,	243	353
Interest	192	326
Professional Fees	3	2
(b) Value of imports on CIF basis:		
Raw Material	26,842	16,446
Stores and Spare parts	463	507
Machinery	3,595	18,298
Total	31,338	35,932

**33 Earnings in Foreign Currency**

(₹ in Lakhs)		
Particulars	2014-15	2013-14
Export of Goods on FOB basis	48,803	42,851
Total	48,803	42,851

**34 Amounts Remitted in Foreign Currency as Dividends**

Particulars	2014-15	2013-14
On account of Dividends (₹ in Lakhs)	33	77
Number of Non-Resident Share Holders	1	1
Number of Shares held by Non-Resident Shareholders on which Dividends are due (₹)	11,06,784	11,06,784
The year to which dividend relates	2013-14	2012-13 & 2013-14

**35 Earnings Per Share (EPS)**

Particulars	2014-15	2013-14
Profit / (loss) for the year	14,598	13,056
Less: Preference Dividend and Tax thereon	126	123
Profit / (loss) for the year attributable to the equity shareholders	14,472	12,933
Weighted average number of Shares	3,76,82,892	3,76,82,892
Face Value Per Share (₹)	10.00	10.00
Earnings Per Share (₹) - Basic & Diluted	38.40	34.32

**36 Segment Reporting**

The Company is mainly engaged in the business of manufacturing of textiles consisting of yarn, fabrics and garments. Considering the nature of business and financial reporting of the Company, the Company operates in only one business segment, viz., textiles. The Company operates in Domestic and Export segments geographically. The disclosures relating to secondary geographical segment is as follows:

**36.1 Segment Revenue by Geographic Location of Customers**

(₹ in Lakhs)		
Particulars	2014-15	2013-14
Asia	27,563	26,003
Europe	19,391	16,313
India	1,47,089	1,45,216
Others	1,849	535
Total	1,95,892	1,88,067

**36.2 Segment Assets by Geographic Location of Assets**

(₹ in Lakhs)		
Particulars	2014-15	2013-14
Asia	5,038	312
Europe	3,367	4,313
India	1,64,726	1,63,901
Others	9	43
Total	1,73,140	1,68,569

**36.3 Capital Expenditure**

(₹ in Lakhs)		
Particulars	2014-15	2013-14
Outside India	-	-
India	9,591	6,064
Total	9,591	6,064

**37 Operating Lease Disclosure**

The Company has taken Office space on lease for a period of 9 years with option to renew and with escalation in rent once in three years with lock-in period of three years. Lease rent for the year ended 31st March 2015 amounted to ₹ 55 Lakhs.

(₹ in Lakhs)		
Particulars	2014-15	2013-14
Minimum lease payments not later than one year	62	50
Later than one year but not later than five years	273	169
More than five years	92	211

**38 Disclosure of Employee Benefits****38.1 Defined Contribution Plans**

(₹ in Lakhs)		
	2014-15	2013-14
Provident Fund	821	673
Employee State Insurance	353	305

## 38.2 Defined Benefit Plan - Gratuity

	₹ in Lakhs	
	2014-15	2013-14
<b>A Change in Present Value of Obligation</b>		
PV of obligation as at the beginning of the year	126	100
Current Service Cost	35	22
Interest Cost	10	8
Actuarial (gain) / Loss on obligation	68	(4)
PV of obligation as at the end of the year	240	126
<b>B Change in Fair Value of Plan Assets</b>		
FV of Plan Asset as at the beginning of the year	139	117
Expected return on Plan Assets	11	8
Actuarial gain / (loss)	-	-
Contributions by the employer	95	14
FV of Plan Asset as at the end of the year	245	139
<b>C Net Asset/(Liability) recognized in the Balance Sheet</b>		
PV of obligation as at end of the year	240	126
FV of Plan Asset as at end of the year	245	139
Funded Status [Surplus/ (Deficit)]	5	13
<b>D Expense recognized in the Statement of Profit and Loss</b>		
Current Service Cost	35	22
Interest Cost	10	8
Expected return on Plan Assets	(11)	(8)
Actuarial (gains) / Losses	68	(4)
Expense recognised in the Statement of Profit and Loss	103	18

	₹ in Lakhs	
	2014-15	2013-14
<b>E Composition of Plan Assets</b>		
Government securities	100	57
Debentures and bonds	92	52
Fixed deposits	37	21
Others	16	9
<b>F Actuarial Assumptions</b>		
Discount Rate (per annum)	8.00%	8.00%
Rate of increase in compensation levels (per annum)	7.00%	7.00%
Rate of return on plan assets (per annum)	8.00%	8.00%
Expected average remaining working lives of employees (years)	30.81	28.18

The details of experience adjustments arising on account of plan assets and liabilities as required by paragraph 120(n)(ii) of AS 15 (Revised) on "Employee Benefits" are not readily available in the valuation report and hence, are not furnished.

The estimate of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotions and other relevant factors including supply and demand in the employment market.

39 Captive consumption of windmill power: The power cost is net value of captively consumed units.

40 Disclosure as per Clause 32 of the Listing Agreements - Investments

	₹ in Lakhs	
Name of the Company	2014-15	2013-14
M/s. Quantum KNITS PVT. LIMITED	10	10
M/s. K.P.R. Sugar Mill Limited	7,350	17,250
M/s. Jahnvi Motor Private Limited	276	151
M/s. Galaxy Knits Limited	5	5
<b>Total</b>	<b>7,641</b>	<b>17,416</b>

41 Disclosure as per Clause 32 of the Listing Agreements - Loans & Advances

	₹ in Lakhs			
Name of the Company	As at 31.03.2015	Maximum outstanding during the year 2014-15	As at 31.03.2014	Maximum outstanding during the year 2013-14
M/s. K.P.R.Sugar Mill Limited	-	41	41	1,814
M/s. Jahnvi Motor Private Limited	641	641	227	227
<b>Total</b>	<b>641</b>	<b>682</b>	<b>268</b>	<b>2,041</b>



**42 Details of hedged and unhedged foreign currency exposures**

(i) Outstanding forward exchange contracts for hedging purposes as on 31<sup>st</sup> March, 2015:

Currency	Cross Currency	Amount (₹ in Lakhs)	Buy / Sell
\$	₹	3,871.80 (14,431.64)	Buy Buy
\$	₹	7,793.92 (2,963.19)	Sell Sell
€	₹	3,022.81 (4,165.51)	Sell Sell
€	₹	742.88 -	Buy -
£	₹	2,697.63 (3,056.07)	Sell Sell

Note: Figures in brackets relates to the previous year

(ii) The year-end unhedged foreign currency exposures are given below:

As at 31st March, 2015		As at 31st March, 2014	
Receivables / (Payables)		Receivables / (Payables)	
₹ in Lakhs	FC in Lakhs	₹ in Lakhs	FC in Lakhs
179.80	\$ 2.87	(34.68)	(€ 0.42)
410.24	€ 5.63		
640.04	£ 6.92		
(29.82)	(€ 0.44)		

**43 Particulars of Raw Materials Consumed - Cotton**

Particulars	2014-15			2013-14		
	Quantity in Kgs	₹ in Lakhs	%	Quantity in Kgs	₹ in Lakhs	%
Import	2,18,65,831	27,306	25	2,21,85,119	28,000	26
Domestic	7,37,60,037	83,417	75	6,51,82,123	81,438	74
Total	9,56,25,868	1,10,723	100	8,73,67,242	1,09,438	100

44 During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1<sup>st</sup> 2014, the Company revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. Further, assets individually costing ₹ 5,000/- or less that were depreciated fully in the year of purchase are now depreciated based on the useful life considered by the Company for the respective category of assets. The details of previously applied depreciation method, rates / useful life are as follows:

Asset	Previous Depreciation Method	Previous Depreciation rate / useful life	Revised useful life based on SLM
Factory Building	Straight Line Method	3.34% / ~ 30 years	3.17% / ~ 30 years
Non Factory building	Straight Line Method	1.63% / ~ 61 years	1.58% / ~ 60 years
Plant & Machinery	Straight Line Method	10.34% / ~ 10 years	10.34% / ~ 10 years
Electricals	Straight Line Method	7.07% / ~ 14 years	7.07% / ~ 14 years
Computers	Straight Line Method	16.21% / ~ 6 years	31.67% / ~ 3 years
Vehicles - Four Wheeler	Straight Line Method	9.50% / ~ 11 years	11.88% / ~ 8 years
Vehicles - Two Wheeler	Straight Line Method	9.50% / ~ 11 years	9.50% / ~ 10 years
Furnitures	Straight Line Method	6.33% / ~ 16 years	9.50% / ~ 10 years

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1<sup>st</sup> 2014, and has adjusted an amount of ₹ 61 Lakhs (net of deferred tax of ₹ 32 Lakhs) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ 251 Lakhs consequent to the change in the useful life of the assets.

45 The previous year figures have been regrouped / reclassified wherever necessary to conform to current year's classification.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF K.P.R. MILL LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of K.P.R. MILL LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards

and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated profit / loss and their consolidated cash flows for the year ended on that date.

## Other Matters

- (a) We did not audit the financial statements / financial information of three subsidiaries, whose financial statements reflect total assets of ₹ 66,046 Lakhs as at 31st March, 2015, total revenues of ₹ 67,026 Lakhs and net cash flows amounting to ₹ (4494) Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary companies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated

Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies, is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group— Refer Note 29 to the consolidated financial statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For DELOITTE HASKINS & SELLS  
Chartered Accountants  
Firm Registration No. 008072S

**M. Ramachandran**  
Partner  
Membership No. 16399

COIMBATORE,  
May 5, 2015

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Our reporting on the Order includes three subsidiary companies, to which the Order is applicable, which have been audited by other auditors and our report in respect of these entities is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

- (i) In respect of the fixed assets of the Holding Company and subsidiary companies, incorporated in India:
  - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management of the respective entities in accordance with a regular programme of verification which, in our opinion and the opinion of the other auditors, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us and the other auditors, no material discrepancies were noticed on such verification.
- (ii) In respect of the inventories of the Holding Company and subsidiary companies incorporated in India:
  - (a) As explained to us and the other auditors, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.
  - (b) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
  - (c) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Holding Company and subsidiary companies, incorporated in India have granted loans, to the extent included in the consolidated financial statements, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective entities. In respect of such loans:
  - (a) In the absence of stipulations, the regularity of the receipts of principal amounts and interest has not been commented upon. In respect of 3 subsidiary Companies incorporated in India.
  - (b) As the terms of repayment of principal have not been specified, we are unable to comment whether there are any overdue principal exceeding ₹ 1 Lakh remaining outstanding as at the year-end and whether the Management has taken reasonable steps for recovery of the principal amounts.
- (iv) In our opinion and in the opinion of the other auditors and according to the information and explanations given to us and the other auditors, there is an adequate internal control system in the Holding Company and subsidiary companies incorporated in India, commensurate with the size of the respective entities and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our and the other auditors audit no continuing failure to correct major weaknesses in such internal control system has been observed.
- (v) According to the information and explanations given to us, the Holding Company and subsidiary companies, incorporated in India have not accepted any deposit during the year.
- (vi) According to the information and explanations given to us and to the other auditors, in our opinion and in the opinion of the other auditors, the Holding Company and its subsidiary companies incorporated in India have, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under subsection(1) of Section 148 of the Companies Act, 2013. Neither we nor the other auditors have, however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues of the Holding Company and subsidiary companies, incorporated in India:
  - (a) The respective entities have been have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities.
  - (b) There were no undisputed amounts payable by the respective entities in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty,

Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

- (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes by the aforesaid entities are given below:

Name of the statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Aggregate Amount Involved (₹ in lakhs)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals), Coimbatore	1997-98, 2001-02, 2004-05 & 2011-12	1908.73
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal, Chennai	2008-09, 2009-10, & 2010-11	4179.12
Finance Act 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal, Chennai	2004-07	27.52
Central Excise Act 1944	Excise Duty	Customs, Excise and Service Tax Appellate Tribunal, Chennai	2005-06	3.82
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	Joint Commissioner (Commercial Taxes), Coimbatore	2011-12	4.91
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	Additional Commissioner (RP), Chennai	2012-13	4.89

- (d) The aforesaid entities have been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.

- (viii) The Group does not have consolidated accumulated losses at the end of the financial year and the Group has not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Holding Company and subsidiary companies, incorporated in India have not defaulted in the repayment of dues to financial institutions and banks. The Holding Company and subsidiary companies, incorporated in India have not issued any debentures.
- (x) According to the information and explanations given to us, the Holding Company and subsidiary companies incorporated in India have not given guarantees for loans taken by others from banks and financial institutions.
- (xi) In our opinion and in the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the term loans have been applied by the Holding Company and subsidiary companies incorporated in India during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (xii) To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Holding Company and by its subsidiary companies, incorporated in India and no material fraud on the Holding Company and on its subsidiary companies, incorporated in India has been noticed or reported during the year.



