



enhancing value

HIGHLIGHTS 2016-17

(₹ in Lakhs)

Total Revenue **2,84,409**

PBDIT **59,074**

PBT **37,690**

PAT **28,697**

Cash Profit **43,636**

Assets **2,51,767**

Net Worth **1,28,596**

EPS - ₹ **38.17**



The vibrant team of KPR Brothers, from an agriculture family of a remote village, evolved their tiny business into marvel entity through their strenuous and enduring team efforts transforming the lives of rural folks. Begun in 1971, with 4 Power looms and 4 employees at their father's barn with a slender capital is now one of the leading textile conglomerates in India, built on fabulous values. KPR's strong fundamentals entailed establishment of 12 state of the art manufacturing facilities employing around 19,000 dedicated employees. Its quest for quality, excellence, transparency and good governance elevated KPR as one of the Top 500 Companies in India and ranked its management as one of the top 100 CEO's of India for consecutive years. Its indulgence in green energy initiatives, eco-friendly activities, human values up gradation in pursuit of social cause are noteworthy.

KPR Mill Ltd, is one of the largest vertically integrated Apparel manufacturing Companies in India, with a cumulative capacity of 3,53,616 spindles to produce 90,000 MT of yarn per annum; Knitting facility to produce 27,000 MT of fabrics per annum; Garmenting facility to produce 95 million pieces of ready-made knitted apparel per annum, one of the largest Garment Producers in India; Industry acclaimed ETP embedded Fabric Processing unit with a capacity of 18,000 M.T per annum equipped with advanced cold processing technology and Sophisticated Printing Division 7500 M.T 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.

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CHAIRMAN'S LETTER

Dear Shareholders,

I am pleased to present the 14th Annual Report of K.P.R. Mill Limited. The Financial Year 2016-17 has been yet another growth oriented and successful Year for KPR. I wish to share with you some of its highlights:

Performance

All time high PAT of ₹ 286.97 Crores

Continuous Revenue Growth @ ₹ 2,844.09 Crores

Enhanced Garment Production 62.19 Mn Garments

We grew profits faster than revenue. Effectively managing our business with strong operational execution, delivered profitable growth to our shareholders. The disciplined financial approach resulted in consistent profits, Cash Flows and enjoys a well-capitalized Balance Sheet.

Expansion

As regards the expansion in value added segment, I am glad to inform you that

- * **36 Mn New garment capacity ramp up is progressing as per plan.**
- * **Eco-friendly Processing 'Unit 2' commenced its operations.**
- * **Sophisticated high resolution printing division started Commercial operations.**

Driving shareholders value

We remain highly focused on superior shareholder value. During fiscal 2017, in order to improve the liquidity of the shares of the Company's in the stock market and to encourage the participation of small investors by making the shares affordable, the Equity Shares of the Company of ₹ 10/- each was split into Two Equity Shares of ₹ 5/- each. In addition, with a view to return our free cash flow to the shareholders, we resorted to buyback of shares by giving an option to all the Equity Shareholders to participate in the same.

Cotton & Power

India is the largest producer, 2nd largest exporter and also a leading consumer of cotton in the World. Remunerative prices in previous year have encouraged farmers to grow more cotton. Given the forecast of a normal monsoon, India's cotton output in 2017-18 may also rise. The balanced supply and demand situation will lead to stable cotton prices, which may help Indian textile firms in keeping their input costs lower. The rollout of Goods and Services Tax (GST) may also help lower the cost. These factors will improve the earnings outlook for textiles. With the support of captive power, KPR has an edge over others in respect of power cost.

Our dedicated employees at fully air-conditioned New Green Field 36 million Garment Facility - One of the largest in the country.



Value addition to Human Resource

We always consider that people are the most important asset of an organization. Majority work force of KPR consists of women employees. The value of human assets can be increased substantially by investing in their welfare activities, so as to create efficient, healthy, loyal and satisfied labour force for the organization. The purpose of providing such facilities is to make their work life better and also to raise their standard of living. Employee welfare is an essential part of social welfare. Education is one of the most important means of empowering women with the knowledge, skills and self-confidence. Acknowledging them as potential human resources, investment is made in developing their capacity in terms of education, skill development through training. As in every year with the best coaching facilities extended through well experienced full - time teachers, this year also our Employees have completed the higher education with flying colors. An employee of KPR, who has scored 1,123 out of 1,200 in the Government's plus two examinations, says 'I would like to become an IAS officer after completing my college studies'. She is among the 189 girls from KPR who has successfully passed the exam this year. More than 25 employees have scored above 1,000 marks. Over 20,000 women workers have been benefitted so far by the educational facilities. In the Government sponsored skill development programme, around 2000 employees participated during the year. As you are aware, the textile industry is labour intensive and our employee care facilities address our additional work force requirement with ease.

CSR Activities

On CSR front, we continue to contribute predominantly on promotion of Education which plays a vital role in shaping tomorrow's leaders. Not only can we become a better nation by acquiring the skills necessary to be productive members of a civilized society but also meet challenges that can produce changes which are productive for attaining business innovations, political and economic objectives.

When parents think about their children's future, they see collegiate education as vital to their children's success and when saying so, they most frequently mean an education of high standard. It is with the objective of making high quality education affordable to common public, we are focusing on the same. Towards augmenting green cover, in an ambitious tree planting program, the Company has planted more than one lakh saplings in the villages and our Units.

Acclamation

KPR's visionary plans & dynamic management continues to crown its Management as one of the 'Top 100 CEO's of India' for the year 2016 successively besides sustained ranking in the 'List of Top 500 Companies in India'. Overwhelming endorsement and enthused response from the shareholders elevated KPR's market cap to cross \$ one Billion and I wish to thank the Shareholders for their unstinted support.

Future ahead

Globally, India has the second-largest integrated textile manufacturing facility. The textile and clothing sector is strong in spinning and garmenting segments. In the last fiscal, India's the ready-made garment clothing exports rose 2.31% \$17.35 billion, in which almost 80% are cotton based. Realising that a push in apparel exports can be an engine of growth for the other segments, the Government is keen on incentivizing the Garment sector. However, the Infrastructure challenges, preferential tariffs that neighboring countries enjoy with EU markets, need to be addressed for textile and clothing exports to leap forward. To leverage on the strengths in the spinning and garment segments strengthening of the processing and allied segments have become imminent. The strategic expansion implemented in low capital internship Garment and Processing segments, self-sufficiency in power, focus on value added products, comfortable cash flow are some of the major factors placing KPR in a lucrative position to reap the benefits from the bright prospects.

I thank the entire Management, for their invaluable team work to achieve the desired results. I am thankful to the Board of Directors for their guidance and contribution for the growth of the Company. I would like to thank our long-term shareholders as well as those who have joined us recently for their unstinted support and confidence.

