

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT 2016-17**ECONOMY****Global**

Better prospects in large emerging markets and an uptick in global trade have led the IMF to raise its outlook for global growth. Though the economic growth in the past six years has been disappointing it believes that the world economy was turning around and projected a positive revision to its global GDP forecast. It is reported that the developing countries will continue to be the main drivers of global growth. East and South Asia remain the world's most dynamic regions, benefiting from robust domestic demand and supportive macroeconomic policies. As commodity prices trend higher, commodity-exporting economies are likely to see some recovery in growth.

India

The Indian Economic Survey expects that the economy should grow between 6.75 and 7.50 percent in FY 2017-18. The improvement in India's economic fundamentals, which accelerated in the year 2015, is empowered by the combined impact of strong government reforms, RBI's inflation focus supported by benign global commodity prices. There prevails a strong consumer sentiment with a positive outlook hoping that the reforms by the government will enable the country to perform better compared to its peers over the medium term. Government Initiatives such as demonetization, growth oriented budget proposals, digitalization of the economy, simplification of the tax administration in the country, such as GST are considered to be the growth stimulators.

TEXTILE INDUSTRY**Global**

Emerging economies will fuel most of the growth in the Apparel market. Brazil, Russia, India & China (BRIC) along with a few other South - East Asian countries are seen as the major growth drivers. However, recent increase in the value of the currency, combined with rapidly rising labour costs, have put Chinese manufacturers in a much less competitive position. Competition from low-cost nations like India and elsewhere is intense, and a large portion of apparel manufacturing formerly done in China is moving to these areas at a rapid pace.

India

Textile is one of India's oldest industries with a formidable presence in the national economy. With a strong raw material and manufacturing base, the sector determines the fortunes of the economy as well as a number of major industries. About 27 percent of the total foreign exchange earnings of the country are from exports of textiles and clothing. Rapid urbanization, rising population & per capita income, growing middle class and young population exposed to changing tastes and fashion have led to huge opportunities for the textiles sector in the domestic market. Exports growth is likely to be on account of increasing competitiveness against other exporting countries. India has maintained its third position in textile exports next to China and the EU as per a recently published "World Trade Statistical Review" by WTO. This is mainly due to the fact that capacity built over the years has led to low cost of production per unit in India's textile which in turn has resulted into a strong competitive advantage to the country's textile exporters as compared to key global players. With an enabling environment and adequate policy support from the Government, the textile sector in India is expected to achieve the ambitious vision of exports of US \$ 300 bn and 20% share of global trade by 2024-25 as envisaged in the Vision & Action Plan 2014-25 of the Government for the Indian Textile and Apparel Sector. The development of textile segment in India is not only socially significant in terms of creating more employment opportunities, women empowerment and eradication of poverty destitution, but also a harbinger of growth in terms of enhancing national income, export and entrepreneurship, given that same segment in the textile chain are capital light and have less gestation period for commissioning the project.

YARN

India has the world's second largest spinning capacity, commanding a major share (about 73%) of the global Cotton Yarn market. Indian Spinning Industry is the most modern and efficient in the world. India produces a comprehensive range of yarns for every conveyable end use. India can meet every customer requirement whether large or small, regular or customized, premium or basic. Constant induction of state-of-the-art technologies like compact spinning, using the most advanced yarn - processing technology and high-precision process controls tools give Indian mills a competitive

advantage. Today, Indian yarn is widely accepted in International markets as the exporters here regularly meet the needs of importers with unmatched efficiency. On the question of excess spinning capacity in India, if we look at the current modern capacity which can cater to the needs of high segment machines or high quality yarns for high speed weaving / knitting applications, we are still short of capacity.