	Note	As at 31.03.2015	As at 31.03.2014
(₹ in Lakhs)			
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	3	5,268	5,268
(b) Reserves and Surplus	4	89,253	76,186
		<b>94,521</b>	81,454
<b>2 Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5	31,289	47,426
(b) Deferred Tax Liabilities (Net)	6	6,004	6,012
(c) Other Long - Term Liabilities	7	5,467	16
		<b>42,760</b>	53,454
<b>3 Current Liabilities</b>			
(a) Short-Term Borrowings	8	41,292	37,315
(b) Trade Payables	9	28,056	27,969
(c) Other Current Liabilities	10	12,802	14,400
(d) Short-Term Provisions	11	3,743	1,854
		<b>85,893</b>	81,538
		<b>2,23,174</b>	2,16,446
<b>B ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	12	1,20,567	1,25,516
(ii) Capital Work-in-Progress		236	598
		<b>1,20,803</b>	1,26,114
(b) Goodwill on Consolidation		70	70
(c) Non-Current Investments	13	347	-
(d) Long-Term Loans and Advances	14	5,783	1,070
(e) Other Non-Current Assets	15	58	-
		<b>1,27,061</b>	1,27,254
<b>2 Current Assets</b>			
(a) Current Investments	16	5,800	6,269
(b) Inventories	17	51,643	40,534
(c) Trade Receivables	18	28,178	23,801
(d) Cash and Cash Equivalents	19	4,038	9,916
(e) Short-Term Loans and Advances	20	2,443	4,005
(f) Other Current Assets	21	4,011	4,667
		<b>96,113</b>	89,192
		<b>2,23,174</b>	2,16,446

Accompanying notes forming part of the consolidated financial statements

For and on behalf of the Board of Directors

K.P. Ramasamy  
Chairman

KPD Sigamani  
Managing Director

P. Nataraj  
Chief Executive Officer &  
Managing Director

PL Murugappan  
Chief Financial Officer

P. Kandaswamy  
Company Secretary

Coimbatore  
05.05.2015

In terms of our report attached

For Deloitte Haskins & Sells  
Chartered Accountants

M. Ramachandran  
Partner

Coimbatore  
05.05.2015

# Consolidated Statement of Profit and Loss

## Consolidated Statement of Profit and Loss for the Year Ended 31.03.2015

	Note	Year Ended 31.03.2015	Year Ended 31.03.2014
		(₹ in Lakhs)	
I. Revenue from Operations (Gross)	22	2,57,649	2,38,121
Less: Excise Duty		1,074	1,019
Revenue from Operations (Net)		2,56,575	2,37,102
II. Other Income	23	2,404	3,104
III. Total Revenue		2,58,979	2,40,206
IV. Expenses			
Cost of Goods Consumed	24	1,59,476	1,50,679
Purchase of Stock-in-Trade		10,268	8,176
Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade	25	(2,346)	(185)
Employee Benefit Expenses	26	18,267	15,098
Finance Costs	27	8,394	10,450
Depreciation and Amortization Expenses	12	15,402	15,670
Other Expenses	28	27,180	21,111
Total Expenses		2,36,641	2,20,999
V. Profit Before Tax		22,338	19,207
VI. Tax Expense			
Current Tax Expense for Current Year		6,573	5,313
Less: MAT Credit Entitlement		1,522	135
Current Tax Expense relating to Prior Years		(95)	87
Deferred Tax Expense / (Credit)		25	(226)
Net Tax Expense		4,981	5,039
VII. Profit for the Year		17,357	14,168
VIII. Earnings per equity share of ₹ 10 each Basic & Diluted (in ₹)		45.73	37.27

Accompanying notes forming part of the consolidated financial statements.

For and on behalf of the Board of Directors

In terms of our report attached

For Deloitte Haskins & Sells  
Chartered Accountants

K.P. Ramasamy  
Chairman

KPD Sigamani  
Managing Director

P. Nataraj  
Chief Executive Officer &  
Managing Director

M. Ramachandran  
Partner

PL Murugappan  
Chief Financial Officer

P. Kandaswamy  
Company Secretary

Coimbatore  
05.05.2015

Coimbatore  
05.05.2015

	Year Ended 31.03.2015	Year Ended 31.03.2014
	(₹ in Lakhs)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before extraordinary items, tax, share of		
Profit / (Loss) of associates and minority interest	22,338	19,207
Adjustments for:		
Depreciation and amortisation expense	15,402	15,670
(Profit) / Loss on Sale / Write-off of Assets	34	30
Finance Costs	8,394	10,450
Interest Income	(275)	(591)
Dividend Income	(244)	(116)
Rental Income from Operating Leases	(13)	(14)
Bad Debts Written-off & Provision for Doubtful Trade and Other Receivables	(11)	207
<b>Operating Profit before Working Capital Changes</b>	<b>45,625</b>	<b>44,843</b>
Changes in Working Capital:		
Adjustments for (Increase) / Decrease in Operating Assets:		
Inventories	(11,109)	(4,777)
Trade Receivables	(4,388)	(7,922)
Short-Term Loans and Advances	1,562	54
Long-Term Loans and Advances	(658)	489
Other Current Assets	758	(2,997)
Other Non-Current Assets	(58)	22
Adjustments for Increase / (Decrease) in Operating Liabilities:		
Trade Payables	87	16,558
Other Current Liabilities	(260)	33
Other Long-Term Liabilities	5,467	-
<b>Cash Generated from Operations</b>	<b>37,026</b>	<b>46,303</b>
Net Income Tax (Paid) / Refunds	(6,012)	(4,117)
<b>Net Cash Flow From / (Used In) Operating Activities</b>	<b>(A) 31,014</b>	<b>42,186</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital Expenditure on Fixed Assets, Including Capital Advances	(12,941)	(22,764)
Bank Balance not considered as Cash and Cash Equivalents - Margin Deposit Accounts	1,962	3,035
Proceeds from Sale of Fixed Assets	198	368
Purchase of Non-Current Investment		
- Others	(347)	-
Proceeds from the sale of Current Investment	469	-
Dividend Received	244	116
Interest Received	173	847
Rental Income Received from Operating Leases	13	14
<b>Net Cash Flow From / (Used In) Investing Activities</b>	<b>(B) (10,229)</b>	<b>(18,384)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long-Term Borrowings	3,673	10,526
Repayment of Long-Term Borrowings	(21,416)	(11,267)
Net Increase / (Decrease) in Working Capital Borrowings	3,977	(3,877)
Finance Costs Paid	(8,124)	(11,009)

# Consolidated Cash Flow Statement

Consolidated Cash Flow Statement for the Year Ended 31.03.2015

	Year Ended 31.03.2015	Year Ended 31.03.2014
	(₹ in Lakhs)	
Dividends Paid	(2,770)	(2,741)
Tax on Dividend Paid	(506)	(466)
Bank balance not considered as Cash and Cash equivalents		
(i) Share Application Money	(2)	-
<b>Net Cash Flow From / (Used In) Financing Activities</b>	<b>(25,168)</b>	<b>(18,834)</b>
Net Increase / (Decrease) in Cash and Cash Equivalents	(4,383)	4,968
Add: Opening Cash and Cash Equivalents	14,063	9,095
<b>Closing Cash and Cash Equivalents</b>	<b>9,680</b>	<b>14,063</b>
<b>Reconciliation of Cash and Cash Equivalents with the Balance Sheet:</b>		
Cash and cash equivalents (Refer Note 19)	<b>4,038</b>	9,916
Less: Bank balances not considered as Cash and Cash Equivalents as defined in AS 3 Cash Flow Statements		
(i) In earmarked accounts		
- Unpaid dividend accounts	8	8
- Share application money received for allotment of securities and due for refund	-	2
- Balances held as margin money or security against borrowings, guarantees and other commitments	150	2,112
Net Cash and Cash Equivalents (as defined in AS 3 Cash Flow Statements) included in Note 19	3,880	7,794
Add: Current Investments considered as part of Cash and Cash Equivalents as defined in AS 3 Cash Flow Statements (Refer Note 16 - Current Investments)	5,800	6,269
<b>Closing Cash and Cash Equivalents</b>	<b>9,680</b>	<b>14,063</b>
<b>Closing Cash and Cash Equivalents comprises:</b>		
(a) Cash on Hand	91	222
(b) Balance with Banks:		
i) In Current Accounts	2,628	3,766
ii) In EEFC Accounts	1,132	567
iii) In Deposit Accounts	29	3,239
(c) Current Investments considered as part of Cash and Cash Equivalents (Refer Note 16 Current investments)	5,800	6,269
	<b>9,680</b>	<b>14,063</b>

Accompanying notes forming part of the consolidated financial statements.

For and on behalf of the Board of Directors

In terms of our report attached

For Deloitte Haskins & Sells  
Chartered Accountants

K.P. Ramasamy  
Chairman

KPD Sigamani  
Managing Director

P. Nataraj  
Chief Executive Officer &  
Managing Director

M. Ramachandran  
Partner

PL Murugappan  
Chief Financial Officer

P. Kandaswamy  
Company Secretary

Coimbatore  
05.05.2015

Coimbatore  
05.05.2015

**1 CORPORATE INFORMATION**

- a) K.P.R.Mill Limited along with its wholly-owned subsidiary Quantum KNITS PVT. LIMITED is one of the largest vertically integrated apparel manufacturing Companies in India. The Company produces Yarn, Knitted Fabric, Readymade Garments and Windpower. It has state-of-the-art production facilities in the State of Tamil Nadu, India.
- b) K.P.R. Sugar Mill Limited is the Wholly owned Subsidiary Company of K.P.R. Mill Limited. Plant Located at Bijapur District, Karnataka State. It produces Sugar along with Green Energy viz., Co-Gen Power. The Company also has Garment manufacturing facility at Arasur, Coimbatore and commenced its operation from November 2013.
- c) Jahnvi Motor Private Limited is the Wholly owned Subsidiary Company of K.P.R. Mill Limited. The Company is the authorised dealers for AUDI cars in Coimbatore Region and Madurai Region.
- K.P.R.Mill Limited's shares are listed in Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

**2 BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES****A) BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated financial statements relate to K.P.R. Mill Limited ('the Company') and its wholly owned subsidiary Companies Quantum KNITS PVT. LIMITED, K.P.R.Sugar Mill Limited, Galaxy Knits Limited and Jahnvi Motor Private Limited. The Company and its subsidiaries constitute the Group.

**B) BASIS OF ACCOUNTING**

- (i) The financial statements of the subsidiary Company used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended 31st March, 2015.
- (ii) The consolidated financial statements of the Company and its subsidiaries (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable.
- (iii) The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation as more fully described in Note 45.

**C) PRINCIPLES OF CONSOLIDATION**

The consolidated financial statements relate to K.P.R.Mill Limited ('the Company'), and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- i) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis in accordance with the principles laid down in Accounting Standard (AS) 21 on "Consolidated Financial Statements" by adding together the value of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profit or loss unless cost cannot be recovered.
- ii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances are presented to the extent possible, in the same manner as the company's separate financial statements.
- iii) The following subsidiary companies have been considered in the preparation of the consolidated financial statements:

S.No.	Name of Subsidiary Company	Country of Incorporation	% of holding as at 31st March, 2015	% of holding as at 31st March, 2014	Date of Incorporation / Acquisition
1	M/s Quantum KNITS PVT. LIMITED	India	100	100	03.06.2009
2	M/s K.P.R.Sugar Mill Limited	India	100	100	27.06.2011
3	M/s Galaxy Knits Limited	India	100	100	24.07.2012
4	M/s Jahnvi Motor Private Limited	India	100	100	30.10.2012

- (iv) The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary company and such amounts are not set off between different entities.



### D) USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

### E) 1) INVENTORIES - TEXTILE

Inventories are valued at the lower of cost (e.g. on FIFO / specific identification method) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

### 2) INVENTORIES - SUGAR

- i) Finished goods are valued at cost or net realisable value whichever is lower. The cost for the finished goods is inclusive of cost of purchase, cost of conversion, excise duty, cess, if any, and other costs incurred in bringing the inventories to their present location and condition.
- ii) Stock-in-process, Stores, Spares, Consumables, Packing and Other Materials are valued at lower of Cost or Net Realizable Value.
- iii) Waste and Scrap are valued at Net Realizable Value.

### F) CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASH FLOW STATEMENT)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### G) CASH FLOW STATEMENT

Cash flow are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### H) DEPRECIATION

Depreciation on Fixed Assets is provided on Straight Line Method at the rates prescribed in Schedule II of the Companies Act, 2013, except 1) Wind Mill @ 8.33% 2) Plant & Machinery @ 10.34% and 3) Electricals @ 7.07% based on useful life ascertained for such asset through technical assessment by competent Professional.

### I) REVENUE RECOGNITION

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax. Sale of Service and revenue from sale of windmill power are recognised when services are rendered and related costs are incurred.

### J) OTHER INCOME

Dividend Income is recognised when right to receive the income is established. Interest income is recognised on time proportion basis (accrual basis) taking into account the amount outstanding and rate applicable. Export incentives are accounted for in the year of exports based on eligibility and expected amount on realisation.

### K) FIXED ASSETS

- i) Fixed assets and intangibles are stated at cost less accumulated depreciation / amortisation and impairment losses, if any. Cost includes all costs relating to acquisition and installation of fixed assets including any incidental costs of bringing the assets to their working condition for their intended use. The Company has adopted the provisions of para 46 / 46A of AS 11. The Effects of Changes in Foreign Exchange Rates, and accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.
- ii) Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

### Capital work-in-progress

- iii) Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

### L) FOREIGN EXCHANGE TRANSACTIONS

**Initial recognition :** Transactions in Foreign Currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transactions or at rates that closely approximate the rate at the date of the transaction or at the forward contract rate for the transaction.

**Measurement at the balance sheet date:** Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

**Treatment of exchange differences - when para 46 / 46A of AS 11 is adopted:** Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

**Accounting for forward contracts:** Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

#### M) GOVERNMENT GRANTS, SUBSIDIES AND EXPORT INCENTIVES

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidies will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve. Government grants in the form of non-monetary assets, given at a concessional rate, are recorded on the basis of their acquisition cost. In case the non-monetary asset is given free of cost, the grant is recorded at a nominal value.

Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

#### N) INVESTMENTS

Long term investments (excluding investment properties) are carried at cost less provision for diminution other than temporary in the value of such investments. Current investments are stated at lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Fixed assets.

#### O) EMPLOYEE BENEFITS

##### (a) Short Term

Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

##### (b) Long Term Post Retirement

Post Retirement Benefits comprise of Provident Fund and Gratuity which are accounted for as follows:

##### 1. Provident Fund

This is a defined contribution plan, and contributions made to the Fund are charged to Consolidated Statement of Profit and Loss. The Company has no further obligations for future provident fund benefits other than monthly contributions.

##### 2. Gratuity Fund

This is a defined benefit plan for K.P.R. Mill Limited and Quantum Knits (A unit of K.P.R. Sugar Mill Limited). The Companies make annual contribution to the Gratuity Fund administered by LIC. The liability is determined based on the actuarial valuation using projected unit credit method. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur. The Retirement Benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost. For K.P.R. Sugar Mill Limited and Jahnvi Motor Private Limited, the Companies have made provision in the books.

##### 3. Leave encashment

There is no scheme for encashment of unavailed leave on retirement.

#### P) BORROWING COSTS

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

### Q) SEGMENT REPORTING

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

### R) LEASE

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

### S) EARNINGS PER SHARE (EPS)

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

### T) TAXATION

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the applicable tax rates and the provisions of applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

The Group offsets deferred tax assets and deferred tax liabilities, and advance income tax and provision for tax, if it has a legally enforceable right and these relate to taxes in income levies by the same governing taxation laws.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

### U) RESEARCH AND DEVELOPMENT EXPENSES

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

**V) IMPAIRMENT OF ASSETS**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

**W) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

**X) INSURANCE CLAIMS**

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

**Y) SERVICE TAX INPUT CREDIT**

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

**Z) i) EXCISE DUTY - TEXTILE**

The Company has opted to adopt for 'Exempted Route' under Central Excise Rules for local sales. Accordingly, CENVAT credit on inputs is not available to the Company and no excise duty is payable on sales of manufactured goods.

**ii) EXCISE DUTY - SUGAR**

The Excise Duty on sale of finished goods is deducted from turnover to arrive at net sales as shown in the statement of profit and loss. The Excise Duty appearing in the statement of profit and loss as an expenditure represents excise duty provision for closing stock of finished goods.

**AA) OPERATING CYCLE**

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**3 SHARE CAPITAL****Authorised Share Capital**

4,00,00,000 (Pr.Yr. 4,00,00,000) Equity Shares of ₹ 10 each with voting rights  
15,00,00,000 (Pr.Yr.15,00,000) 7% Redeemable Cumulative Non-Convertible Preference Shares of ₹ 100 each

**Issued, Subscribed & Paid up Capital**

3,76,82,892 (Pr.Yr. 3,76,82,892) Equity Shares of ₹10 each, fully paid-up with voting rights  
15,00,00,000 (Pr.Yr.15,00,000) 7% Redeemable Cumulative Non-Convertible Preference Shares of ₹100 each, fully paid-up

**3.1** Pursuant to the approval of share holders at the Annual General Meeting held on 25.08.2010, the Company allotted 15,00,000 7% redeemable cumulative preference shares to K.P.R Developers Limited for consideration other than cash.

	As at 31.03.2015	As at 31.03.2014
(₹ in Lakhs)		
	4,000	4,000
	1,500	1,500
	<b>5,500</b>	<b>5,500</b>
	3,768	3,768
	1,500	1,500
	<b>5,268</b>	<b>5,268</b>

### 3.2 Term / Rights to Shares

#### Equity Shares:

The Company has issued only one class of equity shares having a face value of ₹ 10 per share. The holder of each equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

During the year, the amount of per share interim dividend paid to equity shareholders was ₹ 4 (31st March 2014: ₹ 4) and per share final dividend recommended for distribution to equity shareholder is ₹ 5 (31st March 2014: ₹ 3).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after settling the dues of preferential and other creditors as per priority. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### Preference Shares:

7% Redeemable Cumulative Non-Convertible Preference Shares are redeemable at par within a period of 10 years from the date of issue, as may be decided by the Board.

### 3.3 Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

#### a. Equity Shares

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Number of Shares	(₹ in Lakhs)	Number of Shares	(₹ in Lakhs)
At the beginning of the period	3,76,82,892	3,768	3,76,82,892	3,768
Changes during the year	-	-	-	-
Outstanding at the end of the period	3,76,82,892	3,768	3,76,82,892	3,768

#### b. 7% Redeemable Cumulative Non-Convertible Preference Shares

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Number of Shares	(₹ in Lakhs)	Number of Shares	(₹ in Lakhs)
At the beginning of the period	15,00,000	1,500	15,00,000	1,500
Changes during the year	-	-	-	-
Outstanding at the end of the period	15,00,000	1,500	15,00,000	1,500

### 3.4 Details of Shareholders holding more than 5% of Shares in the Company

#### a. Equity Shares

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Number of Shares	%	Number of Shares	%
Sri K.P.Ramasamy	81,27,684	21.57	81,27,684	21.57
Sri KPD Sigamani	81,28,634	21.57	81,28,634	21.57
Sri P.Nataraj	81,27,733	21.57	81,27,733	21.57
M/s Ares Investments	-	-	25,54,994	6.78

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares as at the balance sheet date.

#### b. 7% Redeemable Cumulative Non-Convertible Preference Shares

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Number of Shares	%	Number of Shares	%
M/s K.P.R. Developers Limited	15,00,000	100	15,00,000	100



	As at 31.03.2015	As at 31.03.2014
	(₹ in Lakhs)	
<b>4 RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
Opening Balance	293	293
Closing Balance	293	293
<b>Securities Premium</b>		
Opening Balance	19,096	19,096
Closing Balance	19,096	19,096
<b>General Reserve</b>		
Opening Balance	18,191	16,885
Add: Transfer from Surplus in the Statement of Profit and Loss	1,460	1,306
Closing Balance	19,651	18,191
<b>Foreign Currency Monetary Item Translation Difference Account</b>		
Opening Balance	-	104
Add / (Less): Effect of foreign exchange rate variations during the year	-	(104)
Closing Balance	-	-
<b>Surplus in Statement of Profit and Loss</b>		
Opening Balance	38,606	28,980
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax)	64	-
Add: Profit for the year	17,357	14,168
Less:		
Interim Dividend	1,507	1,507
Dividends proposed to be distributed to equity shareholders (₹ 5 per share)	1,884	1,130
Dividends proposed to be distributed to preference shareholders	131	133
Tax on Dividend	704	466
Depreciation related to previous period as per new Company Law	-	-
Transferred to:		
General Reserve	1,460	1,306
Closing Balance	50,213	38,606
	<b>89,253</b>	<b>76,186</b>
<b>5 LONG TERM BORROWINGS</b>		
<b>From Banks (Secured)</b>		
Term Loans	30,617	47,020
<b>From Others (Unsecured)</b>		
Interest Free Sales Tax Loan	672	406
	<b>31,289</b>	<b>47,426</b>

- 5.1 Term Loans from banks are secured by pari-passu first charge on fixed assets and second charge on current assets of the company.
- 5.2 i) Loan amounting to ₹ 7,755 Lakhs (Pr. Yr. ₹ 19,795 Lakhs) is repayable in 26 quarterly installments.  
 ii) Loan amounting to ₹ 2,184 Lakhs (Pr. Yr. ₹ Nil) is repayable in 24 quarterly installments.  
 iii) Loan amounting to ₹ 525 Lakhs (Pr. Yr. ₹ Nil) is repayable in 20 quarterly installments.  
 iv) Loan amounting to ₹ 29,851 Lakhs (Pr. Yr. ₹ 32,102 Lakhs) is repayable in 12 quarterly installments.  
 v) Loan amounting to ₹ Nil (Pr. Yr. ₹ 4,831 Lakhs) is fully paid.  
 vi) Loan amounting to ₹ Nil (Pr. Yr. ₹ 933 Lakhs) is fully paid.  
 vii) Loan amounting to ₹ 48 Lakhs (Pr. Yr. ₹ 590 Lakhs) is repayable in 1 quarterly installment.
- 5.3 Interest rate relating to term loans from banks is in the range of 10.75% to 13.00%.
- 5.4 The Group has not defaulted in the repayment of principal and interest during the year.
- 5.5 For the current maturities of long-term borrowings, refer Note 10 Other Current Liabilities.

	As at 31.03.2015	As at 31.03.2014
	(₹ in Lakhs)	
<b>6 DEFERRED TAX LIABILITIES (NET)</b>		
Tax effect of items constituting deferred tax liabilities:		
i) On difference between book balance and tax balance of fixed assets	6,011	6,012
Add : Deferred tax liability for current year	25	-
Less : Deferred tax asset for earlier years due to change in method of depreciation as per New Companies Act, 2013	32	-
Closing Balance	6,004	6,012
Opening Balance	6,012	6,238
Net Deferred Tax Charge / (Credit)	(8)	(226)
<b>7 OTHER LONG TERM LIABILITIES</b>		
a) Trade Payables		
Other than Acceptances	5,467	-
b) Others		
Payables on Purchase of Fixed Assets	-	16
	5,467	16
<b>8 SHORT TERM BORROWINGS</b>		
Loans repayable on demand		
From Banks (Secured)		
i) Loans for Working Capital	30,714	8,718
ii) Packing Credit	8,426	13,082
Unsecured		
Loans repayable on Demand from Other Parties	2,152	368
Others - Acceptances under Buyers Credit	-	15,147
	41,292	37,315
<b>8.1</b> Working capital loans are secured by first charge on inventories and book debts, and second charge on fixed assets to lending banks on pari-passu basis.		
<b>8.2</b> The Company has not defaulted in its repayments of the loans and interest during the year.		
<b>9 TRADE PAYABLES</b>		
Other than Acceptances	28,056	27,969
	28,056	27,969
<b>10 OTHER CURRENT LIABILITIES</b>		
Current Maturities of:		
i) Long Term Loans	9,746	11,231
ii) Interest Free Sales Tax Loan	102	225
Interest accrued and not due on borrowings	580	310
Advance from Customers	473	809
Other Liabilities #	1,901	1,825
	12,802	14,400
# Includes (a) unclaimed dividend of ₹ 8 Lakhs (Pr. Yr. ₹ 9 Lakhs) (b) Share application money refund of ₹ Nil (Pr. Yr. ₹ 2 Lakhs), (c) Statutory dues of ₹ 1,806 Lakhs (Pr. Yr. ₹ 1,732 Lakhs) and (d) Others of ₹ 87 Lakhs (Pr. Yr. ₹ 82 Lakhs).		
<b>11 SHORT TERM PROVISIONS</b>		
Provision for Tax *	1,325	381
Provision for Proposed Preference Dividend	131	133
Provision for Proposed Equity Dividend	1,884	1,130
Provision for Tax on Proposed Dividends	403	210
	3,743	1,854

\* Net of Advance Tax paid ₹ 5,248 Lakhs (Pr. Yr. ₹ 4,932 Lakhs).

12. FIXED ASSETS										
Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION AND IMPAIRMENT				NET BLOCK	
	Cost as on 01.04.2014	Additions	Deletions	Cost as on 31.03.2015	Upto 31.03.2014	For the Year#	Withdrawn on Deletion	Upto 31.03.2015	As on 31.03.2015	As on 31.03.2014
Land*	4,860 3,071	1,274 1,792	- 3	6,134 4,860	- -	- -	- -	- -	6,134 4,860	4,860 3,071
Factory Building	26,898 26,711	1,238 187	- -	28,136 26,898	4,054 3,168	848 886	- -	4,902 4,054	23,234 22,844	22,844 23,543
Non Factory Building	9,135 9,135	2,426 -	- -	11,561 9,135	767 583	185 184	- -	952 767	10,609 8,368	8,368 8,552
Plant & Machinery	1,13,904 1,09,346	4,752 5,406	390 848	1,18,266 1,13,904	47,356 36,920	10,314 10,939	266 503	57,404 47,356	60,862 66,548	66,548 72,426
Wind Mill	35,668 35,668	- -	- -	35,668 35,668	19,972 17,140	2,851 2,832	- -	22,823 19,972	12,845 15,696	15,696 18,528
Electrical	6,910 6,815	473 95	31 -	7,352 6,910	2,452 1,957	491 495	13 -	2,930 2,452	4,422 4,458	4,458 4,858
Furniture & Fixtures	3,111 3,003	307 120	5 12	3,413 3,111	1,122 929	529 194	2 1	1,649 1,122	1,764 1,989	1,989 2,074
Computers & Accessories	381 364	149 19	15 2	515 381	261 228	88 34	13 1	336 261	179 120	120 136
Intangible Asstes - Software	143 126	15 17	- -	158 143	70 47	48 23	- -	118 70	40 73	73 79
Vehicles	885 839	146 100	118 54	913 885	325 258	144 83	34 16	435 325	478 560	560 581
Total	2,01,895 1,95,078	10,780 7,736	559 919	2,12,116 2,01,895	76,379 61,230	15,498 15,670	328 521	91,549 76,379	1,20,567 1,25,516	1,25,516 1,33,848

\* Includes Lease Hold Land ₹ 318 Lakhs (Pr.Yr. ₹ 318 Lakhs)

# The charge of depreciation on fixed assets due to adoption of the rates as per schedule II of the Companies Act, 2013 and re-estimate of useful life of assets is ₹ 96 Lakhs and the amount charged to Reserves and Surplus is ₹ 64 Lakhs (Net of Deferred Tax).