With best wishes
K.P. Ramasamy
Chairman



K.P. Ramasamy
Chairman



KPD Sigamani
Managing Director



P. Nataraj
Managing Director



C.R. Anandakrishnan
Executive Director



E.K. Sakthivel
Executive Director



Dr. K. Sabapathy
Director



K.N.V. Ramani
Director



G.P. Muniappan
Director



A.M. Palanisamy
Director



C.Thirumurthy
Director



S. Ranganayaki
Director



P. Selvakumar
Director

REGISTERED OFFICE

No.9, Gokul Buildings,
1st Floor, A.K.S. Nagar,
Thadagam Road,
Coimbatore – 641 001.
Ph : 0422 – 2478090
Fax : 0422 – 2478050

CORPORATE OFFICE

1st Floor, Srivari Shrimat,
1045, Avinashi Road,
Coimbatore - 641 018
Ph : 0422 – 2207777
Fax : 0422 – 2207778
Email : corporate@kprmill.com
Web : www.kprmilllimited .com

CHIEF FINANCIAL OFFICER

PL Murugappan

**COMPANY SECRETARY &
COMPLIANCE OFFICER**

P.Kandaswamy

STATUTORY AUDITORS

M/s.Deloitte Haskins & Sells,
Chartered Accountants,
No.41, Shanmuga Manram,
Race Course, Coimbatore – 641 018.

BANKERS

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

REGISTRAR AND SHARE TRANSFER AGENTS

Karvy Computershare Private Limited,
Unit : K.P.R. MILL LIMITED,
Karvy Selenium,
Tower B, Plot 31- 32,
Gachibowli, Financial District,
Nanakramguda,
Hyderabad – 500032.
Phone : 040 6716 2222
Fax : 040 2300 1153
Toll Free No:1800 345 4001
E-mail : einward.ris@karvy.com

COMPANY CIN

L171111TZ2003PLC010518

DIRECTORS' REPORT

Dear Members,

The Board of Directors' take pleasure in presenting the report on the operations and business of the Company along with Audited Financial Statements for the Financial Year ended 31st March, 2017.

FINANCIAL RESULTS

(₹ in Lakhs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2016-17	2015-16	2016-17	2015-16
Sales and Other Income				
Domestic Sales	1,52,162	1,37,522	1,69,259	1,60,329
Export Sales	64,200	54,397	1,01,395	90,654
Other Income	8,264	7,629	13,755	11,458
	2,24,626	1,99,548	2,84,409	2,62,441
Profit before Interest & Depreciation	47,277	39,022	59,074	49,346
Less : Interest	4,503	4,442	6,445	5,763
Depreciation	11,743	12,384	14,939	15,205
Profit Before Tax	31,031	22,196	37,690	28,378
Less : Taxation				
Provision for Current Tax	7,668	6,574	9,119	8,390
Tax relating to earlier years	(166)	145	(159)	165
MAT Credit Entitlement	-	-	1,420	1,119
	7,502	6,719	7,540	7,436
Deferred Tax expense / (Credit)	(313)	(137)	1,468	(129)
Profit After Tax	23,842	15,614	28,682	21,071
Other Comprehensive Income (Net of tax)	15	23	15	5
Total Comprehensive Income	23,857	15,637	28,697	21,076

REVIEW OF OPERATIONS

It has been a significant and eventful year for KPR. The expansion programs as contemplated have been successfully completed. Its strategic direction towards value addition has started yielding results. The revenue recorded a growth of 13% over previous year and PAT by 52%. The cotton price continues to be stable. The wind energy (Green power) supported the operations considerably. Power availability in the State has been comfortable. Due to hike in Minimum Wages by the Government, the labour cost has gone up. The well acclaimed labour practices enabled smooth flow of labour to the expanded capacities. Our consistent improvement in profitability has been due to several factors such as strategic plans, reduced cost, increased production capacity etc. Despite the slowdown due to demonetization drive, we have not seen any major impact on our business.

FUTURE OUTLOOK

Rapid urbanization, growing population, rising per-capita income, enlarging middle class & young population exposed to changing tastes and fashion have led to huge opportunities for the textiles sector in the domestic market. Growing encouragement to downstream sectors of the Textile Industry from the Government and the efforts for expediting Free Trade Agreement's to improve the competitiveness on the global front, would improve the export earnings of the Industry significantly. K.P.R, which is well equipped with strong factors of production, financial and operational performance is an advantageous position to reap the benefits of bright outlook for the Sector as a whole.

SUB-DIVISION OF EQUITY SHARE (SPLIT OF SHARE)

During November 2016, after obtaining the consent of the

Members of the Company by Postal Ballot and complying with the applicable provisions of the Act & Regulations, the Equity Share of the Company of the Face Value of ₹ 10/- each has been split into two shares of Face Value of ₹ 5/- each. The new subdivided shares have been credited to the concerned shareholders' Demat accounts. The new ISIN of the Company at Depositories is INE930H01023.

BUY BACK

The Board of Directors of the Company announced a Buyback of 14,70,000 fully paid-up equity shares (1.95% of the pre Buyback equity share capital) of the face value of ₹ 5/- each from all the existing shareholders on a proportionate basis, through the "Tender Route" process at a price of ₹ 660 per Equity Share payable in cash. The total consideration amounted to ₹ 9702 Crores representing 9.95% of the aggregate of the paid-up equity share capital and free reserves, as per the audited accounts of the Company for the year ended March 31, 2016. After complying with the applicable laws, the Company bought back 14,70,000 Equity Shares. The funds in respect of accepted Equity Shares have been paid out. Buyback was completed on February 13, 2017. The Promoters who have participated in the Buyback offer re-organised their stake to the permitted levels subsequently as per their undertaking to SEBI. The present Paid up Capital Post Buyback is ₹ 36.95 Crores.

DIVIDEND

The Board in its meeting held on 03.05.2017 has recommended a Dividend of 15% on Equity Shares of ₹ 5/- each (₹ 0.75), subject to the approval of the Members at the Fourteenth Annual General Meeting.

RESERVES

During the year under review the Company has transferred ₹ 73 Lakhs to the Capital Redemption Reserve towards Buyback of Equity Shares and ₹ 2,386 Lakhs to the General Reserve.

FINANCE

Our prompt repayments of loan and interest continued. The funds are effectively managed to reduce the cost of interest. During the year, we have availed additional term loans to fund the expansion Projects. The comfortable cash position is expected to continue with the prospective outlook.

EXPANSION

The Financial Year 2016-17 has been a record year for KPR in augmenting its capacities in the value added segment. A brief about the expansion plans completed during the year is furnished below:

I. GARMENT

KPR commissioned its large Green field Garment manufacturing facility with a capacity to produce 36 million Garments per annum under one roof. Now with a total capacity of 95 Million Garments we are one of the largest Garment Manufacturers in India. New Clients and new Markets are added. Order book positions, response from existing and prospective clients are promising.

II. DOUBLING OF PROCESSING CAPACITY

We have also commenced operations in the 'State of the Art' Processing Unit II. The advanced technology of cold processing adopted therein reduces the water consumption by 30% and eliminates the usage of salt completely. This eco - friendly facility will economise the cost of production and enhance the Fabric quality with excellent colour uniformity. This new unit will further add value to the Garment Division.

III. NEW SOPHISTICATED PRINTING DIVISION

KPR established a new Printing Division with the Sophisticated Technology Printing Machines, imported from Austria. This advanced technology empowers us to print sharp designs with high level of accuracy. Entire range of fabrics, such as light & heavy as well as delicate & sensitive fabrics can be printed in the same machine, without any friction. Its ability to print voluminous fabrics with high resolution is a salient feature. The sharpness & accuracy in printing the design and colour are its significant strengths. This new division shall cater to the Premium Brands' high-end garment requirements carrying higher revenue and margin.

SUBSIDIARY COMPANIES

In respect of 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.

I. QUANTUM KNITS PVT. LIMITED

The garment business has been consolidated for effective management.