FABRICS

Knitted Fabrics in the field of Indian Textiles carries very good potential in domestic and export market. Good level of absorbency, cheaper price and ready availability enables its usage by all classes of people. This foundation fabric are used by people throughout the year under different climate conditions. Strength in knitting has grown consistently earning the global recognition. Knitting companies in India offer competitive world-class solutions in circular knitting, warp knitting, flat knitting and jacquard and the range of Indian knitted fabrics is unlimited. Over 5,000 knitting units concentrated in and around Coimbatore, particularly in Tirupur in Southern India, produce a wide range of knitwear collections. Consistency in process control, new generation technology, effective environmental & social compliances and efficient quality management have led to India acquiring an international reputation for high-end knitted products.

GARMENT

Apparel Markets have shown robust growth in past despite global uncertainties and slack demand. A large and growing consuming class, continuous growth in their spending power, shift in their buying habits from need based purchase to aspiration based purchase are the major drivers of apparel market growth. India has the largest gen Y population in the world and is expected to become the world's fastest growing 'e-commerce' market on the back of booming investment activity in the sector and the rapid increase in internet users. As the brands and retailers will grow large within the country, they will look for manufacturers with economies of scale who can cater to large orders timely. Strategic tie-ups between such manufacturers and buyer will happen which will enhance stability and efficiency in the overall sector. Enormous market and trade growth opportunities within India and overseas are going to unfold in the next decade. It is time for Indian companies to have confidence in India's potential and adopt a bullish approach to create world class set-ups with economies of scale and invest in productivity

improvement programs to counter a stiff competition from other competing Countries. Mega FTAs that exclude India may pose a threat to Indian exporter. However, India is vigorously pursuing multilateral trade arrangements with major markets that were pending for a longtime due to various issues relating to other major Industries. With the initiatives of both the sides, the same appears to be progressing now. Though Bangladesh and Vietnam, the major competing countries, have lower production costs and duty advantages in export; still, India is at an advantage due to local availability of the fiber. Going forward, higher disposable income in developing countries will help in demand growth.

COTTON

The country has emerged as the largest producer of cotton in the world in 2015-16 season accounting for 27 % of global production and china's share has come down to 21 %. Post demonetization, cotton prices have gone up since its supply had decreased as farmers were not selling cotton in a big way. On the other hand, international prices were ruling lower than domestic cotton prices. This has encouraged the mills to import early this year. The fortune of the Textile industry predominantly depends on the availability of quality cotton and at competitive price. During the current season, though the entire value chain had to suffer due to the increase in cotton price by around ₹ 5,000 to ₹ 6,000 per candy during the peak season that had cascading effect on the competitiveness of various segments (Yarns, Fabrics and Garments/made-ups) and exports, for the first time it has helped the cotton farmers to realize better price. This has also prevented abnormal export of home grown cotton at a lower price during the season and the resultant raw material deficit in the off season, forcing the industry to import cotton at a high price as it happened last year. This was mainly possible due to the policy changes in the commercial trading of Cotton Corporation of India, increased cotton production in all the major cotton producing states, Chinese cotton policy, etc.

Though the acreage under cotton during the 2016-17 crop years has been lower by about 10% than that of previous year, due to better weather conditions across all cotton growing regions of the country, the productivity is likely to be higher. As , cotton farmers could fetch much better income when compared to any other cash crop, the area under cotton is likely to increase considerably in the forthcoming

season. As such, sufficient cotton is available in the domestic and as well in the international market. Establishment of 'Transshipment storage facility' of imported cotton at Tuticorin port, Tamilnadu would hence forth enable the mills to source imported cotton on a need basis in a short span of time from the port on daily basis and also enable the international cotton traders to sell the surplus cotton to various countries from Tuticorin. The gap in the international and domestic cotton price has narrowed down. Willful adulteration in cotton procured from Gujarat and high trash content in Maharashtra cotton are some of the issues to be addressed. The Cotton Balance sheet is given below:

(In Lakhs Bales)	
Opening Stock	43.00
Production	351.00
Imports	17.00
TOTAL SUPPLY	411.00
Consumption	313.00
Exports	50.00
TOTAL DEMAND	363.00
Closing Stock	48.00

(Source: Cotton Advisory Board)

PERFORMANCE

We have yet again delivered strong financial and operational performance. Repeated growth in revenue and profitability; higher Garment production; ramping up of 36 Mn. new modern garment capacity as envisaged ; commencement of commercial operations in the eco-friendly Processing 'Unit 2' and the sophisticated high resolution printing division are some of the special features of the performance. The strategic business model of KPR always carries an edge over peers. With the implementation of GST, we see further growth for the organized sector and the outlook for 2017 appears to be dynamic.