Note : Previous Year figures are shown in italics

	As at 31.03.2015	As at 31.03.2014
	(₹ in Lakhs)	
<b>13 NON CURRENT INVESTMENTS</b>		
<b>In Equity Instruments - Trade, Unquoted, fully paid up:</b>		
i) Other Entities		
700 (Pr.Yr Nil) Equity Shares of ₹ 10 each at a premium of ₹ 265 per share in A.R.S. Metals Private Limited	2	-
34,00,000 (Pr.Yr. Nil) Equity shares of ₹ 10 each of Cauvery Power Generation Chennai Pvt. Ltd.	340	-
3,500 (Pr.Yr.Nil) Equity Shares of ₹ 10 each at a premium of ₹ 126 per share in Surya Dev Alloys and Power Pvt. Ltd.	5	-
	<b>347</b>	<b>-</b>
<b>14 LONG TERM LOANS AND ADVANCES</b>		
Capital Advances -Unsecured, considered good	2,538	-
Security Deposit - Unsecured, considered good	1,547	889
Deposit with Central Excise & Service Tax	31	31
<b>MAT Credit Entitlement - Unsecured, considered good</b>		
Opening Balance	150	1,310
Changes during the year	1,517	(1,160)
Closing Balance	<b>1,667</b>	<b>150</b>
	<b>5,783</b>	<b>1,070</b>
<b>15 OTHER NON CURRENT ASSETS</b>		
<b>Unsecured and Considered good</b>		
Long Term Trade Receivables	190	182
Less: Provision for Doubtful Trade Receivables	132	182
	<b>58</b>	<b>-</b>
<b>16 CURRENT INVESTMENTS</b>		
<b>Other Current Investments (lower of cost and fair value, unless otherwise stated)</b>		
<b>Investment in Mutual Funds (Unquoted)</b>		
Reliance Mutual Fund*	5,800	3,447
HDFC Mutual Fund*	-	2,822
	<b>5,800</b>	<b>6,269</b>
* Refer Note 40 for number of units		
<b>17 INVENTORIES</b>		
<b>(At lower of cost &amp; Net realisable value)</b>		
Raw Materials	24,335	15,208
Stock-in-process **	1,584	1,694
Finished Goods	19,983	19,376
Stock-in-trade	2,862	2,087
Stores, Spares, Packing & Others	2,879	2,169
	<b>51,643</b>	<b>40,534</b>

\*\* Includes Yarn ₹ 1,181 Lakhs (Pr. Yr. ₹ 1,280 Lakhs), Fabric ₹ 20 Lakhs (Pr. Yr. ₹ Nil), Sugar ₹ 124 Lakhs (Pr. Yr. ₹ 181 Lakhs) and Garments ₹ 259 Lakhs (Pr. Yr. ₹ 233 Lakhs).

**18 TRADE RECEIVABLES****Unsecured and Considered good**

Outstanding for over six months from the payment due date

Others

Less: Provision for Doubtful Trade Receivables

**19 CASH AND CASH EQUIVALENTS**

(a) Cash on Hand

(b) Balance with Banks:

i) In Current Accounts

ii) In EEFC Accounts

iii) In Deposit Accounts #

iv) In Earmarked Deposit accounts

Of the above, the balances that meet the definition of Cash and Cash equivalents as per AS 3 Cash Flow Statements is ₹ 3,880 Lakhs (Pr. Yr. ₹ 7,794 Lakhs).

# Deposits Accounts include deposits with maturity of more than 12 months of ₹ 28 Lakhs (Pr. Yr. ₹ 33 Lakhs) and Margin Deposits of ₹ 151 Lakhs (Pr. Yr. ₹ 5,318 Lakhs).

**20 SHORT TERM LOANS AND ADVANCES****Unsecured and Considered good**

Loans and Advances Others

Loans and Advances to Employees

**Balances with Government Authorities:**

VAT Credit Receivable

Advance for Purchases

Others (Primarily prepaid expenses)

**21 OTHER CURRENT ASSETS**

Interest Accrued on Deposits

Investment Promotion Subsidy Receivables

Other Receivables (Mainly Export Incentives)

**22 REVENUE FROM OPERATIONS**

Sale of Products

Sale of Services

Other Operating Income

Revenues from operations (Gross)

Less: Excise Duty

As at 31.03.2015	As at 31.03.2014
(₹ in Lakhs)	
9	81
28,192	23,720
23	-
<b>28,178</b>	<b>23,801</b>
91	222
2,628	3,766
1,132	567
179	5,351
8	10
<b>4,038</b>	<b>9,916</b>
106	910
60	56
777	88
1,029	2,317
471	634
<b>2,443</b>	<b>4,005</b>
124	22
1,681	2,363
2,206	2,282
<b>4,011</b>	<b>4,667</b>
Year Ended 31.03.2015	Year Ended 31.03.2014
(₹ in Lakhs)	
2,46,794	2,27,532
3,125	4,539
7,730	6,050
<b>2,57,649</b>	<b>2,38,121</b>
1,074	1,019
<b>2,56,575</b>	<b>2,37,102</b>

	Year Ended 31.03.2015	Year Ended 31.03.2014
	(₹ in Lakhs)	
<b>22.1 Sale of Products</b>		
Garment	51,125	38,071
Yarn	1,02,595	1,14,350
Fabric	46,320	33,174
Sugar	23,978	20,684
Molasses	2,000	2,210
Co-Gen Power	3,056	1,696
Cars	10,100	8,923
Cotton Waste	7,620	8,424
	<b>2,46,794</b>	<b>2,27,532</b>
<b>22.2 Sale of Services</b>		
Processing, Fabrication & Service Income	3,125	4,539
	<b>3,125</b>	<b>4,539</b>
<b>22.3 Other Operating Income</b>		
Export Incentives	5,754	4,419
Others (Primarily Scrap)	1,976	1,631
	<b>7,730</b>	<b>6,050</b>
<b>23 OTHER INCOME</b>		
Interest from:		
Bank Deposits	152	514
Others	123	77
Dividend:		
From Current Investments	218	88
From Non-Current Investments	26	28
Investment Promotion Subsidy	1,681	2,363
Miscellaneous Income	204	34
	<b>2,404</b>	<b>3,104</b>
<b>24 COST OF GOODS CONSUMED</b>		
a) Opening Stock		
Cotton	12,945	8,886
Dyes & Chemicals	288	203
Yarn, Fabric & Garments	1,975	1,506
	<b>15,208</b>	<b>10,595</b>
b) Add: Purchases and Production Expenses		
Cotton	1,19,576	1,13,497
Dyes & Chemicals	2,104	2,128
Yarn, Fabric, Polyester & Garments	17,309	13,954
Production Expenses	2,198	1,247
Trims, Packing & Others (Consumption)	5,015	3,626
Parts Purchase & Others (Consumption)	16	491
Sugarcane & Coal	22,385	20,349
	<b>1,68,603</b>	<b>1,55,292</b>
c) Less : Closing Stock		
Cotton	21,798	12,945
Dyes & Chemicals	317	288
Yarn, Fabric & Garments	2,220	1,975
	<b>24,335</b>	<b>15,208</b>
	<b>1,59,476</b>	<b>1,50,679</b>



	Year Ended 31.03.2015	Year Ended 31.03.2014
	(₹ in Lakhs)	
<b>25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>A) OPENING STOCK</b>		
Finished Goods	19,376	19,759
Stock-in-Process	1,694	1,340
Stock-in-Trade	2,087	2,892
	<b>23,157</b>	<b>23,991</b>
<b>B) CLOSING STOCK</b>		
Finished Goods	19,983	19,376
Stock-in-Process	1,584	1,694
Stock-in-Trade	2,862	2,087
Increase / (Decrease) of excise duty on inventory	1,074	1,019
	<b>25,503</b>	<b>24,176</b>
	<b>(2,346)</b>	<b>(185)</b>
<b>26 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Wages & Bonus	15,145	12,539
Contribution to Provident Fund & Other Funds	1,324	975
Staff Welfare Expenses	1,798	1,584
	<b>18,267</b>	<b>15,098</b>
<b>27 FINANCE COSTS</b>		
<b>Interest Expense on</b>		
Term Loans	4,846	6,146
Working Capital Loans	3,048	3,037
<b>Others</b>		
Interest on delayed / deferred payment of Income Tax	71	69
Bank Charges	429	513
Net (Gain) / Loss on Foreign Currency Transactions & Translation	-	685
	<b>8,394</b>	<b>10,450</b>
<b>28 OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Power & Fuel	10,774	7,134
Consumption of Stores & Packing Materials	2,755	2,026
Insurance Charges	208	233
<b>Repairs and Maintenance</b>		
Building	624	312
Machinery	5,735	4,817
Others	377	313
<b>Administration Expenses</b>		
Professional Fees	182	168
Rent (Refer Note 38)	214	188
Duties, Rates & Taxes	1,282	1,096
Payment to Auditors (Refer Note 30)	13	12
Loss on Sale of Fixed Assets (Net)	34	30
Travelling Expenses	305	291
Expenditure on Corporate Social Responsibility	232	-
Donations	327	335
Bad Debts Written Off	50	25
Provision for Doubtful Trade & Other Receivables	(46)	182
General Expenses	317	290
<b>Selling Expenses</b>		
Freight & Forwarding	2,005	1,515
Sales Commission	1,244	1,602
Other Selling Expenses	548	542
	<b>27,180</b>	<b>21,111</b>

**29 Contingent Liabilities and Commitments (to the extent not provided for).**

- 29.1** The Group is in receipt of a demand of ₹ 82 Lakhs (Pr. Yr. ₹ 82 Lakhs) from the Indian Bank towards prepayment charges. The same has been contested in writ filed before the High Court of Judicature at Madras which has restrained Indian Bank from applying proceeds of TUF subsidy towards its demand for prepayment charges. The case is pending disposal.
- 29.2** The Group has issued Bank Guarantees amounting to ₹ 164 Lakhs (Pr. Yr. ₹ 164 Lakhs) in favour TANGEDCO and Bank Guarantees amounting to ₹ 10 Lakhs (Pr. Yr. ₹ 5 Lakhs) in favour of Tamilnadu Pollution Control Board, Bank Guarantee amounting to ₹ 698 Lakhs (Pr. Yr. ₹ Nil) in favour of Suryadev Alloys and Power Pvt Ltd, Bank Guarantee amounting to ₹ 67 Lakhs (Pr. Yr. ₹ Nil) in favour of A.R.S. Energy Private Limited, Bank Guarantee amounting to ₹ 160 Lakhs (Pr.Yr. ₹ Nil) in favour of A.R.S. Metal Private Limited and Bank Guarantee amounting to ₹ 25 Lakhs (Pr.Yr. ₹ Nil) in favour of New Tirupur Area Water Development Corporation Ltd. The Company has issued Corporate Guarantees amounting to ₹ 18,290 Lakhs (Pr Yr. ₹ 15,665 Lakhs) towards working capital facilities availed by the wholly owned subsidiaries from banks.
- 29.3** The Group has an Export obligation of ₹ 6,187 Lakhs (Pr. Yr. ₹ 5,101 Lakhs) to be completed upto 2020-21. The duty implication involved is ₹ 1,031 Lakhs (Pr. Yr. ₹ 836 Lakhs).
- 29.4** At the request of the Group, the Bankers have extended Letter of Credits in favour of the suppliers of the Group as under :
- Foreign Letter of Credit ₹ 773 Lakhs (Pr. Yr. ₹ 36 Lakhs).
  - Inland Letter of Credit ₹ 16 Lakhs (Pr. Yr. ₹ 873 Lakhs).
- 29.5** The Group has discounted sale invoices amounting to ₹ 7,937 Lakhs (Pr. Yr. ₹ 4,537 Lakhs) with banks as at the Balance Sheet date.
- 29.6** Disputed Income Tax demands pending in appeals as at the Balance Sheet date is ₹ 6,088 Lakhs (Pr. Yr. ₹ 3,395 Lakhs). Disputed Central Excise demands pending in appeals as at the Balance Sheet date is ₹ 4 Lakhs (Pr. Yr. ₹ 6 Lakhs). Disputed Service Tax demands pending in appeals as at the Balance Sheet date is ₹ 28 Lakhs (Pr. Yr. ₹ 28 Lakhs). Disputed Sales Tax demands pending in appeals as at the Balance Sheet date is ₹ 10 Lakhs (Pr. Yr. ₹ 10 Lakhs).
- 29.7** Estimated amount of contracts on capital account remaining to be executed (net of advances) aggregate to ₹ 1,232 Lakhs (Pr. Yr. ₹ Nil).