II. K.P.R. SUGAR MILL LIMITED

The continuous drought conditions at Kamataka impacted the production and supply of sugarcane. The sugarcane crushing commenced in December 2016 during the year, could produce 32,995 metric tons of sugar. Out of 423 Lakh units of power generated 294 Lakh units were sold and 129 Lakh units captively consumed. However sugar prices continues to be stable.

III. JAHNVI MOTOR PRIVATE LIMITED

In Financial Year 2016-17 the Company sold 192 cars and with improved service income marked total revenue of ₹ 115.07 Crores. The National Demonetization drive during the year has impacted the sale of automobiles for the industry as a whole considerably. However the Automobile Industry is optimistic of its growth during the current year.

IV. 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.

DIRECTORS

The Company has adequate Independent Directors in compliance with the Act and Listing Regulations. Familiarization Program on the Company and its operation 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 in Section 149 (6) have been obtained.

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

The details of the aforesaid Director, required to be disclosed under Regulation 36(3) of the Listing Regulation, form part of the Notice of the ensuing Annual General Meeting. Your Directors recommend his re- 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 the Company has Key Managerial Personnel. 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 etc., to its Chairman, Managing Directors and fixed monthly remuneration to its Executive Directors 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 Regulations.

COMMITTEES

As required by the provisions of the Act and Listing Regulation, 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 Act and the Listing Regulation, the following policies have been framed and disclosed on the Company's website 'www.kpmmilllimited.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
- VII. Risk Management Policy
- VIII. Dividend Distribution Policy

RISK MANAGEMENT

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Regulation 17(9) of the Listing Regulation, 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 can be reported to the Chairman of the Audit Committee at e-mail id 'whistleblower@kpmill.com'. The key directions / actions can 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 ₹ 392.24 Lakhs being 2% of the average three years 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 28.04.2016, 25.07.2016, 05.10.2016, 24.10.2016, 07.12.2016 and

25.01.2017. 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 Regulations entered into with the Stock Exchanges. They are prepared in accordance with the Ind-AS 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 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 Regulation 23 of the Listing Regulations there are no transactions to be reported under Section 188 (1) of the Act.

However, the Transactions as required under "Ind-AS" are reported in 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

Labour welfare activities in an industrialized society have far reaching impact not only on the work force but also on the facets of human resources building a humane society. The underlying principle in our welfare practices is to empower the workers with human value addition and make the workers contribute voluntarily their loyal services in genuine spirit of co-operation to

promote economic development by increasing production and productivity. The trend setter facilities are provided to supplement the earning of the workers by services such as comfortable & safe accommodation, hygienic food & working conditions, medical assistance, education, library, sports, extra-curricular activities, recreation etc. Higher education facilities provided at KPR is one of the best matching the high standards of an Academic Institution. The Employees are also keen in effective utilization of the education and skill development facilities. During the Academic year 2016 also, supported by the best quality education extended by the Company, several employees excelled in the Government conducted Examinations securing higher ranks. During the year also we have enrolled around 2000 employees under the Central Government skill development initiatives.

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 Ind-AS 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 records 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 31.03.2017 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 Schedule V of the Listing Regulation is also attached to this Report.

BUSINESS RESPONSIBILITY REPORT

In pursuance of Regulation 34(2)(f) of the SEBI (LODR) Regulations, 2015, the Business Responsibility Report, containing the initiatives taken by the company from environmental, social and governance perspective, forms part of 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. However the Company has subdivided its Share and resorted to Buyback.

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 upon completion of their term as per the Act.

As suggested by the Audit Committee the Board recommends the appointment of BSR & Co., LLP, Chartered Accountants (Firm Registration Number: 101248W/W-100022), Chennai, as Statutory Auditors of the company.

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 2017-18.

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 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
03.05.2017

K.P. Ramasamy
Chairman

Form AOC - 1

(Pursuant to first provision to sub-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	Jahmvi Motor Private Limited
Share Capital	10	583	5	193
Reserves & Surplus	2,067	21,018	(1)	489
Total Assets	2,086	77,430	4	4,749
Total Liabilities	9	55,829	-	4,067
Investments (Excluding investment in subsidiaries)	-	-	-	-
Turnover	408	63,844	-	11,507
Profit / (Loss) Before Tax	87	6,588	-	10
Provision for Tax	45	1,781	-	(7)
Profit After Tax	42	4,807	-	17
Proposed Dividend	-	-	-	-
% Share Holding	100	100	100	100

Form AOC-2 – All the transactions are at arm's length basis only.

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

a) Information as per Rule 5(1) of Chapter XIII, 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 2016-17)	
				Revenues	Net Profit
Sri. K.P. Ramasamy	Chairman	32.68*	153.88	0.399	3.77
Sri. KPD Sigamani	Managing Director	32.68*	153.88	0.399	3.77
Sri. P. Nataraj	Managing Director	32.68*	153.88	0.399	3.77
Sri. C.R. Anandakrishnan	Executive Director	Nil	4.12	0.011	0.10
Sri. E.K. Sakthivel	Executive Director	Nil	3.09	0.008	0.08
Sri. P. Selvakumar	Whole - Time Director	13.21	1.53	0.004	0.04

*On account of increase in 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
Sri. PL Murugappan	Chief Financial Officer	11.62
Sri. P. Kandaswamy	Company Secretary	6.86

4. Percentage increase in the Median Remuneration of employees in the financial year: 10.37%.

5. Number of Permanent Employees on the roll of the Company at the end of the year: 10,995

6. 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 10.37% while the average increase in managerial remuneration during the year was 32.68%. The Managerial Remuneration is fixed by the Shareholders on recommendation of Nomination and Remuneration Committee and Board.

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

By order of the Board of Directors

Coimbatore
03.05.2017

K.P. Ramasamy
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility (CSR) activities for Financial Year 2016-17

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 is not just about helping others and creating a feel-good atmosphere in an entity. It is also a confirmation from the entity that it understands its responsibility towards the world in which operates. As Education is considered to be the most powerful instrument which one can use to change the world, we predominantly concentrate on promotion of education besides other social objectives. 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. 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. KPD Sigamani - Managing Director
- c) Sri. P. Nataraj - Managing Director
- d) Dr. S. Ranganayaki - Independent Director

2. Average net profit of the company for last three financial years

₹ 19,607 Lakhs

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

₹ 392.14 Lakhs

4. Details of CSR spent during the financial year

During the Financial year funds were utilised towards promotion of education, flood relief, eradicating hunger, enhancing vocational skills etc., directly.

5. Total amount spent for the financial year

₹ 392.24 Lakhs

6. Amount unspent, if any

NIL

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

(₹ In Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
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 the reporting period	Amount spent: Direct or through implementing agency
1	Promotion of Education	Education	Arasur, Coimbatore District, Tamil Nadu.	386.54	386.54 Direct Expenditure	386.54	Direct 386.54
2	Ensuring Environmental Sustainability	Environmental Sustainability	Kallimpudur, Erode District, Tamil Nadu. Thekkalur, Tirupur District, Tamil Nadu.	5.70	5.70 Direct Expenses	5.70	Direct 5.70
		Total		392.24	392.24	392.24	392.24

8. Details of implementing agency : Nil

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

Coimbatore
03.05.2017

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

To reduce power consumption at Arasur Garment unit, the reciprocating model compressor has been replaced by Screw Compressor with variable speed drive.

Replacement of Tube lights with LED lamps that are energy efficiency and carry long life time at all our Units continues, to reduce the power consumption.