INTERNAL CONTROL

Internal control is a process designed to provide reasonable assurance in the effectiveness and efficiency of operations, reliability of financial reporting, compliance with applicable laws and regulations. We continue to have adequate system of internal controls to ensure that all the assets are safeguarded and are productive. Equipped with necessary checks and balances it is ensured that the transactions are adequately authorized and reported correctly. The Internal Auditor conducts

regular Audits of various departments and Units to ensure that necessary controls are in place. The Audit Committee while reviewing the system and the Internal Audit Report, call for comments of Auditors on internal control systems and discuss any related issues with the Auditors and the Management of the company before submission to the Board. The independent Directors also satisfy themselves on the integrity of financial information and ensure that financial controls and systems of risk management are in place. The system and procedures are documented by way of manual which was placed before the Board.

EMPLOYEE WELFARE

Mill worker wins gold medals in UG exams

The 'Industry best' employee welfare facilities are continued. This supportive environment that creates a work life balance encourages increased level of productivity and performance. Their repetitive achievement in the Government Examinations, by availing the excellent higher educational facilities offered at KPR, continues. Two Employees of KPR recently completed BBA and BCA courses scoring top ranks in Tamil nadu Open University making their parents and KPR proud. They used to study for two or three hours every day after work and attending classes for three hours. This is the second consecutive year that the worker of KPR has secured a gold medal in BCA. Six workers have secured university ranks this year, including the two gold medals. So far over 20,000 workers have pursued higher studies, Including plus two, under graduate, post graduate courses and teacher training.

Risks and Threats

As regards business risks assessment, the general risks for the Textile Industry as a whole and the factors of mitigation are as follows:

1. Fluctuation in the prices of cotton, the major raw material

As India is a major cotton producer carrying surplus stocks over consumption, the availability of sufficient cotton may not be an issue. Equivalent quality cotton is also available at International market and the difference between its prices at domestic and International Markets is also narrow. During 2017 -18 cotton season, the area under cotton may increase on the back of a 'normal' monsoon – as has been forecast – and better price realization to farmers. Many farmers are shifting to cotton from water-intensive crops this year, increasing the commodity's

output. According to the International Cotton Advisory Committee, the Global cotton output is also estimated to be higher for 2017-18. Hence wild fluctuation in its prices is not expected.

2. Labour Shortage

Though labour shortage is an issue for the Industry as a whole, our well acclaimed labour practices mitigate its impact for KPR and the various initiatives taken by the Government to increase employment opportunities such as skill development are expected to overcome this.

3. Forex Fluctuation

As we are fully covering our Forex exposure, this risk does not impact us.

4. Stiff competition from low cost Countries enjoying duty concessions

'In house' cotton strength, availability of labour with high efficiency, good quality products, growing support from government policies, better compliance of norms, Initiative towards expediting FTA are some of the encouraging factors that would mitigate the stiff competition from low cost countries.

5. Global Economic Trend

Despite subdued Global Economic Activity, the Textile and Garment Industry is moving ahead with increased demand at domestic and export markets. Rapid urbanization, growing

population, rising per capita income, growing middle class and young population exposed to changing tastes and fashion has led to huge opportunities for the textiles sector in the domestic market. On the other hand slowdown in Chinese exports due to higher cost of production will provide an opportunity to exporters to fill the void.