**30 Payment to Auditors**

	(₹ in Lakhs)	
	2014-15	2013-14
Statutory Audit Fees	11	11
Tax Audit and Tax Matters	-	-
Other Services	1	-
Cost Audit	-	-
Expenses (incl. Service Tax)	1	1
<b>Total</b>	<b>13</b>	<b>12</b>

**31 Related Party Disclosures:**

Disclosures under Accounting Standard 18 – Related Party Disclosure, as identified and disclosed by the management and relied upon by the Auditors:

## 31.1 Name of related parties and nature of relationships:

Key Management Personnel	Sri K.P. Ramasamy Sri KPD Sigamani Sri P. Nataraj Sri C.R. Anandakrishnan
Relatives of Key Managerial Personnel	Sri E.K.Sakthivel (Daughter's Husband of Sri.KPD Sigamani) Smt D. Geetha (Daughter of Sri.KPD Sigamani)
Enterprises owned by key management personnel/ Directors or their relatives	M/s K.P.R. Developers Limited M/s K P R Cements Private Limited M/s K P R Holdings Private Limited M/s K P R Agro Farms Private Limited M/s K.P.R.Charities

## 31.2 Transactions during the year and the balance outstanding at the Balance Sheet date:

(₹ in Lakhs)				
Nature of Transaction	Enterprises owned by key management personnel / Directors or their relatives	Key Managerial Persons	Relatives to Key Managerial Persons	Total as on 31.03.2015
Purchase of Goods / Assets	-	-	-	-
	-	(1,521)	(4)	(1,525)
Sale of Goods / Assets	-	-	-	-
	(52)	-	-	(52)
Lease Rent	-	1	-	1
	-	(1)	-	(1)
Remuneration / Salary	-	1,740	24	1,764
	-	(1,386)	(24)	(1,410)
Donation	300	-	-	300
	(300)	-	-	(300)
Amount Payable	-	1,040	-	1,040
	-	(800)	(1)	(801)

(Previous year figures are shown in brackets)

### 31.3 Details of major transactions with related parties

a. Purchase of Goods / Assets (₹ in Lakhs)		
Name	2014-15	2013-14
Sri K.P.Ramasamy	-	507
Sri KPD Sigamani	-	507
Sri P.Nataraj	-	507
Sri K.P.Murugasamy	-	4
Total	-	1,525

b. Sale of Goods / Assets (₹ in Lakhs)		
Name	2014-15	2013-14
M/s K P R Holdings Private Limited	-	52
Total	-	52

c. Lease Rent Paid (₹ in Lakhs)		
Name	2014-15	2013-14
Sri K.P.Ramasamy	0.19	0.27
Sri KPD Sigamani	0.19	0.26
Sri P.Nataraj	0.18	0.26
Total	0.56	0.79

d. Remuneration / Salary (₹ in Lakhs)		
Name	2014-15	2013-14
Sri K.P.Ramasamy	572	454
Sri KPD Sigamani	572	454
Sri P.Nataraj	572	454
Sri C.R.Ananda Krishnan	24	24
Sri E.K. Sakthivel	18	18
Smt D. Geetha	6	6
Total	1,764	1,410

e. Amount Payable (₹ in Lakhs)		
Name	2014-15	2013-14
Sri K.P.Ramasamy	347	266
Sri KPD Sigamani	347	266
Sri P.Nataraj	346	266
Sri C.R.Ananda Krishnan	-	2
Total	1,040	800

### 32 Expenditure in Foreign Currency and CIF Value of Imports

(₹ in Lakhs)		
Particulars	2014-15	2013-14
(a) Expenditure in Foreign Currency:		
Travel, sales commission etc.,	288	386
Interest	192	326
Professional Fees	3	2
(b) Value of imports on CIF basis:		
Raw Material	27,618	16,580
Stores and Spare parts	463	507
Machinery	3,595	18,357
Total	32,159	36,158

### 33 Earnings in Foreign Currency

(₹ in Lakhs)		
Particulars	2014-15	2013-14
Export of Goods on FOB basis	80,432	65,844
Total	80,432	65,844

### 34 Amounts Remitted in Foreign Currency as Dividends

Particulars	2014-15	2013-14
On account of Dividends (₹ in Lakhs)	33	77
Number of Non-Resident Share Holders	1	1
Number of Shares held by Non-Resident Shareholders on which Dividends are due	11,06,784	11,06,784
The year to which dividends relates	2013-14	2012-13 & 2013-14

### 35 Earnings Per Share (EPS)

(₹ in Lakhs)		
Particulars	2014-15	2013-14
Profit / (loss) for the year	17,357	14,168
Less: Preference Dividend and Tax thereon	126	123
Profit / (loss) for the year attributable to the equity shareholders	17,231	14,045
Weighted average number of Shares	3,76,82,892	3,76,82,892
Face Value Per Share (₹)	10	10
Earnings Per Share - Basic & Diluted (₹)	45.73	37.27

**36 Goodwill on Consolidation:**

	(₹ in Lakhs)	
Particulars	2014-15	2013-14
Opening Balance	70	70
Less: Impairment	-	-
Closing Balance	70	70

**37 Segment Reporting:**

The Group is operating in three business segments, viz., Textile, Sugar and Others as follows:

**37.1** (₹ in Lakhs)

Particulars	For the year ended 31st March, 2015				
	Business segments			Eliminations	Total
	Textile	Sugar	Others		
Revenue	2,10,607 (1,98,423)	27,960 (23,571)	10,278 (9,058)	- (-)	2,48,845 (2,31,052)
Inter-segment revenue	- (-)	447 (5,250)	- (-)	447 (5,250)	- (-)
Total	2,10,607 (1,98,423)	28,407 (28,821)	10,278 (9,058)	447 (5,250)	2,48,845 (2,31,052)
Segment result	27,091 (25,003)	695 (1,089)	542 (461)	- -	28,328 (26,553)
Unallocable expenses (net)					8,394 (10,450)
Operating income					19,934 (16,103)
Other income (net)					2,404 (3,104)
Profit before taxes					22,338 (19,207)
Tax expense					4,981 (5,039)
Profit for the year					17,357 (14,168)

Note: Figures in bracket relate to the previous year

37.2

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2015			
	Business Segments			Total
	Textile	Sugar	Others	
Segment assets	1,74,201 (1,58,361)	49,518 (57,711)	5,135 (2,225)	2,28,854 (2,18,297)
Unallocable assets				- (-)
Total assets				2,28,054 (2,18,297)
Segment liabilities	70,957 (60,986)	27,301 (21,642)	3,197 (1,255)	1,01,455 (83,883)
Unallocable liabilities				- (-)
Total liabilities				1,01,455 (83,883)
<b>Other information</b>				
Capital expenditure	8,993 (6,722)	295 (1,526)	1,129 (86)	10,417 (8,334)
Depreciation and amortisation	12,590 (12,985)	2,723 (2,613)	89 (72)	15,402 (15,670)

Note: Figures in bracket relate to the previous year

## 37.3 Segment Revenue by Geographic Location of Customers

	(₹ in Lakhs)	
	2014-15	2013-14
Asia	28,430	26,858
Europe	42,551	33,855
Others	9,474	5,131
India	1,66,339	1,61,688
Total	2,46,794	2,27,532

## 37.4 Segment Assets by Geographic Location of Assets

	(₹ in Lakhs)	
	2014-15	2013-14
Asia	5,598	521
Europe	5,847	8,345
Others	1,612	174
India	2,10,117	2,07,406
Total	2,23,174	2,16,446

37.5

	(₹ in Lakhs)	
Capital Expenditure	2014-15	2013-14
Outside India	-	-
India	10,780	7,736
Total	10,780	7,736

## 38 Operating Lease Disclosure

The Group has taken Office space on lease for a period of 9 years with option to renew and with escalation in rent once in three years with lock-in period of three years. Lease rent for the year ended 31st March, 2015 amounted to ₹ 168 Lakhs (Pr. Yr. ₹ 126 Lakhs).

	(₹ in Lakhs)	
Particulars	2014-15	2013-14
Minimum lease payments not later than one year	168	125
Later than one year but not later than five years	467	400
More than five years	92	211

## 39 Disclosure of Employee Benefits

## 39.1 Defined Contribution Plans

	(₹ in Lakhs)	
	2014-15	2013-14
Provident Fund	1149	804
Employee State Insurance	474	365



## 39.2 Defined Benefit Plan - Gratuity

	(₹ in Lakhs)	
	2014-15	2013-14
<b>A Changes in Present Value of Obligation</b>		
PV of obligation as the beginning of the year	166.08	123.13
Current Service Cost	56.52	40.64
Interest Cost	11.96	9.57
Actuarial (Gain) / Loss on Obligation	88.88	(726)
<b>PV of obligation as at end of the year</b>	<b>323.44</b>	<b>166.08</b>
<b>B Change in Fair Value of Plan Assets</b>		
FV of Plan Asset as at beginning of the year	165.68	138.22
Expected return on Plan Assets	13.09	9.46
Actuarial gain / (loss)	-	-
Contributions by the employer	11769	18.00
<b>FV of Plan Asset as at end of the year</b>	<b>296.46</b>	<b>165.68</b>
<b>C Net Asset/(Liability) recognized in the Balance Sheet</b>		
PV of Obligation as at end of the year	323.44	166.08
FV of Plan Asset as at end of the year	296.46	165.68
<b>Funded Status [Surplus/(Deficit)]</b>	<b>(26.98)</b>	<b>(0.40)</b>
<b>D Expense recognized in the Consolidated Statement of Profit and Loss</b>		
Current Service Cost	56.52	40.64
Interest Cost	11.96	9.57
Expected return on Plan Assets	(13.09)	(9.46)
Actuarial (gains) / Losses	88.88	(726)
<b>Expense recognised in the Consolidated Statement of Profit and Loss</b>	<b>144.27</b>	<b>33.49</b>
<b>E Composition of Plan Assets</b>		
Government securities	121.34	6782
Debentures and bonds	111.19	62.14
Fixed deposits	44.42	24.83
Others	19.48	10.89
<b>F Actuarial Assumptions</b>		
Discount Rate (per annum)	8.00%	8.00%
Rate of increase in compensation levels (per annum)	7.25%	7.20%
Rate of return on plan assets (per annum)	8.00%	8.00%
Expected average remaining working lives of employees (years)	28.99 - 30.81	28.18 - 30.03

The details of experience adjustments arising on account of plan assets and liabilities as required by paragraph 120(n)(ii) of AS 15 (Revised) on "Employee Benefits" are not readily available in the valuation report and hence, are not furnished. The estimate of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotions and other relevant factors including supply and demand in the employment market.

## 40 Details of Current Investments

(₹ in Lakhs)

Particulars	2014-15		2013-14	
	Units	NAV	Units	Amount
Reliance Mutual Fund	3,01,338	5,818	1,12,280	3,447
HDFC Mutual Fund	-	-	1,07,84,332	2,822
<b>Total</b>		<b>5,818</b>		<b>6,269</b>

41 Captive consumption of windmill power: The power cost is net value of captively consumed units.

### 42 Details of hedged and unhedged foreign currency exposures:

(i) Outstanding forward exchange contracts for hedging purposes as on 31st March, 2015

Currency	Cross Currency	Amount (₹ in Lakhs)	Buy / Sell
\$	₹	3,871.80 (14,431.64)	Buy Buy
\$	₹	18,952.84 (6,623.22)	Sell Sell
€	₹	9158.32 (11,239.44)	Sell Sell
€	₹	742.88	Buy
£	₹	-	-
£	₹	7,592.75 (4,452.30)	Sell Sell

Note: Figures in bracket relate to the previous year

(ii) The year-end unhedged foreign currency exposures are given below:

As at 31st March, 2015		As at 31st March, 2014	
Receivables / (Payables)		Receivables / (Payables)	
₹ in Lakhs	FC in Lakhs	₹ in Lakhs	FC in Lakhs
179.80	\$ 2.87	(34.68)	(€ 0.42)
410.24	€ 5.63		
640.04	£ 6.92		
(29.82)	(€ 0.44)		

### 43 Statement pursuant to general exemption received under section 129(3) of the Companies Act, 2013 relating to Subsidiary Companies

2014-15					(₹ in Lakhs)
Particulars	Quantum KNITS PVT. LIMITED	K.P.R. Sugar Mill Limited	Galaxy Knits Limited	Jahnvi Motor Private Limited	
Share Capital	10	583	5	193	
Reserves & Surplus	1,958	11,042	(1)	460	
Total Assets	9,186	60,892	4	5,150	
Total Liabilities	7,218	49,267	-	4,497	
Investments (Excl. investment in subsidiaries)	-	-	-	-	
Turnover	20,926	55,389	-	11,321	
Profit / (Loss) Before Tax	2,018	1,206	-	308	
Provision for Tax	681	-	-	92	
Profit After tax	1,337	1,206	-	216	
Proposed Dividend	-	26	-	-	
% Share Holding	100	100	100	100	

2013-14					(₹ in Lakhs)
Particulars	Quantum KNITS PVT. LIMITED	K.P.R. Sugar Mill Limited	Galaxy Knits Limited	Jahnvi Motor Private Limited	
Share Capital	10	583	5	151	
Reserves & Surplus	621	19,770	-	161	
Total Assets	6,977	60,428	5	2,231	
Total Liabilities	6,346	40,075	-	1,919	
Investments (Excl. investment in subsidiaries)	-	6,269	-	-	
Turnover	27,145	32,883	-	10,029	
Profit / (Loss) Before Tax	275	648	-	316	
Provision for Tax	82	(10)	-	55	
Proposed Dividend	-	28	-	-	

**44 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statement to Schedule III to the Companies Act, 2013**

(₹ in Lakhs)

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share of Profit or Loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
K.P.R. Mill Limited	93%	87,840	84%	14,598
Subsidiaries				
Indian				
1. M/s Quantum KNITS PVT. LIMITED	2%	1,958	8%	1,337
2. M/s K.P.R.Sugar Mill Limited	5%	4,346	7%	1,206
3. M/s Jahnvi Motor Private Limited	-	377	1%	216
4. M/s Galaxy Knits Limited	-	-	-	-
	100%	94,521	100%	17,357