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

Further efforts are being taken to reduce power consumption at all units.

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

The energy saving measures result in consumption of economised power and fuel that would reduce the cost of production. Total energy consumption & 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	2016-17	2015-16
1. Power & Fuel Consumption			
A) Electricity			
i) Connected Load	KVA	39,915	36,915
ii) Purchase of Units	Lakh Units	216	326
iii) Total Amount	₹ Lakhs	1,503	2,051
iv) Rate Per Unit (Average)	₹	6.96	6.29
v) Demand Charges	₹ Lakhs	1,368	1,352
B) Electricity from Third Party			
i) Purchase of Units	Lakh Units	884	1,319
ii) Total Amount	₹ Lakhs	4,693	8,341
iii) Rate Per Unit (Average)	₹	5.31	6.32
2. Own Generation			
i) Through Diesel Generator			
Units generated	Lakh Units	1	1
Total Amount	₹ Lakhs	21	28
Cost/Unit	₹	16.50	18.87
Units/Litre of Diesel	Units	3.24	2.95
ii) Through Wind Mill			
Units generated	Lakh Units	1,228	733
iii) Through Steam Turbine			
Units	Units	NIL	NIL
Coal/Furnace Oil / Others			

II Consumption per unit of Production

Particulars	Units	2016-17	2015-16
a) Production of Yam	Kgs	8,63,01,692	8,10,36,135
Electricity (units) per Kg of yam	Units	2.48	2.65
b) Processed Fabric	Kgs	91,20,607	86,05,377
Electricity (units) per Kg of Fabric	Units	1.13	1.19
c) Garment Produced - In House	Kgs	1,47,16,770	47,18,357
Electricity consumed/ Garment	Units	0.28	0.28
Production			

B. TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT (R&D)**1. Specific areas in which R&D carried out by the Company:**

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

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

Sustained quality of products at economized cost.

3. Future Plan of Action:

Continuous focus on innovations in Textile development processes & products.

4. Technology absorption, adaptation and innovation:

The advanced technology of cold processing adopted at our new state of the art processing unit reduces the water consumption by 30% and eliminates the usage of Salt completely. This eco - friendly facility will economise the cost of production besides enhancing the quality.

All manufacturing facilities are equipped with high-tech quality control equipment and well trained Personnel. ETP at Processing Division has Zero Discharge System.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Lakhs)			
S.No	Particulars	2016-17	2015-16
1	Foreign Exchange earned through exports amounted to	64,200	54,397
2	Foreign exchange used	44,636	20,540

By order of the Board of Directors

Coimbatore
03.05.2017

K.P. Ramasamy
Chairman

SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017**

[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 M/s 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 my 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 31st March 2017 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 the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under and the Companies Act 1956 (to the extent applicable)
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under;
- (v) The following 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, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) 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;
 - (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) and other applicable laws to a Textile Industry viz., Textile Control Orders, Textile Committee Produce Cess Act, Textile (Development and Regulation) Order etc.,

As per the information and explanation provided by the management and officers of the Company and also on verification of reports and certificates of professionals I report that adequate systems are in place to monitor and ensure compliance of Laws relating to Direct and Indirect Taxes, Labour and other Legislations.

I have also examined compliance with the Listing Agreement and applicable Regulations of the Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. 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 and Women Director. There were no changes in the composition of the Board of Directors during the period under review.

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.

As per the minutes of the Meeting duly recorded and signed by the Chairman the decisions of the Board were unanimous and no dissenting views have been recorded.

As informed the company has responded appropriately to the notices received from various statutory / regulatory authorities wherever found necessary.

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 the following events:

- I. During the year under review, the Company has sub divided the Equity Shares of Rs.10/- each into 2 Shares of Rs.5/- each on 15.11.2016. In result of this the number of Equity Shares issued has been increased from 3,76,82,892 Equity Shares of Rs.10/- each to 7,53,65,784 Equity Shares of Rs.5/- each.
- II. During the year under review, the Company has made a Buy Back of 14,70,000 Equity Shares of Rs.5/- each on 13.02.2017. In result of this the number of Equity Shares issued has been reduced from 7,53,65,784 Equity Shares of Rs.5/- each to 7,38,95,784 Equity Shares of Rs.5/- each and the Paid up Share Capital of the Company changed from Rs.37,68,28,920/- to Rs.36,94,78,920/-

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

- a) Public / Rights / Preferential Issue of Shares / Debentures / Sweat Equity
- b) Redemption
- c) Foreign Technical Collaboration.
- d) Merger/Amalgamation/Reconstruction, etc.

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

Place: Coimbatore
Date: 03.05.2017

K. Radhakrishnan B.Com., ACS.,
Practicing Company Secretary
ACS No: 30614, CP No: 16911

'Annexure A'

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

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. I 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. My 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.

Place: Coimbatore
Date: 03.05.2017

K. Radhakrishnan B.Com., ACS.,
Practicing Company Secretary
ACS No: 30614, CP No: 16911

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2017

[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 : **Registered Office** **Corporate Office**
 No.9, Gokul Buildings, 1st Floor,
 1st Floor, A.K.S. Nagar, Srivari Shrimat,
 Thadagam Road, 1045, Avinashi Road,
 Coimbatore – 641 001. Coimbatore – 641018.
 Ph : 0422 – 2478090 Ph : 0422 – 2207777
 Fax : 0422 – 2478050 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	58.27
2	Fabric	17115	23.00
3	Garment	18101	15.20

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 - 641 107	U18101TZ2009PTC015251	Subsidiary	100	2(87)
4	M/s. Galaxy Knits Limited, 252, Periyar Colony, Anupparpalayam, Tirupur - 641 652	U18100TZ2012PLC018577	Subsidiary	100	2(87)

IV) SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Shareholding

Code	Category of Shareholder	No of Shares held at the beginning of the year Face Value of ₹ 10/- each				No of Shares held at the end of the year Face Value of ₹ 5/- each				% 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	53309379	-	53309379	72.14	-0.07
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	1038000	-	1038000	2.75	2037162	-	2037162	2.76	0.01
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub - Total A(1)	28246725	-	28246725	74.96	55346541	-	55346541	74.90	-0.06
(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	55346541	-	55346541	74.90	-0.06
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds / UTI	4450559	-	4450559	11.81	9431663	-	9431663	12.76	0.95
(b)	Financial Institutions / Banks	141596	-	141596	0.38	101854	-	101854	0.14	-0.24
(c)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	1204728	-	1204728	3.20	1958300	-	1958300	2.65	-0.55
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i)	Others	-	-	-	-	-	-	-	-	-
	Foreign Nationals	-	-	-	-	1078	-	1078	-	-
	Sub - Total B(1)	5796883	-	5796883	15.39	11492895	-	11492895	15.55	0.16