Road Ahead

Asia has already emerged as the largest manufacturer - supplier hub for textile and apparel products to the world. India stands a chance to gain a prominent market share because of growing demand from domestic & export markets, recognition of Indian goods at International market, economized cost of production, supporting Government policies and a strong raw material base. According to a Boston Consulting Group (BCG) report; India is poised to be the third largest consumer market in the world in terms of purchasing power, as it's consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behavior and expenditure pattern. For the Indian Textile Industry, which is growing faster in the world, these are specifically interesting times. The factors that influence the Indian Industry growth are stability of Rupee against the Dollar, firm prices of inputs like cotton & electricity and the encouraging global economic outlook. When GST is in place, it will create a level playing ground for everyone and will be positive. Particularly , for companies like KPR that has integrated and state of the art facilities empowered with strong fundamentals, the outlook appears to be bright and promising.

By order of the Board of Directors

Coimbatore
03.05.2017

K.P. Ramasamy
Chairman

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company : **L17111TZ2003PLC010518**
2. Name of the Company : **K.P.R. Mill Limited**
3. Registered address : **No. 9 Gokul Buildings, 1st Floor,
AKS Nagar, Thadagam Road,
Coimbatore – 641001, Tamilnadu.**
4. Website : **www.kprmilllimited.com**
5. E-mail id : **corporate@kprmill.com**
6. Financial Year reported : **2016 - 17**
7. Sector(s) that the Company is engaged in (industrial activity code-wise)
a) Yarn (17121), b) Fabric (17115), c) Garment (18101)
8. List three key products/services that the Company manufactures/provides (as in balance Sheet)
a) Yarn, b) Fabric, c) Garment
9. Total number of locations where business activity is undertaken by the Company
(a) Number of International Locations – NIL
(b) Number of National Locations – 12
10. Markets served by the Company –

Local	State	National	International
✓	✓	✓	✓

SECTION B: FINANCIAL DETAILS OF THE COMPANY (₹ In Lakhs)

1. Paid up Capital – 3,695/-
2. Total Turnover – 2,21,914/-
3. Total profit after taxes – 23,842/-
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) – 1.64 %
5. List of activities in which expenditure in 4 above has been incurred:-
(a) Promotion of Education
(b) Ensuring Environmental Sustainability

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company / Companies?
YES, . It has four Subsidiary Companies
(i) K.P.R. Sugar Mill Limited (ii) Quantum KNITS PVT. LIMITED (iii) Jahnvi Motor private Limited (iv) Galaxy Knits Limited
2. Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)
The Company encourages its Subsidiaries to participate in the BR.
3. Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%] - **NO**

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR –
(a) Details of the Director/Director responsible for implementation of the BR policy / policies
 1. DIN Number : 07228760
 2. Name : Sri. P. SELVAKUMAR
 3. Designation : Whole Time Director

BUSINESS RESPONSIBILITY REPORT

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	07228760
2	Name	Sri. P.SELVAKUMAR
3	Designation	Whole - Time Director
4	Telephone Number	9865254203
5	e-mail id	selvakumar@kprmill.com

2. Principle-wise (as per NVGs) BR Policy/policies

LIST OF PRINCIPLES

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the wellbeing of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights
P6	Business should respect, protect and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of compliance (Reply in Y/N)

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Policies are prepared ensuring adherence to applicable laws and internal standards of the company								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Director	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	http://www.kprmilllimited.com/investors								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policy have been communicated to the relevant stakeholders wherever required								
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation working of this policy by an internal or external agency?	Being first year of adoption such evaluation be considered at appropriate time.								

- (b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) - **Not Applicable**

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year - **Assessed annually.**
- (b) Does the Company publish a BR or a Sustainability Report ? What is the hyperlink for viewing this report ? How frequently it is published ?

The Company publishes it as a part of the Annual Report from the current year.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethic, bribery and corruption cover only the company?

The Company has a well-defined code of conduct applicable to Directors and Employees.

Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Yes, applicable to Group Companies/ Subsidiaries.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

No Stakeholder complaint was received during the year on the conduct of business involving ethics, transparency and accountability.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

All our Factories are approved by Pollution Control Board which ensures environmental compliances. Our Arasur Garment factory has been ranked as 'Eco-Friendly' by a reputed International Brand. Besides, we hold certificates such as WRAP, GOTS, OEKO-TEX, ISO 14001:2007, ISO 9001:2008, ISO 18001:2004, SA 8000:2014 etc., relating to the social or environmental concerns.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

We produce cotton based textile products, which is eco-friendly and does not pollute environment and saves water and energy. We continuously adopt energy saving measures in our production process which enables minimal resources utilization.

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

As our products are cotton based, it would enable reduced usage of energy & water by the consumers also.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

- (a) If yes, what percentage of your inputs was sourced sustainable? Also, provide details thereof, in about 50 words or so.

Yes. We have procedures in place. Our major input is cotton. We buy cotton and produce Cotton Yarn / Fabric / Garment and supply to various Buyers including overseas Customers.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes. We procure goods and services from local & small producers, including communities surrounding the place of work, if the quality of goods supplied by them suits our quality parameters. We encourage them to improve the quality of the products that leads to improving their capacity and capability.

- Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company has installed an Advanced Water Treatment Technology from ITALY in the Processing Unit which takes care of the effluent treatment norms and facilitates reuse of waste water up to 95%. The advanced technology of cold processing adopted at the 'State of the Art' Processing Unit II reduces the water consumption by 30% and eliminates the usage of Salt completely.

We have Bio – Gas Generation facility that reduces the usage of LPG. We also have Waste water recycling process across all our units which reduces the water consumption around 25%

Principle 3

- Please indicate the Total number of employees - **10,995**
- Please indicate the Total number of employees hired on temporary /contractual/casual basis - **NIL**
- Please indicate the Number of permanent women employees - **8,637**
- Please indicate the Number of permanent employees with disabilities - **NIL**
- Do you have an employee association that is recognized by management?

Each unit has various workers' committees taking care of their requirements.

- What percentage of your permanent employees is members of this recognized employee association - **Not Applicable**
- Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year - **NIL**
- What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

(a) Permanent Employees	- 100%
(b) Permanent Women Employees	- 100%
(c) Casual / Temporary / Contractual Employees	- Not Applicable
(d) Employees with Disabilities	- Not Applicable

Principle 4

- Has the company mapped its internal and external stakeholders? - **YES**
- Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders? - **YES**
- Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Towards this initiative, we recruit employees from the downtrodden villages. We provide trendsetter employee welfare facilities, besides nutritious food, hygienic and comfortable living & working conditions, entertainment etc. In order to add value to their livelihood, the Company is providing higher education and vocational training facilities to them. The employees are also making best use of them. This initiative helps them in a big way by making them independent both economically and socially.

Principle 5

- Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures / Suppliers / Contractors / NGOs / Others? - **YES**
Yes. Extended to the Group.
- How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? - **NIL**

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures / Suppliers / Contractors / NGOs / others.

Yes. Extended to the Group.

2. Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc?

Yes, The Company's initiatives towards making the production process 'eco-friendly', wherever possible, has secured certifications such as,

- i. **ISO-14001: 2004 Certifications for Environment Management Systems.**
- ii. **OEKO-TEX – for environment friendly operations**
- iii. **Global Organic Textile Standard (GOTS) – for organic cotton products.**
- iv. **SA 8000: 2014 for Social Accountability Management Systems.**

Towards augmenting green cover, the Company has planted more than one lakh saplings in the villages.