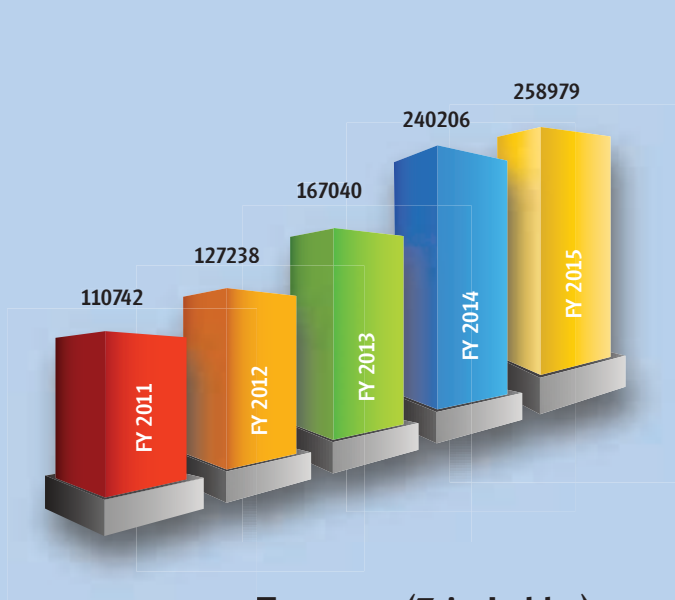
**45 During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. Further, assets individually costing ₹ 5,000/- or less that were depreciated fully in the year of purchase are now depreciated based on the useful life considered by the Company for the respective category of assets. The details of previously applied depreciation method, rates / useful life are as follows:**

Asset	Previous Depreciation Method	Previous Depreciation rate / useful life	Revised useful life based on SLM
Factory Building	Straight Line Method	3.34% / ~ 30 years	3.17% / ~ 30 years
Non Factory building	Straight Line Method	1.63% / ~ 61 years	1.58% / ~ 60 years
Plant & Machinery	Straight Line Method	10.34% / ~ 10 years	10.34% / ~ 10 years
Electricals	Straight Line Method	7.07% / ~ 14 years	7.07% / ~ 14 years
Computers	Straight Line Method	16.21% / ~ 6 years	31.67% / ~ 3 years
Vehicles - Four Wheeler	Straight Line Method	9.50% / ~ 11 years	11.88% / ~ 8 years
Vehicles - Two Wheeler	Straight Line Method	9.50% / ~ 11 years	9.50% / ~ 10 years
Furnitures	Straight Line Method	6.33% / ~ 16 years	9.50% / ~ 10 years

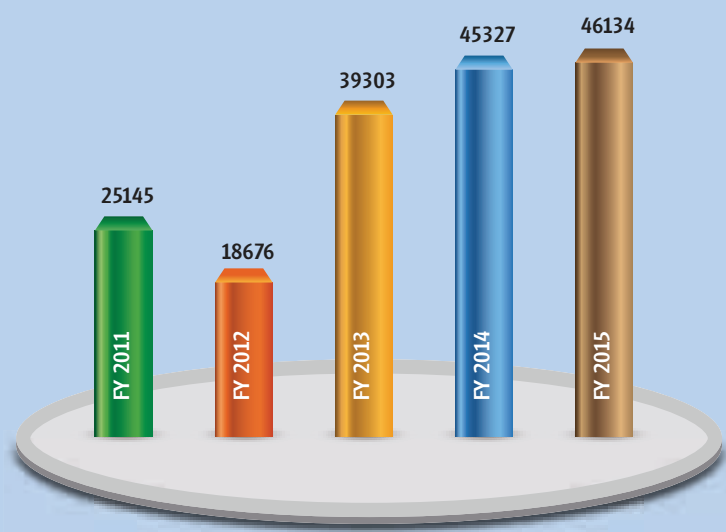
Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be Nil as on April 1, 2014, and has adjusted an amount of ₹ 64 Lakhs (net of deferred tax of ₹ 32 Lakhs) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ 269 Lakhs consequent to the change in the useful life of the assets.

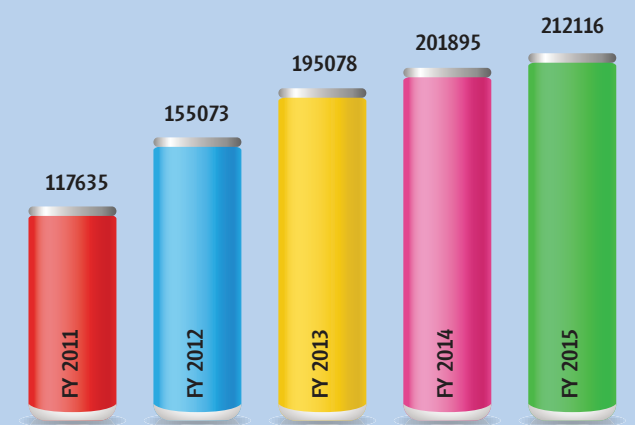
**46 The previous year figures have been regrouped / reclassified wherever necessary to conform to current year's classification.**



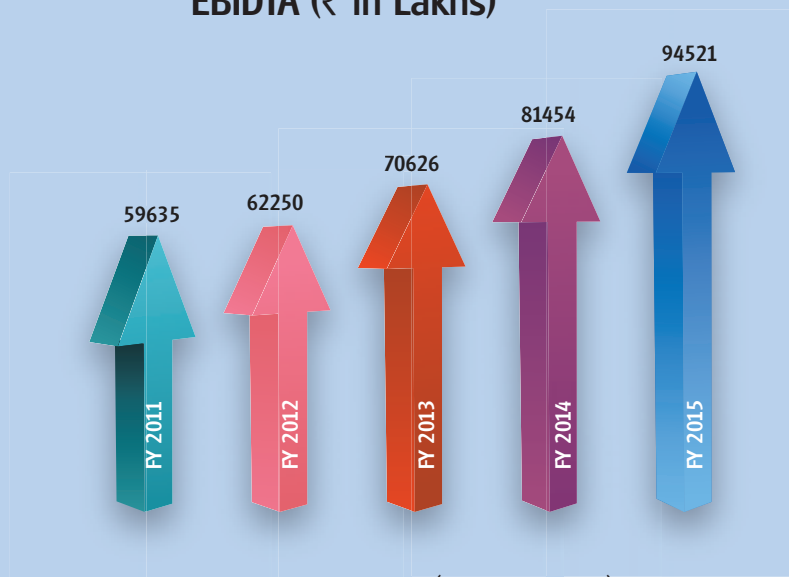
Turnover (₹ in Lakhs)



EBIDTA (₹ in Lakhs)

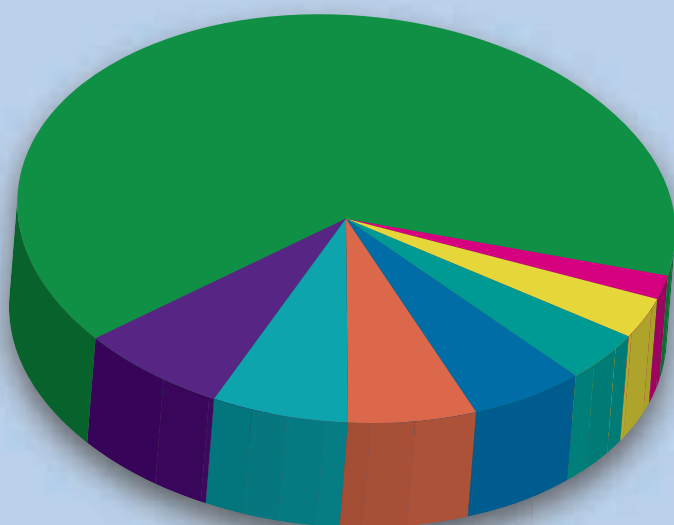


Investment in Fixed Assets (₹ in Lakhs)



Net Worth (₹ in Lakhs)

### Distribution of Earnings



Tax Exp	1.93%
Finance charges	3.24%
Power	4.16%
Depreciation	5.95%
Other Exp	6.33%
PAT	6.70%
Employee Cost	7.05%
Raw Material	64.64%

Corporate Office:

**KPR MILL LIMITED**

1<sup>st</sup> Floor, Srivari Shrimat, 1045, Avinashi Road,  
Coimbatore – 641 018.

Phone: +91 422 220 7777 | Fax: +91 422 220 7778

CIN: L17111TZ2003PLC010518

Email : corporate@kprmill.com

**[www.kprmilllimited.com](http://www.kprmilllimited.com)**



# K.P.R. MILL LIMITED

Registered Office: No.9, Gokul Buildings, 1st Floor,  
A.K.S. Nagar, Thadagam Road, Coimbatore – 641 001.  
Phone: 0422-2478090 Fax: 0422-2478050  
CIN: L17111TZ2003PLC010518

Email: investors@kprmill.com Web: www.kprmilllimited.com

## NOTICE OF 12<sup>th</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the 12th Annual General Meeting of the Members of the Company will be held on **Tuesday the 25th August 2015 at 11.30 AM** at Ball Room, Hotel The Residency, 1076, Avinashi Road, Coimbatore – 641018 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Accounts together with Directors' Report as also the Auditors' Report thereon for the year ended 31st March, 2015.
2. To declare dividend on:
  - i. 7% Redeemable Cumulative Non-Convertible Preference Shares.
  - ii. Equity Shares.
3. To appoint a Director in the place of Sri.C.R.Anandakrishnan (holding DIN: 00003748) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Deloitte Haskins and Sells, Chartered Accountants (ICAI Registration No.008072S) as Statutory Auditors of the Company to hold office from the conclusion of this Meeting till the conclusion of next Annual General Meeting and fix their remuneration.

### SPECIAL BUSINESS:

5. **To consider and if thought fit, to pass with or without modification(s) the following Resolution as Special Resolution :**

"RESOLVED that pursuant to the provisions of section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr.S.Ranganayaki (DIN: 07116244), who was appointed as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who hold office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as 'Woman Independent Director' of the Company to hold office for five consecutive years from 12th March, 2015 to 11th March, 2020, not liable to retire by rotation."

6. **To consider and if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution:**

"RESOLVED that pursuant to the Provisions of Section 196, 197, 198 and other applicable provisions, if any, of the

Companies Act, 2013 read with Schedule V of the said Act, including any statutory modification(s) or re-enactment thereof, for the time being in force, Sri.C.R.Anandakrishnan be and is hereby re-appointed as 'Executive Director' of the Company for a period of five years from 01.02.2016 to 31.01.2021 upon the Remuneration, Perquisites, Terms and Conditions as detailed in the Explanatory Statement under Section 102 of the Companies Act, 2013 annexed to the Notice convening the Meeting and is liable to retire by rotation at the General Meeting.

7. **To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:**

"RESOLVED that pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Sri.B.Venkateswar, Cost Accountant (M. No. 27622), appointed as Cost Auditor for the Financial Year 2015-16 to conduct audit of Cost Accounts of the Company be paid the remuneration of ₹ 50,000 plus service tax and reimbursement of out of pocket expenses at actuals.

RESOLVED FURTHER that the Board of Directors be and are hereby authorized to do all such acts, deeds or things, as may be necessary and expedient, to give effect to the aforesaid resolution."

By Order of the Board of Directors

Coimbatore  
05.05.2015

K.P.Ramasamy  
Chairman

### Notes:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.**

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the Companies,



**Societies etc., must be supported by an appropriate resolution / authority, as applicable.**

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 which sets out details relating to Special Business of the meeting, is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 19th August 2015 to 25th August 2015 (Both days inclusive) in connection with the Annual General Meeting and for the purpose of payment of dividend, if approved by the Members.
4. The dividend as recommended by the Board, if declared at the meeting will be paid before 15th September 2015 to those members:
  - (a) Whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/ Registrar and Transfer Agent on or before 24th August 2015 and
  - (b) Whose names appear as Beneficial Owners in the list of Beneficial Owners on 18th August 2015 to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
5. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address as soon as possible. The Securities and Exchange Board of India (SEBI) has made it mandatory for all Companies to use the bank account details furnished by the Shareholders/ Depositories for depositing of dividends. Please furnish Bank Account details / changes to Depositories, if not provided.
6. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Transfer Agent/the Company.
7. Under Section 125 of the Companies Act, 2013 the amount of share application money refund & dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company has accordingly, transferred/will transfer the following amounts to the Investor Education and Protection Fund of the Central Government.

S.No	Name of Account	Amount (₹)	Transferred / To be Transferred
1.	IPO Refund Account	1,57,000	Transferred on 27.09.2014
2.	Interim Dividend 2007-08	80,610	Transferred on 18.12.2014
3.	Final Dividend 2007-08	1,08,337	To be transferred before 24.10.2015

The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules 2012 (IEPF Rules) which are applicable to the Company. The objective

of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the Interim Dividend 2007-08 & Unpaid Share Application Money on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and under "Investors Section" on the Website of the Company viz. [www.kprmilllimited.com](http://www.kprmilllimited.com)

8. Details under Clause 49 of the listing agreement with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
9. Electronic copy of the Annual Report 2014-15 is being sent to the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
10. Electronic copy of the Notice of the 12th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Notice inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
11. Members may also note that the Notice of the 12th Annual General Meeting and the Annual Report 2014-15 will also be available on the Company's website [www.kprmilllimited.com](http://www.kprmilllimited.com) for download. The Physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id 'investors@kprmill.com'.
12. a. The voting rights of shareholders shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date of 18th August, 2015.
- b. The facility for Ballot or e-voting shall also be made available at the meeting and members attending the meeting who have not already cast their vote may exercise their vote at the meeting.
- c. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the revised clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility to its members in respect of the businesses to be transacted at the 12th Annual General Meeting (AGM). The Company has engaged the services of Karvy Computershare Private

Limited ("Karvy") as the authorised agency to provide e-voting facility.

The Procedure and instructions for e-voting are as under:

Open your web browser during the voting period and navigate to 'http://evoting.karvy.com' Enter the login credentials (i.e., user-id & password) mentioned on the E-mail or in the Attendance Slip. Your folio/DP Client ID will be your User-ID.