Code	Category of Shareholder	No of Shares held at the beginning of the year Face Value of ₹ 10/- each				No of Shares held at the end of the year Face Value of ₹ 5/- each				% Change During the Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2)	NON - INSTITUTIONS									
(a)	Bodies Corporate	651964	-	651964	1.73	553919	-	553919	0.75	-0.98
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 2 lakhs	1840730	9463	1850193	4.91	4712158	4252	4716410	6.38	1.47
	(ii) Individuals holding nominal share capital in excess of ₹ 2 lakhs	993407	-	993407	2.64	1374175	-	1374175	1.86	-0.78
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(d)	Others									
	Trusts	-	-	-	-	6589	-	6589	0.01	0.01
	Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
	Foreign Corporate Bodies	-	-	-	-	-	-	-	-	-
	Non - Resident Indians	131367	-	131367	0.34	205331	-	205331	0.28	-0.06
	Non - Resident Indian Non - Repatriable	-	-	-	-	74829	-	74829	0.10	0.10
	Clearing Members	12353	-	12353	0.03	125095	-	125095	0.17	0.14
	Sub - Total B(2)	3629821	9463	3639284	9.65	7052096	4252	7056348	9.55	-0.10
	Total B-B(1)+B(2)	9426704	9463	9436167	25.04	18544991	4252	18549243	25.10	0.06
	Total (A+B)	37673429	9463	37682892	100	73891532	4252	73895784	100	0.00
(c)	SHARES HELD BY CUSTODIANS, AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED									
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
(2)	Public	-	-	-	-	-	-	-	-	-
	Sub- Total C	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A+B+C)	37673429	9463	37682892	100	73891532	4252	73895784	100	-

(ii) Shareholding of Promoters

S.No	Name of the Shareholder	Shareholding at the beginning of the year Face Value of ₹ 10/- each			Shareholding at the beginning of the year Face Value of ₹ 5/- each			% change in Share holding 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	81,27,684	21.57	-	1,59,50,000	21.58	-	0.015
2	Sri. KPD Sigamani	81,28,634	21.57	-	1,59,50,000	21.58	-	0.015
3	Sri. P. Nataraj	81,27,733	21.57	-	1,59,50,000	21.58	-	0.015
4	M/s. K.P.R. Developers Limited	10,38,000	2.75	-	20,37,162	2.76	-	0.015
5	Smt. N. Jayanthi	9,41,842	2.50	-	18,19,793	2.46	-	-0.04
6	Smt. K.R. Parvathi	9,41,171	2.50	-	18,18,380	2.46	-	-0.04
7	Smt. D. Radhamani	9,40,941	2.50	-	18,19,793	2.46	-	-0.04
8	Sri. C.R. Anandakrishnan	720	-	-	1,413	-	-	-
	Total	2,82,46,725	74.96	-	5,53,46,541	74.90	-	-0.06

(iii) Change in Promoters' Shareholding

S.No	Name of Shareholder	Prior Buyback Share Holdings	Offered shares Accepted in Buyback (13.02.2017)	Sold as per undertaking to SEBI (30.03.2017)	Share Holding as on 31.03.2017
1	Sri. K.P. Ramasamy	1,62,55,368	3,04,114	1,254	1,59,50,000
2	Sri. KPD Sigamani	1,62,57,268	3,04,149	3,119	1,59,50,000
3	Sri. P. Nataraj	1,62,55,466	3,04,115	1,351	1,59,50,000
4	M/s. K.P.R. Developers Limited	20,76,000	38,838	-	20,37,162
5	Smt. N. Jayanthi	18,83,684	35,240	28,651	18,19,793
6	Smt. K.R. Parvathi	18,82,342	35,216	28,746	18,18,380
7	Smt. D. Radhamani	18,81,882	35,207	26,882	18,19,793
8	Sri. C.R. Anandakrishnan	1,440	27	-	1,413
	Total	5,64,93,450	10,56,906	90,003	5,53,46,541
		74.96%			74.90%

(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 Face Value of ₹ 10/- each		Cumulative Shareholding during the year Face Value of ₹ 5/- each	
		No. of Shares	% of Total Shares of The Company	No. of Shares	% of Total Shares of the Company
1	DSP Blackrock Micro Cap Fund	11,95,439	3.17	24,90,684	3.37
2	L and T Mutual Fund Trustee Ltd L and T Tax Advant	5,15,672	1.37	7,75,715	1.05
3	DSP Blackrock 3 years close ended Equity Fund	5,16,048	1.37	7,49,965	1.01
4	L and T Mutual Fund Trustee Ltd - L and T India Prudence Fund	1,28,476	0.34	6,30,068	0.85
5	Ocean Dial Gateway to India Mauritius Limited	3,65,000	0.97	6,00,000	0.81
6	L and T Mutual Fund Trustee Ltd - L and T India Value Fund	1,98,100	0.53	5,90,860	0.80
7	Birla Sun Life Pure Value Fund	1,68,400	0.45	3,73,862	0.51
8	DSP Blackrock Small and Mid Cap Fund	1,87,898	0.50	3,72,408	0.50
9	Birla Sun Life Advantage Fund	1,82,800	0.49	3,59,402	0.49
10	BNP Paribas MID Cap Fund	1,61,113	0.43	3,33,827	0.45

(v) Shareholding of Directors and Key Managerial Personnel

S.No.	For Each of the Directors	Shareholding at the beginning of the year Face Value of ₹10/- each		Cumulative Shareholding During the year Face Value of ₹5/- each	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Sri. K.P. Ramasamy	81,27,684	21.57	1,59,50,000	21.58
2	Sri. KPD Sigamani	81,28,634	21.57	1,59,50,000	21.58
3	Sri. P. Nataraj	81,27,733	21.57	1,59,50,000	21.58
4	Sri. C.R. Anandakrishnan	720	0.0019	1,413	0.0019
5	Sri. E.K. Sakthivel	-	-	-	-
6	Sri. K.N.V. Ramani	-	-	-	-
7	Sri. G.P. Muniappan	-	-	-	-
8	Dr. K. Sabapathy	-	-	-	-
9	Sri. A.M. Palanisamy	-	-	-	-
10	Sri. C. Thirumurthy	5	0.0001	10	0.0001
11	Dr. S. Ranganayaki	-	-	-	-
12	Sri. P. Selvakumar	-	-	-	-

S.No	For Each of the KMP	Shareholding at the beginning of the year Face Value of ₹ 10/- each		Cumulative Shareholding during the year Face Value of ₹ 5/- each	
		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 as on 31.03.2017

(₹ in Lakhs)

Particulars	Secured Loan	Unsecured Loans	Deposits	Total
Indebtedness at the beginning of the FY				
i) Principal Amount	52,216	-	-	52,216
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	11	-	-	11
Total (i+ii+iii)	52,227	-	-	52,227
Change in Indebtedness during the FY				
Addition	1,37,429	-	-	1,37,429
Reduction	1,40,574	-	-	1,40,574
Net Change	(3,145)	-	-	(3,145)
Indebtedness at the end of the FY				
i) Principal Amount	49,082	-	-	49,082
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	55	-	-	55
Total (i+ii+iii)	49,137	-	-	49,137

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, 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 Siganani	Sri. P. Nataraj	Sri. C.R. Anandakrishnan	Sri. E.K. Sakthivel	Sri. P. Selvakumar	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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	72	72	72	24	18	8.94	266.94
2	Stock Option	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-
4	Remuneration - as % of profit	825	825	825	-	-	-	2,475
5	- others	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-
	Total (A)	897	897	897	24	18	8.94	2,741.94
	Ceiling as per the Act	10% of the Net Profit of the Company calculated as per Section 198 of the Act.						