3. Does the Company identify and assess potential environmental risks? - **YES**
4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? - **NO**
5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? If yes, please give hyperlink for web page etc.
Yes, in an effort to generate power in eco-friendly ways the Company has installed windmills at Theni, Tirunelveli, Tenkasi and Coimbatore districts in India. It takes care of most of our power requirement.
6. Are the Emissions / Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? - **YES**
7. Number of show cause / legal notices received from CPCB/SPCB which are pending (I.e. not resolved to satisfaction) as on end of Financial Year - **NIL**

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- A. **CONFEDERATION OF INDIAN INDUSTRY**
- B. **THE COTTON TEXTILES EXPORT PROMOTION COUNCIL**
- C. **THE SOUTHERN INDIA MILLS ASSOCIATION**
- D. **TAMILNADU SPINNING MILL ASSOCIATION**
- E. **TIRUPUR EXPORTERS ASSOCIATION**
- F. **INDIAN WIND POWER ASSOCIATION**

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good?; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

YES, wherever required we advocated for the improvement of export policies, economic reforms etc., through the associations.

Principle 8

1. Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.

Our CSR policy and the human value adding labour practices take care of this. The key areas of CSR activities are;

1. Promotion of Education.
2. Environmental and livelihood
3. Social Empowerment
4. Rural Development

Our extension of higher education facilities that has tie - up with reputed universities and vocational training empower our employees with financial & social strength. It would also have positive impact on their family and the village they belong that would support the inclusive growth and equitable development. Extensive coverage on this is furnished in the Reports of Directors & MDAR forming part of the Annual Report.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

Our CSR activities are implemented through in-house and Charitable Trust.

3. Have you done any impact assessment of your initiative? - YES
4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

During the year, the Company has spent ₹ 392.24 lakhs towards CSR activities. The details are furnished in the CSR Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes, securing ranks & gold medals in the government examinations and employment opportunities in the Government Departments, by availing our higher education and vocational training facility itself reflects the success of our initiative. As mentioned earlier it elevates the standard of the employee as well as their family and the village they belong. So far, more than 20,000 employees are benefitted by availing higher education & vocational training facilities extended to them. On an average, every year over 3000 employees are availing the aforesaid facilities.

Principle 9

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year. **NIL**
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information) - **YES**
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so. - **NO**
4. Did your company carry out any consumer survey / consumer satisfaction trends? - **YES**

INDEPENDENT AUDITORS' REPORT

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

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of K.P.R. Mill Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No.0080725)

Place : Coimbatore
Date : 03 May 2017

C.R. Rajagopal
Partner
(Membership No.23418)

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **K.P.R. MILL LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and

plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INDEPENDENT AUDITORS' REPORT**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as

at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No.008072S)

Place : Coimbatore
Date : 03 May 2017

C.R. Rajagopal
Partner
(Membership No. 23418)

ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date, except the following:

Particulars of the Free hold land	Amount (₹ in Lakhs)	Remarks
Freehold land located at Kittampalayam and Thirunelveli admeasuring 19 acres and 8 acres respectively.	66.76	The title deeds are in the name of K.P.R. Spinning Mill Private Limited, erstwhile Company that was merged with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Court(s) of judicature.
Freehold land located at Arasur, Bogampatti, Thenkasi, Thirunelveli admeasuring 40.65 acres, 18.20 acres, 57.63 acres and 6 acres respectively.	64.47	The title deeds are in the name of K.P.R. Mill Private Limited, erstwhile Company that was merged with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Court(s) of judicature.
Freehold land located at Tirunelveli admeasuring 2 acres.	9.61	The title deeds are in the name of K.P.R. Knits, erstwhile Company that was out-right purchase.

Immovable properties of buildings whose title deeds have been charged as security for loans, guarantees are held in the name of the Company based on the confirmations directly received by us from lenders.

- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans to one company covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
- (a) The terms and conditions of the grant of such loans are, in our opinion, prime facie, not prejudicial to the Company's Interest.
- (b) The schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment either on the regularity of the repayments or receipts of principal amounts and interest or whether there is an overdue amount remaining outstanding as at the year-end.