User – ID	For Members holding shares in Demat Form: a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form: Event no. followed by Folio Number registered with the Company
Password	Your unique password is printed on the Attendance Slip / via email forwarded through the electronic notice
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- i. Please contact toll free No. 1-800-34-54-001 for any further clarifications.
- ii. Members can cast their vote online from Saturday, 22nd August, 2015, 9.00 AM to Monday, 24th August, 2015, 5.00 PM.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Computershare Private Limited e-Voting platform. System will prompt you to change your password and update any contact details like mobile, email ID etc. on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, system will prompt to select the 'Event' i.e., 'Company Name'.
- vii. If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" and casted your vote earlier for any company, then your exiting login id and password are to be used.
- viii. On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may

partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder do not want to cast, select 'ABSTAIN'

- ix. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed .If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- x. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xi. Corporate/Institutional Members (Corporate/FIs/FILs/FPIs/Trust/ Mutual Funds/Banks/etc.) are required to send scan (PDF format) of the relevant Board Resolution to the Scrutinizer through e-mail to [vetrivelfca@gmail.com](mailto:vetrivelfca@gmail.com) with copy to [evoting@karvy.com](mailto:evoting@karvy.com). The file scanned image of the Board Resolution should be in the naming format "Corporate Name\_ Event no."
- d. Sri.A.Vetrivel, Practising Chartered Accountant, has been appointed as Scrutinizer to scrutinize the voting process in a fair and transparent manner.
- e. The Scrutinizer after scrutinizing the votes cast at the Meeting and through remote e-voting, make a consolidated Scrutinizer's Report and submit the same forthwith or not later than two days of conclusion of the meeting to the Chairman of the Company or a person authorised by him in writing, who shall countersign the same.
- f. The Results declared alongwith the Consolidated Scrutinizer's Report shall be hosted on the website of the Company ([www.kprmillimited.com](http://www.kprmillimited.com)) and on the website of the Karvy (<http://evoting.karvy.com>). The Results shall simultaneously be communicated to BSE Limited and the National Stock Exchange of India Limited.
- g. The Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 25th August, 2015 subject to receipt of the requisite number of votes in favour of the Resolutions.
13. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10 A.M. to 5 P.M) on all working days except Saturdays, upto and including the date of the Annual General Meeting of the Company.
14. **As the Company has provided e-voting / ballot voting in terms of clause 35 B of the Listing Agreement, and section 108 of the Companies Act, 2013 members may please note that there will be only one mode of voting either through e-voting or by Ballot. The scrutinizer will collate the votes downloaded from the e-voting system and votes received through ballot to declare the final result for each of the resolutions forming part of the notice of Annual General Meeting.**

#### **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

##### **Item No.5**

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Dr.S.Ranganayaki as an

Additional Director with effect from 12th March, 2015 to hold office till the date of the forthcoming Annual General Meeting pursuant to Section 161 of the Act and Articles of Association of the Company. She was appointed as a Woman Independent Director.

Dr.S.Ranganayaki, a qualified Physician, is a visiting Medical Officer for Women's College for more than a decade and for female workers at industrial establishments in and around Coimbatore.

As on date of this Notice, she holds the Directorships in our following Subsidiary Companies:

1. K.P.R. Sugar Mill Limited
2. Quantum KNITS PVT. LIMITED
3. Jahnvi Motor Private Limited

In terms of Section 149 and other applicable provisions of the Act and as per the criteria set out under Clause 49 of the Listing Agreement, Dr.S.Ranganayaki being eligible, is proposed to be appointed as an Independent Director of the Company for a term of five consecutive years up to 11th March, 2020, not being liable to retire by rotation. The Company has received a Notice in writing from a Member of the Company along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Dr.S.Ranganayaki for the office of Director of the Company. Dr.S.Ranganayaki has consented to act as a Director of the Company and has given a declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, Dr.S.Ranganayaki fulfills the conditions specified in the Act and the Rules framed there under for appointment as an Independent Director and she is independent of the management.

The terms and conditions of appointment of Dr.S.Ranganayaki as an Independent Director are open for inspection by Members at the Registered Office of the Company during normal working hours between 10.00 a.m. and 5.00 p.m. on all working days (except Saturdays).

Having regard to the qualifications, experience and knowledge, her appointment as Independent Director will be in the interest of the Company. The Board recommends the resolution as set out at Item 5 of the accompanying Notice for the approval by the members of the Company by way of Special Resolution. She is not related to any other Director or Key Managerial Personnel of the Company.

Except Dr.S.Ranganayaki, as appointee, none of the Directors or Key Managerial Personnel or their relatives is in any way concerned or interested in the resolution.

A resume of the Appointee is annexed to this notice.

The Explanatory Statement may be regarded as a disclosure under Clause 49 of the Listing Agreement.

#### Item No.6

As the earlier term of appointment of Sri.C.R.Anandakrishnan, as Executive Director of the Company would be expiring on 31st January, 2016, the Board of Directors unanimously decided to re-appoint him for a further period of five years with effect from 1st February, 2016 on Remuneration subject to the approval of Company in General Meeting. Accordingly, the Board of Directors referred the proposal of his reappointment to the Nomination & Remuneration Committee. The Committee has considered in its meeting held on 05th May, 2015, the said proposal as well as the appointee's gracious and voluntary request to the Committee not to consider any increase in his monthly remuneration level. It should be noted that there is no change in the terms of remuneration compared to earlier appointment.

The period of Service, Remuneration payable and terms and conditions applicable to Sri.C.R.Anandakrishnan with effect from 1st February 2016, are as below:

1. Term of Re-appointment : Five years from 01st February 2016 to 31st January 2021.
2. Remuneration.  
₹ 2,00,000 (Rupees Two Lakhs only) per month or ₹ 24,00,000 (Rupees Twenty Four Lakhs only) per annum (all inclusive).

A resume of the Appointee is annexed to this notice.

Except Sri.C.R.Anandakrishnan, Executive Director, as appointee and Sri.K.P.Ramasamy, Chairman, as his relative, none of the other Directors or Key Managerial Personnel or their relatives is in any way concerned or interested in the Resolution.

#### Item No.7

The Board of Directors at the meeting held on 05th May, 2015, based on the recommendation of the Audit Committee, appointed Sri.B.Venkateswar, B.Sc., ACMA (M.No: 27622), Cost Accountant, Coimbatore, as Cost Auditor for undertaking Cost Audit of the Cost Records maintained by the Company for the Financial Year ending 31st March, 2016 at a remuneration of ₹ 50,000 plus Service Tax and reimbursement of out of pocket expenses at actual. As per Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the said Cost Auditor has to be ratified by the Shareholders and hence the resolution under Item No.7 is placed for your approval.

None of the Directors or Key Managerial Personnel or their relatives is concerned or interested in the resolution.

By Order of the Board of Directors

Coimbatore  
05.05.2015

K.P.Ramasamy  
Chairman

## DETAILS AS PER LISTING AGREEMENT / COMPANIES ACT OF THE APPOINTEES

Name of the Director	Dr.S.Ranganayaki	Sri.C.R.Anandakrishnan
Date of Birth	29.10.1952	03.09.1977
Date of Appointment	12.03.2015	01.02.2011
Expertise in specific functional area	<p>Dr. Ranganayaki, hailing from a well - educated family, is a qualified Physician. A visiting Medical Officer for Women's College for more than a decade and for female workers at industrial establishments in and around Coimbatore. Presently, she runs a private Hospital and a visiting Consultant in several reputed Hospitals at Coimbatore. Her meritorious professional services earned her 'Doctor of Excellence' award. Besides being a Social Worker, she is a strong supporter of numerous Orphanages and Old-age homes. She conducts free medical camps in Villages to spread rural medical awareness. She also promoted a Nursing College, an authorised Training Centre of Bharat Sevak Samaj, a National Development Agency promoted by Government of India as allied health school.</p>	<p>Sri.C.R.Anandakrishnan is the son of Sri.K.P.Ramasamy, the Chairman of K.P.R group. After completing his Bachelor's degree in Business Management at G.R.D College, Coimbatore, he meritoriously completed his Master's Degree also in Business Administration at University of Philadelphia in the year 2001, where he acquired management skills of international standard.</p> <p>Sri.C.R.Anandakrishnan is a young, energetic and enthusiastic entrepreneur who joined the management team of the K.P.R group in the year 2002. Since then he has been contributing his talented efforts for the growth of the Group. He has widely travelled across the world for choosing suitable technology and machinery for textile mills. His visits to the Countries like Taiwan, Korea, Indonesia, Turkey, Germany, Switzerland, and Italy enabled him to have first hand information about the various leading machinery manufacturers and the modern machinery available for Textile Mills. He also visited Srilanka for studying the large scale garment manufacturing process. To make best use of his managerial talents, he was entrusted with the task of setting up of Processing Unit at Perundurai, a prestigious project implemented under IPO Scheme of K.P.R. Mill Limited. With his able administration the Unit was established with a Trendsetter Effluent Treatment Plant that is adjudged as 'State of the Art' Processing Unit adhering to the highest International Standards and having technical capability to deliver products of Global requirement. Since 2008 he was functioning as 'President' (Processing Division) of K.P.R. Mill Limited. Considering his significant role in formulation and implementation of Business Plan he was appointed as "Executive Director" of K.P.R. Mill Limited during 2011 and has been functioning as such looking after the various Expansion and Modernisation Schemes of KPR Group. Presently he is involved in the operations of K.P.R.Sugar Mill Limited that owns Sugar cum Co-Gen Unit at Karnataka and Jahnavi Motor Private Limited having the Authorised Dealership of Premium Brand Motor Cars 'AUDI' at Coimbatore.</p>
Qualification	M.B.B.S.	M.B.A.
Directorship held in other public Companies (Excluding foreign and private companies)	K.P.R.Sugar Mill Limited	K.P.R.Sugar Mill Limited
Chairmanship / Membership of Committees in other Indian Public Companies	K.P.R.Sugar Mill Limited Audit Committee	Nil
Shares in the Company – No.of Shares	Nil	720
Relationship between Directors inter-se	None	Father: Sri.K.P.Ramasamy





# K.P.R. MILL LIMITED

Registered Office: No.9, Gokul Buildings, 1st Floor,  
A.K.S. Nagar, Thadagam Road, Coimbatore – 641 001.  
Phone: 0422-2478090 Fax: 0422-2478050  
CIN: L17111TZ2003PLC010518

Email: investors@kprmill.com Web: www.kprmilllimited.com

## **ADDENDUM TO NOTICE DATED 05th MAY, 2015 CONVENING 12th ANNUAL GENERAL MEETING OF THE COMPANY SCHEDULED TO BE HELD ON TUESDAY, 25th AUGUST, 2015 AT 11.30 AM AT BALL ROOM, HOTEL THE RESIDENCY, 1076, AVINASHI ROAD, COIMBATORE – 641018.**

### **To The Shareholders of K.P.R. MILL LIMITED**

Dear Shareholders,

Please refer to the Notice of Annual General Meeting ("AGM") of K.P.R. Mill Limited (The "Company") dated 05th May, 2015 convening 12th AGM on 25th August 2015, which is despatched to the shareholders of the Company.

The following Subjects are now included in the said AGM Notice as new items no 8 & 9 under 'Special Business.'

**8. To consider, and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:**

"RESOLVED that pursuant to the provisions of section 152 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) Sri.P.Selvakumar (DIN: 07228760) who was appointed as an Additional Director of the Company in the Meeting of Board of Directors held on 27.07.2015 and holds office up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

**9. To consider, and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:**

"RESOLVED that Pursuant to the Provisions of Section 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the said Act, including any statutory modification(s) or re-enactment thereof, for the time being in force, the approval of the Company be and is hereby accorded to the appointment of Sri.P.Selvakumar as '**Whole-Time Director**' of the Company for a period of five years from 27th July, 2015 to 26th July, 2020 on a Monthly Remuneration of ₹ 56,000 in the pay scale of ₹ 56,000 – 6,000 – 1,00,000 all Inclusive.

### **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

#### **Item No. 8 & 9**

Sri. P.Selvakumar, a Senior Executive of the Company, was appointed as an Additional Director of the Company by the Board of Directors in its Meeting held on 27.07.2015 on the recommendation of the Nomination and Remuneration Committee. Pursuant to Section 161 of the Companies Act, 2013, Sri.P.Selvakumar will hold his office upto the date of the ensuing Annual General Meeting and is eligible for appointment as a Director. The Company has received a notice in writing from a shareholder proposing his candidature for the office of Director under the provisions of Section 160 of the Companies Act, 2013 along with the required deposit amount.

The Board of Directors has, in the said meeting, also appointed Sri.P.Selvakumar as the '**Whole-Time Director**' of the Company for a period of Five years with effect from 27th July, 2015 subject to the approval of members in General Meeting at a Monthly Remuneration as set out in the Resolution and as has been recommended by the 'Nomination & Remuneration Committee' of the Company. Sri.P.Selvakumar, a Post Graduate in Commerce has over two decades of experience in the accounts, finance and taxation areas. The detailed profile of Sri.P.Selvakumar as required by the Listing Agreement / Companies Act is annexed.

The present Resolution along with the above explanatory details may be treated as an abstract under section 102 of the Companies Act relating to the terms of his appointment.

Except Sri.P.Selvakumar, as appointee, none of the Directors or Key Managerial Personnel or their relatives is in any way concerned or interested in the Resolution.