B. Remuneration to other Directors

B. Remuneration to other Directors		Name of Directors							Total Amount (₹ in Lakhs)
S. No	Particulars of Remuneration	Dr. K. Sabapathy	Sri. G.P. Muniappan	Sri. K.N.V. Ramani	Sri. A.M. Palanisamy	Sri. C. Thirumurthy	Dr. S. Ranganayak		
1	Independent Directors								
	Fee for attending Board and Committee Meeting	2.80	2.80	1.20	1.00	1.20	1.20	10.20	
	Commission	-	-	-	-	-	-	-	
	Others	-	-	-	-	-	-	-	
2	Total (1)	2.80	2.80	1.20	1.00	1.20	1.20	10.20	
	Other Non-Executive Directors								
	Fee for attending Board and Committee Meeting	-	-	-	-	-	-	-	
	Commission	-	-	-	-	-	-	-	
	Others	-	-	-	-	-	-	-	
	Total (2)	-	-	-	-	-	-	-	
	Total (B)-(1+2)	2.80	2.80	1.20	1.00	1.20	1.20	10.20	
	Total Managerial Remuneration	2.80	2.80	1.20	1.00	1.20	1.20	10.20	
Overall Ceiling as per the Act		1% of the Net Profits of the Company calculated as per Section 198 of the Act.							

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

S. No	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CEO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites under section 17(2) of the Income - tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income - tax Act, 1961	11.22 - - -	1732 - - -	28.54 - - -
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	(i) as a percentage of Profit	-	-	-
	(ii) others	-	-	-
5	Others - Bonus	1.86	2.86	4.72
	Total	13.08	20.18	33.26

CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is the system by which business entities are directed and controlled. The Corporate Governance structure specifies the distribution of rights and responsibilities among different participants in an entity such as Board, Management, Shareholders & other Stakeholders and spells out roles and procedures for making decisions on corporate affairs. Effective Corporate Governance is vital to ensuring organizational structure run efficiently and with the best interest of the various Stakeholders at heart including Industries, Employees and General Public.

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, Five Executive Directors and Six Independent Directors (Including one woman Director) having no business relationship with the Company & constituting 50% of Board's composition in compliance with the Listing Regulation & Companies Act 2013 ('Act').

Name of the Director	Category	Number of Directorships held in other Companies **	Number of Board & Committee Memberships held in other Companies ***	
			Chairman	Member
1. Sri. K. P. Ramasamy	Executive Director	1	-	-
2. Sri. KPD Sigamani	Executive Director	1	-	-
3. Sri. P. Nataraj	Executive Director	1	-	-
4. Sri. C.R. Anandakrishnan	Executive Director	-	-	-
5. Sri. E.K. Sakthivel	Executive Director	-	-	-
6. Dr. K. Sabapathy	Independent Director	1	-	-
7. Sri. G. P. Muniappan	Independent Director	1	1	-
8. Sri. K. N. V. Ramani	Independent Director	5	1	4
9. Sri. A.M. Palanisamy	Independent Director	1	2	-
10. Sri. C. Thirumurthy	Independent Director	-	-	-
11. Dr. S. Ranganayaki	Woman Director	-	-	-
12. Sri. P. Selvakumar	Executive Director	-	-	-

** 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 Act, 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 Act.

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

During the year under review Six Board Meetings were held. The dates and notices were fixed / issued well in advance in compliance with the Secretarial Standards. Meetings were held on 28.04.2016, 25.07.2016, 05.10.2016, 24.10.2016, 07.12.2016 and 25.01.2017. The Agenda and Notes on agenda 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, forex risk exposures, annual budget, capital expenditure, sale of assets, proposal of Investments & Projects, status of its implementation, financials of Subsidiary Companies etc., are circulated to the Directors in advance for facilitating meaningful and focused discussions at the Meetings.

CORPORATE GOVERNANCE

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
1. Sri. K. P. Ramasamy	6	Yes
2. Sri. KPD Sigamani	5	Yes
3. Sri. P. Nataraj	6	Yes
4. Sri. C.R. Anandakrishnan	4	Yes
5. Sri. E. K. Sakthivel	6	Yes
6. Dr. K. Sabapathy	6	Yes
7. Sri. K.N.V. Ramani	6	Yes
8. Sri. G.P. Muniappan	6	Yes
9. Sri. A.M. Palanisamy	5	Yes
10. Sri. C. Thirumurthy	6	Yes
11. Dr. S. Ranganayaki	6	Yes
12. Sri. P. Selvakumar	6	Yes

AUDIT COMMITTEE

The Audit Committee consists of 3 Directors as given below of which 2 are Independent Directors.

All the Members of the Audit Committee are financially literate. A Member is a Chartered Accountant and another is Deputy Governor of RBI (Retd.)

1. Sri. G. P. Muniappan	- Independent & Non - Executive Director (Chairman)
2. Sri. K. Sabapathy	- Independent & Non - Executive Director
3. Sri. P. Nataraj	- Non - Independent & Executive Director

The terms of reference to the Audit Committee are as per the provisions of Section 177(4) of the Act & Regulation 18 of the Listing Regulations and in pursuance of Audit Committee Charter.

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

Name of the Member	Attendance at the Meeting held on			
	20.04.2016	18.07.2016	18.10.2016	21.01.2017
1. Sri. G. P. Muniappan - Independent & Non - Executive Director (Chairman)	✓	✓	✓	✓
2. Dr. K. Sabapathy - Independent & Non - Executive Director	✓	✓	✓	✓
3. Sri. P. Nataraj - Non Independent & Executive Director	✓	✓	✓	✓

✓ Attended

Statutory Auditors, the permanent invitees to the Committee Meetings attended all the aforesaid meetings.

Sri. P. Kandaswamy, Company Secretary functions as the Secretary of the Committee. The Committee recommends the appointment & remuneration of Internal Auditors, Statutory Auditors and Cost Auditors.

A qualified Chartered Accountant with good exposure conducts Internal Audit.

The Chairman of the Audit Committee was present at the last Annual General Meeting held on 25.08.2016.

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

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consists of 3 Independent Directors as its Members.

1. Sri. G. P. Muniappan	- Independent & Non - Executive Director (Chairman)
2. Sri. K. Sabapathy	- Independent & Non - Executive Director
3. Dr. S. Ranganayaki	- Independent & Non - Executive Director

The terms of reference specified by the Board of Directors to the Committee are as per the provisions of Section 178 of the Act & Regulation 19 of the Listing Regulations and Nomination & Remuneration Policy which are broadly indicated hereunder.

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.

Details of meeting held and members attendance during the year under review, are furnished below:

Name of the Member	Attendance at the Meeting held on 25.03.2017
1. Sri. G. P. Muniappan - Independent & Non - Executive Director (Chairman)	✓
2. Sri. K. Sabapathy - Independent & Non - Executive Director	✓
3. Dr. S. Ranganayaki Independent & Non - Executive Director	✓

✓ Attended

Details of Remuneration and Sitting Fee paid to the Directors are given below (₹ in Lakhs)

Name of the Directors	Remuneration during the year 2016 - 17	Sitting fees for attending meeting of the board and/or committee there of
1. Sri. K.P. Ramasamy	89700	Nil
2. Sri. KPD Sigamani	89700	Nil
3. Sri. P. Nataraj	89700	Nil
4. Sri. C.R. Anandakrishnan	24.00	Nil
5. Sri. E.K. Sakthivel	18.00	Nil
6. Dr. K. Sabapathy	Nil	2.80
7. Sri. K.N.V. Ramani	Nil	1.20
8. Sri. G.P. Muniappan	Nil	2.80
9. Sri. A.M. Palanisamy	Nil	1.00
10. Sri. C. Thirumurthy	Nil	1.20
11. Dr. S. Ranganayaki	Nil	1.20
12. Sri. P. Selvakumar	8.94	Nil

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has a Stakeholder Relationship Committee to consider and resolve the grievances of Security holders of the Company.