INDEPENDENT AUDITORS' REPORT

- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence compliance with the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended with regard to the deposits accepted is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 for Textile. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
 - There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
 - Details of dues of Income-tax, Service Tax and Excise Duty which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute Is Pending	Period to which the Amount Relates	Amount Involved (₹ in Lakhs)	Amount Unpaid (₹ in Lakhs)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax(Appeals), Coimbatore	2014-15	2.48	2.48
Finance Act, 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal, Chennai	2004-07	27.52	27.52
Central Excise Act, 1944	Excise Duty	Customs, Excise and Service Tax Appellate Tribunal, Chennai	2005-06	3.82	3.82

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not issued any debentures and have not made any borrowings from financial institutions or Government.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us the term loans have been applied by the Company during the year for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiaries or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I A of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No.008072S)

C.R. Rajagopal
Partner
(Membership No.23418)

Place : Coimbatore
Date : 03 May 2017

BALANCE SHEET

BALANCE SHEET AS AT 31.03.2017

	Note	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
ASSETS				
(1) Non - Current Assets				
(a) Property, Plant & Equipment	5	91,553	89,340	92,016
(b) Capital Work-in-Progress		208	34	-
(c) Other Intangible Assets	5	46	76	110
(d) Financial Assets				
(i) Investments	6	8,829	7,806	7,988
(ii) Loans	7	776	808	641
(e) Other Non - Current Assets	8	7,285	8,334	6,854
Total Non - Current Assets		1,08,697	1,06,398	1,07,609
(2) Current Assets				
(a) Inventories	9	30,668	26,632	28,434
(b) Financial Assets				
(i) Trade Receivables	10	21,338	25,965	21,930
(ii) Cash & Cash Equivalents	11	2,808	1,858	1,930
(iii) Other Financial Assets	12	5,088	3,306	3,573
(c) Other Current Assets	13	11,426	8,884	8,479
Total Current Assets		71,328	66,645	64,346
Total Assets		1,80,025	1,73,043	1,71,955
EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share Capital	14	3,695	3,768	3,768
(b) Other Equity	15	1,08,111	94,337	84,929
Total Equity		1,11,806	98,105	88,697
(2) Non - Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	11,196	11,746	23,007
(b) Deferred Tax Liabilities (Net)	17	5,554	5,867	4,723
Total Non - Current Liabilities		16,750	17,613	27,730
(3) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	30,750	40,646	34,518
(ii) Trade Payables	19	11,367	8,452	8,358
(iii) Other Financial Liabilities	20	8,784	7,996	11,373
(b) Other Current Liabilities	21	159	105	83
(c) Provisions	22	-	72	126
(d) Current Tax Liabilities (Net)	23	409	54	1,070
Total Current Liabilities		51,469	57,325	55,528
Total Liabilities		68,219	74,938	83,258
Total Equity & Liabilities		1,80,025	1,73,043	1,71,955