**By Order of the Board of Directors**

Coimbatore  
27.07.2015

**K.P.Ramasamy**  
Chairman

## DETAILS AS PER LISTING AGREEMENT / COMPANIES ACT OF THE APPOINTEES

Name of the Director	Sri.P.Selvakumar
Date of Birth	13.06.1974
Date of Appointment	27.07.2015
Expertise in specific functional area	Sri.P.Selvakumar, holds a Master's Degree in Commerce. He has over two Decades of experience in the accounts, finance and taxation areas. He joined K.P.R in 1996. After a brief stint in the operational area of one of its textile units, his acumen in accounting field accredited him to head the accounting activities of the Company till 2008. Subsequently, considering his wide knowledge and skill, he was elevated as 'Manager (Taxation)'. Since then he has been functioning as such, looking after the matters pertaining to Direct & Indirect Taxation viz, Income Tax, Central Excise, Service Tax, Import & Export Regulations, VAT etc., relating to all entities in KPR Group. Besides, through his versatile ability, liaising with the offices of Central and State Government and representing the Company on all matters of importance. In recognition of his strong dedication & involvement and with a view to accord representation to the Employees at Board level, the Management inducts him as a Director of the Company.
Qualification	M.Com
Directorship held in other public Companies (Excluding foreign and private companies)	Nil
Chairmanship/Membership of Committees in other Indian Public Companies	Nil
Shares in the Company – No.of Shares	Nil
Relationship between Directors inter-se	None





## K.P.R. MILL LIMITED

CIN: L17111TZ2003PLC010518

Registered Office: No.9, Gokul Building, A.K.S. Nagar, Thadagam Road, Coimbatore – 641 001

Corporate Office: 1st Floor, Srivari Shrimat, 1045, Avinashi Road, Coimbatore – 641 018

Ph: 0422-2207777 Fax: 0422-2207778

Email: investors@kprmill.com Website: www.kprmilllimited.com

### 12th ANNUAL GENERAL MEETING

#### ATTENDANCE SLIP

(Please bring the attendance slip to the meeting hall and hand it over at the entrance)

Serial No. :

Name and Address of the Shareholder :

Name(s) of the Joint Shareholder(s) if any :

Registered Folio No. / DP ID No. & Client ID :

Number of Shares held :

Name of the Proxy/Representative, if any :

I/We hereby record my/our presence at the 12th Annual General Meeting of the Company held on Tuesday, August, 25th 2015 at 11.30 AM at Ball Room, Hotel The Residency, 1076, Avinashi Road, Coimbatore – 641018

-----  
Signature of the Member/Proxy/  
Authorised Representative

----- ✂ ----- ✂ ----- ✂ -----

NAME OF THE HOLDER	FOLIO/DPID/CLIENT ID NO.	NO.OF SHARES

#### FOR ATTENTION OF THE SHAREHOLDER

Shareholders may please note the electronic voting particulars as mentioned in the AGM Notice is set out below for the purpose of e-voting.

#### ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN

**Note: Please follow the e-voting instructions mentioned on the reverse of this page.**

## **PROCEDURE FOR E-VOTING**

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the revised clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility to its members in respect of the businesses to be transacted at the 12th Annual General Meeting (AGM). The Company has engaged the services of Karvy Computershare Private Limited (“Karvy”) as the authorised agency to provide e-Voting facility.

The Procedure and instructions for e-voting are as under:

Open your web browser during the voting period and navigate to ‘<http://evoting.karvy.com>’ Enter the login credentials (i.e., user-id & password) mentioned on the E-mail or in the Attendance Slip. Your folio/DP Client ID will be your User-ID.

<b>User –ID</b>	For Shareholder(S)/ Beneficial Owner(S) Holding Shares In Demat Form:- a) For NSDL:- 8 Characters DP ID Followed By 8 Digits Client ID b) For CDSL:- 16 Digits Beneficiary ID For Members holding shares in Physical Form:- event no followed by • Folio Number registered with the company
<b>Password</b>	Your Unique password is printed on the AGM Attendance Slip / sent via email forwarded through the electronic notice.(Printed on the reverse of this page)
<b>Captcha</b>	Enter the Verification code for security reasons i.e., please enter the alphabets and numbers in the exact way as they are displayed.

- i. Please contact toll free No. **1-800-34-54-001** for any further clarifications.
- ii. Members can cast their vote online from Saturday, August 22, 2015, 9.00 AM to Monday, August 24, 2015, 5.00 PM.
- iii. After entering these details appropriately, click on “LOGIN”.
- iv. Members holding shares in Demat/ Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Computershare Private Limited e-Voting platform. System will prompt you to change your password and update any contact details like mobile, email ID etc. on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, system will prompt to select the ‘Event’ i.e., ‘Company Name’.
- vii. If you are holding shares in Demat form and had logged on to “<https://evoting.karvy.com>” and casted your vote earlier for any company, then your exiting login id and password are to be used.
- viii. On the voting page, you will see Resolution Description and against the same the option ‘FOR/AGAINST/ ABSTAIN’ for voting. Enter the number of shares (which represents number of votes) under ‘FOR/AGAINST/ ABSTAIN’ or alternatively you may partially enter any number in ‘FOR’ and partially in ‘AGAINST’, but the total number in ‘FOR/AGAINST’ taken together should not exceed your total shareholding. If the shareholder do not want to cast, select ‘ABSTAIN’
- ix. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed .If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- x. Once you ‘CONFIRM’ your vote on the resolution, you will not be allowed to modify your vote.
- xi. Sri.A.Vetrivel, Practisting Chartered Accountant, has been appointed as Scrutinizer to scrutinize the voting process in a fair and transparent manner.
- xii. Corporate/Institutional Members (Corporate /Fls/Flls/ FPIs /Trust/Mutual Funds/Banks/etc.,) are required to send scan (PDF format) of the relevant Board Resolution to the Scrutinizer through e-mail to **[vetrivelfca@gmail.com](mailto:vetrivelfca@gmail.com)** with copy to **[evoting@karvy.com](mailto:evoting@karvy.com)**. The file scanned image of the Board Resolution should be in the naming format “Corporate Name\_ Event no.”

The Scrutinizer after scrutinizing the votes cast at the Meeting and through remote e-voting, make a consolidated Scrutinizer’s Report and submit the same forthwith or not later than two days of conclusion of the meeting to the Chairman of the Company or a person authorised by him in writing, who shall countersign the same.

The Results declared along with the consolidated Scrutinizer’s Report shall be hosted on the website of the Company ([www.kprmillimited.com](http://www.kprmillimited.com)) and on the website of the Karvy (<http://evoting.karvy.com>). The Results shall simultaneously be communicated to BSE Limited and the National Stock Exchange of India Limited.

The Resolutions shall be deemed to be passed on the date of the Meeting, i.e. August 25, 2015 subject to receipt of the requisite number of votes in favour of the Resolutions.



# K.P.R. MILL LIMITED

Registered Office: No.9, Gokul Buildings, 1st Floor,  
A.K.S. Nagar, Thadagam Road, Coimbatore – 641 001.  
Phone: 0422-2478090 Fax: 0422-2478050  
CIN: L17111TZ2003PLC010518

Email: investors@kprmill.com Web: www.kprmilllimited.com

Form No. MGT-11

## PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member (s) :

Registered Address :

E-mail ID :

Folio No. Client ID, DP ID :

I / We, being the member (s) holding ..... shares of the above named company, hereby appoint

1. Name : ..... Address: .....

E-mail ID : ..... Signature: .....

**or failing him / her**

2. Name : ..... Address: .....

E-mail ID : ..... Signature: .....

**or failing him / her**

3. Name : ..... Address: .....

E-mail ID : ..... Signature: .....

As my / our Proxy to attend and vote for me/us and on my / our behalf at the 12th Annual General Meeting of the Company, to be held on Tuesday, 25th August 2015, at 11.30 AM at Ball Room, Hotel The Residency, 1076, Avinashi Road, Coimbatore – 641 018 and at any adjournment thereof in respect of the Resolutions as indicated below:

Resolution No.	Description	(Ordinary / Special)	Optional	
			For	Against
1	Adoption of Annual Financial Statements as on 31 <sup>st</sup> March, 2015	Ordinary		
2	Declaration of Dividend	Ordinary		
3	Re-appointment of Sri.C.R.Anandakrishnan a Director retiring by rotation	Ordinary		
4	Appointment of the Statutory Auditors for the Company and fix their remuneration	Ordinary		
5	Appointment of Dr.S. Ranganayaki as an Independent Director	Special		
6	Re-appointment of Sri.C.R.Anandakrishnan as Executive Director	Ordinary		
7	Ratification of Remuneration of Cost Auditor	Ordinary		

Resolution No.	Description	(Ordinary / Special)	Optional	
			For	Against
8	Appointment of Sri.P.Selvakumar as a Director of the Company	Ordinary		
9	Appointment of Sri.P.Selvakumar as a Whole-Time Director of the Company	Ordinary		

Signed this ..... day of .....2015

Signature of Shareholder

Signature of Proxy holder(s)

Affix ₹ 1  
Revenue  
Stamp

Note:

1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not later than 48 hours before the commencement of the Meeting.
2. It is optional to put a "X" in the appropriate column against the Resolutions indicated in the box, if you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.
3. Please complete all details of Member(s) in the above box before submission.



# K.P.R. MILL LIMITED

Registered Office: No.9, Gokul Buildings, 1st Floor,  
A.K.S. Nagar, Thadagam Road, Coimbatore – 641 001.

Phone: 0422-2478090 Fax: 0422-2478050

CIN: L17111TZ2003PLC010518

Email: investors@kprmill.com Web: www.kprmilllimited.com

## BALLOT FORM

1	Name of Sole / First Member	
2	Name(s) of Joint Member(s), if any	
3	Registered Folio No. / DP ID No. / Client ID No.	
4	Number of shares held	

I / We hereby exercise my / our vote in respect of the Resolution(s) to be passed through Ballot for the business stated in the AGM Notice dated 05th May, 2015 of the Company and its addendum dated 27th July, 2015 by conveying my / our assent (for) or dissent (against) or abstain to the said Resolution(s) by placing the tick (✓) mark at the appropriate box below:

Item No. in AGM Notice	Description	No.of Shares held	For	Against	Abstain
1	Adoption of Annual Financial Statements as on 31 <sup>st</sup> March, 2015 (Ordinary Resolution)				
2	Declaration of Dividend (Ordinary Resolution)				
3	Re-appointment of Sri.C.R.Anandakrishnan, Director retiring by rotation (Ordinary Resolution)				
4	Appointment of the Statutory Auditors for the Company and fix their remuneration (Ordinary Resolution)				
5	Appointment of Dr.S. Ranganayaki as an Independent Director (Special Resolution)				
6	Re-appointment of Sri.C.R.Anandakrishnan as Executive Director (Ordinary Resolution)				
7	Ratification of Remuneration of Cost Auditor (Ordinary Resolution)				
8	Appointment of Sri.P.Selvakumar as a Director of the Company (Ordinary Resolution)				
9	Appointment of Sri.P.Selvakumar as a Whole - Time Director of the Company (Ordinary Resolution)				

Place:

Date :

Signature of Member

NOTE : Kindly read the instructions printed overleaf before filling the form. Last date for receipt of a Ballot form by Scrutinizer is 21st August 2015.

## INSTRUCTIONS

01. In terms of the Listing Agreement and Companies (Management and Administration) Rules, 2014, those members, who do not have access to e-voting facility provided by the Company for the AGM may send their assent or dissent in writing on the Ballot Form. Accordingly, this Ballot Form is being provided.
02. A member desiring to exercise his/her vote by Ballot Form should complete this Ballot Form, sign and send in the enclosed self addressed postage prepaid envelope so as to reach the Scrutinizer as per instruction 6 below at the address Sri.A.Vetrivel, Chartered Accountant, 1/1, Seth Narayan Das Layout, 2nd Street, Tatabad, Coimbatore - 641012. Postage will be borne and paid by the Company. Envelopes containing Ballots, if deposited in person or sent by courier at the expense of the members will also be accepted.
03. The self addressed envelope bears the name of the Scrutinizer appointed by the Board of Directors of the Company and the address at which the Ballot Form is to be sent.
04. The ballot form should be completed and signed by the members. In the case of joint shareholding, this form should be completed and signed by the first named member and in his absence, by the next named member(s). Unsigned Ballot forms will be rejected. The signature on the ballot form must tally with the specimen signature registered with the Company.
05. Where the ballot form has been signed by an Authorised Representative of a body corporate, a certified copy of the relevant authorisations to vote on the ballot should accompany the ballot form. A member may sign the form through an Attorney appointed specifically for this purpose, in which case an attested true copy of the Power of Attorney should be attached to the ballot form.
06. Duly completed ballot forms should reach the Scrutinizer not later than 5.00 p.m on 21st August, 2015. **Any ballot form received after this time and date will be treated as if the reply from the member has not been received.**
07. A member may request for a duplicate ballot form, if so required. However, the duly filled in duplicate ballot form should reach the Scrutinizer not later than the time and date specified at Item No.6 above.
08. Voting rights will be reckoned on the paid up value of shares registered in the name of the member on 18th August, 2015 which is the cut off date fixed for this purpose.
09. Members are requested not to send any other paper along with the Ballot Form in the enclosed self addressed postage prepaid envelope in as much as all such envelopes will be sent to the Scrutinizer and any extra paper found in such envelope would be destroyed by the Scrutinizer.
10. There will be only one ballot form for every folio irrespective of the number of joint member(s).
11. A member need not use all the votes nor does he need to cast all the votes in the same way.
12. The Scrutinizer's decision on the validity of a ballot will be final and binding.
13. Incomplete, unsigned or incorrect ballot forms will be rejected.
14. The date of AGM will be the deemed date of passing resolution(s) through e-voting / ballot. It may also be noted that, in terms of Section 114 of the Act, the Resolutions contained in the AGM Notice will be deemed to have been passed through the e-voting and ballot form. Accordingly, the results shall be declared in terms of Rules 20 or 21 of the Companies (Management and Administration) Rules 2014.