1. Dr. K. Sabapathy	- Independent & Non - Executive Director (Chairman)
2. Sri. G.P. Muniappan	- Independent & Non - Executive Director
3. Sri. P. Nataraj	- Non - Independent & Executive Director

The Committee consists of 3 Directors of which 2 are Independent. The Committee met four times during the financial year and the attendance of each Member is furnished as below:

Name of the Member	Attendance at the Meeting held on			
	20.04.2016	18.07.2016	18.10.2016	21.01.2017
1. Sri. K. Sabapathy - Independent & Non - Executive Director (Chairman)	✓	✓	✓	✓
2. Sri. G. P. Muniappan - Independent & Non - Executive Director	✓	✓	✓	✓
3. Sri. P. Nataraj - Non - Independent & Executive Director	✓	✓	✓	✓

✓ Attended

Sri. P. Kandaswamy, Company Secretary is the Secretary to the Committee and the Compliance Officer of the Company.

Nature of complaint / queries received during 2016 - 17	No. of Complaints
1. For non-receipt of dividend, annual report, shares lodged for transfer, issue of duplicate share certificates.	34
2. Queries / Complaints redressed	34
3. Pending queries / complaints as on 31.03.2017	Nil

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

As per Regulation 46 of the Listing Regulations, the Company has designated the following exclusive E-mail ID for the convenience of Investors: investors@kpmill.com

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

As per Regulation 46 of the Listing Regulations, the Company has designated the following exclusive E-mail ID for the convenience of Investors: investors@kpmill.com

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

kandaswamy@kpmill.com

As required by the Listing Regulations, Company's website www.kpmilllimited.com is updated with the Quarterly information conveyed to the Stock Exchanges.

All information that required to be disseminated in the Company's website as per Regulation 46 (2) of the Listing Regulations are disseminated. The Company's website contains a separate dedicated section 'Investor' wherein shareholders' information are 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 Corporate Social Responsibility Committee consists of Four Directors of which one is Independent Director.

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. Dr. S. Ranganayaki	-	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; coordinating 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 two 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	
	28.04.2016	24.10.2016
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. Dr. S. Ranganayaki (Non - Independent & Executive Director)	✓	✓

✓ Attended

MEETING OF INDEPENDENT DIRECTORS

In pursuance of the Act & Listing Regulations the Independent Directors of the Company met on 25.03.2017 to review the performance of Non-Independent Directors & the Board as a whole and the performance of the Chairman of the Company. It has assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.

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 and expansion under progress that are approved by Board from time to time
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.

Besides Reports on the following activities appraising the system and procedures followed by the Company in ensuring compliance / observance of those activities were also provided:

1. Compliance with applicable Legislations and Regulations
2. Risk Management
3. Ensuring significant development in Human Resources / Industrial Relations
4. Annual Budgets and Funding Plans consistent with agreed corporate strategies
5. Internal Finance Control

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

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

Annual General Meeting	Date	Venue	Time
11 th	27.08.2014	Ball Room Hotel The Residency Avinashi Road, Coimbatore - 641 018.	11.30 A.M.
12 th	25.08.2015	Ball Room Hotel The Residency Avinashi Road, Coimbatore - 641 018.	11.30 A.M.
13 th	25.08.2016	Ball Room Hotel The Residency Avinashi Road, Coimbatore - 641 018.	11.30 A.M.

No Special Resolutions passed in the 13th Annual General Meeting of the Company.

POSTAL VOTING AND E-VOTING

In pursuance of the Listing agreement, E-Voting, Postal voting facilities and voting at the AGM were extended to all the Shareholders of the company to facilitate Voting on the Subjects / Resolutions contained in the 13th AGM notice. For obtaining the consent of members for subdivision of Equity Shares of the Company also E- voting and postal ballot voting facilities were extended. To conduct the voting procedure in a fair and transparent manner, a Scrutinizer was appointed for the above purposes. Accordingly the Scrutinizer conducted the voting process and submitted his reports 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. They were also uploaded along with the scrutinizers report, in our website. Entire Resolutions contained in the said agenda were passed.

DISCLOSURE

- I. None of the transactions with related parties during the year 2016 - 17 were in conflict with the interest of the Company and all the transactions were only with the Wholly Owned Subsidiary Companies.

- II. 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.
- III. Sri. K.P. Ramasamy, Chairman, Sri. KPD Sigamani, Managing Director and Sri. P. Nataraj, Managing Director are related to each other. Sri. C.R. Anandakrishnan, Executive Director is related to Sri. K.P. Ramasamy, Chairman and Sri. E.K. Sakthivel, Executive Director is related to Sri. KPD Sigamani, Managing Director.
- IV. The Independent Directors of the Holding Company were nominated in the 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.
- V. Directors Responsibility Statement and Management Discussion and Analysis Report have been furnished elsewhere in the Annual Report.
- VI. 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 Act. 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.

- A) Quarterly Results are usually published in "Business Line" (English) or "Financial Express" (English) and in "Dinamalar" (Tamil) or "Dinamani" (Tamil).
- B) The Financial Results are also accessible on the Company's Website - www.kprmilllimited.com
- C) 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	: Monday, 28 th August 2017
Time	: 11.30 A.M
Venue	: Hotel Le Meridien, No.762, Avinashi Road, Coimbatore - 641 062.

DATE OF BOOK CLOSURE

The Register of Members and Share Transfer Books of the Company will remain closed from 22.08.2017 to 28.08.2017 (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:

BSE Ltd.

Scrip Code: 532889

1st 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 2016-2017 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 INE930H01023.

The Annual Custodian Fee for the Financial Year 2016 - 17 to NSDL and CDSL have been paid in full.

As on 31.03.2017, shares representing 99.99 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

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 payout 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.

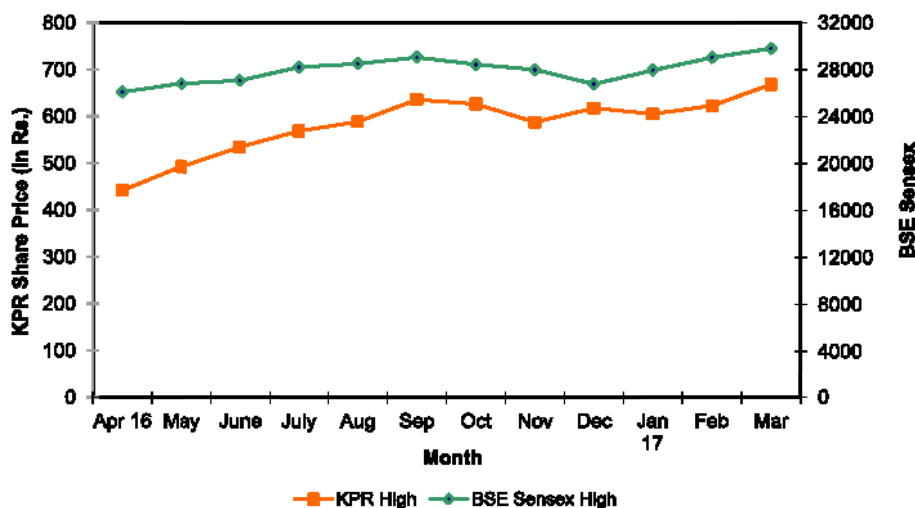
MARKET PRICE DATA

The details of the monthly highest and lowest closing quotations of the Equity Shares of the Company at the BSE Ltd. and National Stock Exchange of India Ltd., during the financial year 2016 -17 are given below:

MONTH	BSE			NSE		
	High (₹)	Low (₹)	Total Traded Quantity (in Crs)	High (₹)	Low (₹)	Total Traded Quantity (in Crs)
April 2016	885.00	768.70	0.002	888.00	768.05	0.023
May 2016	987.00	809.00	0.020	988.90	806.00	0.063
June 2016	1072.50	903.00	0.005	1074.00	891.00	0.041
July 2016	1139.90	1024.75	0.029	1149.00	1017.30	0.024
August 2016	1179.90	1063.10	0.001	1185.00	1061.70	0.028
September 2016	1274.00	1072.00	0.003	1271.55	1073.80	0.028
October 2016	1255.00	1016.50	0.008	1255.00	1011.00	0.081
November 2016	1178.70	566.00*	0.133	1183.50	565.00*	0.063
December 2016	619.00	559.00	0.014	623.00	562.10	0.086
January 2017	606.45	549.75	0.025	606.00	530.15	0.096
February 2017	624.00	564.50	0.007	621.15	564.00	0.060
March 2017	668.90	578.50	0.014	675.00	578.25	0.129

*Share Value of ₹ 10 split into ₹ 5 per Share

KPR Share Price Vs BSE Sensex



DISTRIBUTION OF SHAREHOLDINGS AS ON 31ST MARCH 2017

Shareholdings	No. of Share holders	% of Share holders	No. of Shares	% of Equity
1 - 500	14,503	88.68	20,16,069	2.73
501 - 1000	942	5.76	6,92,319	0.94
1001 - 2000	441	2.70	6,60,025	0.89
2001 - 3000	127	0.78	3,19,218	0.43
3001 - 4000	81	0.50	2,91,661	0.39
4001 - 5000	43	0.26	1,95,843	0.27
5001 - 10000	82	0.50	5,76,498	0.78
10001 & Above	134	0.82	6,91,44,151	93.57
Total	16,353	100.00	7,38,95,784	100.00

SHAREHOLDING PATTERN AS ON 31ST March 2017

Category	Number of Shares Held	% of Holding
Promoters & Promoter Group	5,53,46,541	74.90
Overseas Corporate Bodies	16,14,480	2.18
Mutual Funds	94,31,663	12.76
Banks & Financial Institutions	9,576	0.01
Foreign Institutional Investors	3,43,820	0.47
Foreign Nationals	1,078	0.00
NRIs	2,80,160	0.28
Bodies Corporate	6,79,014	0.92
Public	61,89,452	8.38
Total	7,38,95,784	100.00

SHAREHOLDING OF DIRECTORS AS ON 31ST March 2017

S.No	Name of Director	Shareholding
1	Sri. K.P. Ramasamy	1,59,50,000
2	Sri. KPD Sigamani	1,59,50,000
3	Sri. P. Nataraj	1,59,50,000
4	Sri. C.R. Anandakrishnan	1,413
5	Sri. E.K. Sakthivel	-
6	Dr. K. Sabapathy	-
7	Sri. K.N.V. Ramani	-
8	Sri. G.P. Muniappan	-
9	Sri. A.M. Palanisamy	-
10	Sri. C. Thirumurthy	10
11	Dr. S. Ranganayaki	-
12	Sri. P. Selvakumar	-

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 & Mélange
S.F. No.525, Neelambur, Coimbatore - 641 062	+ 91 422 2625115	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, Erode - 638 052	+ 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
No 460, Avinashi Main Road, Thekkalur, Tirupur - 641 654	+91 422 263 5550	Garmenting
Tirunelveli, Tenkasi, Theni & Coimbatore District		Windmills
SIPCOT Industrial Area, Perundurai, Erode - 638 052	+ 91 4294 234800	Processing Unit II and Printing Division

ADDRESS FOR CORRESPONDENCE

The Company Secretary,

K. P. R. Mill Limited,
1st Floor, Srivari Shrimat,
1045, Avinashi Road,
Coimbatore - 641 018.
Ph: +91 422 220 7777

For your reference the Company's CIN:
L17111TZ2003PLC010518

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, 2015, 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 functions as the Compliance Officer.

SUBSIDIARY

The financials of the Subsidiary Companies viz., M/s. K.P.R. Sugar Mill Limited, M/s. Jaharvi 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 Regulations.

RISK MANAGEMENT

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Regulation 21 of the Listing Regulations, 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, and 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 Ind-AS 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 are disseminated on the website of the Company.

TRANSFERS TO IEPF ACCOUNT OF CENTRAL GOVERNMENT

The Company has transferred the following unpaid dividend Accounts which remained unpaid for more than seven years that were due for transfer during the financial year 2016-17 to the Investor Education and Protection Fund of the Central Government:

S.No	Dividend	Date of Transfer	Amount of Transfer
1	Final Dividend 2008 - 09	20.10.2016	₹ 54,832

DEMAT SUSPENSE ACCOUNT

(As per Schedule V F of the Listing Regulations)

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 st , 2016	9	1175*
Number of shareholders who approached for Issuer / Registrar for transfer of shares from suspense account during the year 2016 - 17	-	-
Number of shareholders to whom shares were transferred from suspense account during the year 2016 - 17	-	-
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, 2017	9	2350**

* Equity Share of ₹ 10 per share **Equity share of ₹ 5 per share

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 Regulation 27(1) of the Listing Regulations.

REPORT ON COMPLIANCE WITH THE DISCRETIONARY REQUIREMENTS

The Report on Compliance of Discretionary Requirements as provided in the Listing Regulation 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 Id's 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. Modified opinion(s) in Audit Report

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

4. Separate posts of Chairman and Chief Executive Officer

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 03.05.2017 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 2016- 17.

P.Nataraj

Coimbatore
03.05.2017

Chief Executive Officer &
Managing Director

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**TO THE MEMBERS OF K.P.R. Mill Limited**

1. This certificate is issued in accordance with the terms of our engagement letter reference no.DHS-C/KPR/2016-17 dated September 30, 2016.
2. We, Deloitte Haskins & Sells, Coimbatore, Chartered Accountants, the Statutory Auditors of K.P.R. Mill Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2017, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46 (2) and paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46 (2) and paras C and D of Schedule V of The Listing Regulations during the year ended March 31, 2017.
9. We state that such compliance is neither an assurance as to the 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
(Firm's Registration No. 008072S)

C.R. Rajagopal
Partner
Membership No. 023418

Place: Coimbatore
Date: 03 May, 2017

CERTIFICATE

CEO/CFO CERTIFICATE

In relation to the Audited Financial accounts of the Company as at March 31, 2017, we hereby certify that:

- (a) We have reviewed financial statements (standalone and consolidated) for the Quarter and that to the best of our knowledge and belief:
- (i) These statements do not contain any materially 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 Ind-AS, 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 to the Auditor and the Audit Committee, deficiencies in the design or operation or such

internal controls, if any of which we are aware and the steps we have taken or proposes to take to rectify these deficiencies.

- (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 involvement of the management or an employee who have a significant role in the Company's internal control system.

PL.Murugappan
Chief Financial Officer

Coimbatore
03.05.2017

P.Nataraj
Chief Executive Officer &
Managing Director