See accompanying notes forming part of the financial statements

For and on behalf of the Board of Directors

K.P. Ramasamy
Chairman

PL Murugappan
Chief Financial Officer

Coimbatore
03.05.2017

KPD Sigamani
Managing Director

P. Kandaswamy
Company Secretary

P. Nataraj
Chief Executive Officer
& Managing Director

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

C.R. Rajagopal
Partner

Coimbatore
03.05.2017

STATEMENT OF PROFIT & LOSS

	Note	Year Ended 31.03.2017	Year Ended 31.03.2016
(₹ In Lakhs)			
I. Revenue from Operations (Gross)	24	2,21,914	1,96,127
II. Other Income	25	2,712	3,421
III. Total Revenue (I+II)		2,24,626	1,99,548
IV. Expenses			
Cost of Materials Consumed	26	1,39,848	1,19,723
Changes in Inventories of Finished Goods, Work - in - Progress	27	(3,614)	(601)
Employee Benefits Expense	28	19,413	14,942
Finance Costs	29	4,503	4,442
Depreciation and Amortization Expense	5	11,743	12,384
Other Expenses	30	21,702	26,462
V. Total Expenses		1,93,595	1,77,352
VI. Profit Before Tax (III-V)		31,031	22,196
VII. Tax Expense			
Current Tax			
- Pertaining to current year		7,668	6,574
- Pertaining to prior years		(166)	145
Deferred Tax Expense / (Credit)		(313)	(137)
Net Tax Expenses		7,189	6,582
VIII. Profit for the year (VI-VII)		23,842	15,614
IX. Other Comprehensive Income			
Item that will be reclassified to profit or loss:			
Remeasurement of Actuarial gain / loss on employee defined benefit plans		15	23
X. Total Comprehensive Income for the year (VIII+IX)		23,857	15,637
Earnings per Equity Share			
Basic & Diluted (in ₹) Face value ₹ 5/- each	39	31.71	20.62

See accompanying notes forming part of the financial statements

For and on behalf of the Board of Directors

K.P. Ramasamy
ChairmanKPD Sigamani
Managing DirectorP. Nataraj
Chief Executive Officer
& Managing DirectorIn terms of our report attached
For Deloitte Haskins & Sells
Chartered AccountantsPL Murugappan
Chief Financial OfficerP. Kandaswamy
Company SecretaryC.R. Rajagopal
PartnerCoimbatore
03.05.2017Coimbatore
03.05.2017

CASH FLOW STATEMENT

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017

	Year Ended 31.03.2017	Year Ended 31.03.2016
	(₹ In Lakhs)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	23,857	15,637
Adjustments for:		
Income tax Expenses recognised in the statement of profit and loss	7,189	6,582
Depreciation and amortisation expense	11,743	12,384
Loss on Sale of Assets	(3)	14
Finance Costs	4,503	4,442
Interest Income	(268)	(300)
Dividend Income	(78)	(1,040)
Net gain on Financial Assets designated at FVTPL	(91)	(60)
Rental Income from Operating Leases	(237)	(226)
Bad Debts Written - off & Provision for Doubtful Trade and Other Receivables	16	11
Operating Profit Before Working Capital Changes	46,631	37,444
Changes in Working Capital:		
Adjustments For (Increase) / Decrease in Operating Assets:		
Inventories	(4,036)	1,802
Trade Receivables	4,702	(4,118)
Bank Balance not Considered as Cash and Cash Equivalents - Margin Deposit Account	564	(1,239)
Other Current Assets	(2,554)	(486)
Other Non Current Assets	271	(1,916)
Other Financial Assets	(1,824)	373
Adjustments for Increase / (Decrease) in Operating Liabilities:		
Trade Payables	2,915	99
Other Financial Liabilities	257	322
Cash Generated from Operations	46,926	32,281
Net Income Tax (Paid)	(7,147)	(775)
Net Cash Generated from Operating Activities (A)	39,779	24,506
CASH FLOW FROM INVESTING ACTIVITIES		
Capital Expenditure on Property Plant & Equipments, Including Capital Advance	(13,401)	(9,627)
Proceeds from Sale of Property Plant & Equipments	82	244
Purchase of Non-current Investments:		
- Others	(1,023)	182
Interest Received:		
- Subsidiaries	56	35
- Others	254	267
Dividend Received:		
- Subsidiaries	26	1,026
- Others	52	14
Rental Income Received from Operating Leases	237	226
Net Cash Flow Used In Investing Activities (B)	(13,717)	(7,633)

CASH FLOW STATEMENT

	Year Ended 31.03.2017	Year Ended 31.03.2016
	(₹ In Lakhs)	
CASH FLOW FROM FINANCING ACTIVITIES		
Payment for buyback of shares	(9,702)	-
Repayment of Loans by related party	32	(167)
Proceeds From Long-Term Borrowings	9,387	436
Repayment of Long-Term Borrowings	(9,396)	(13,205)
Repayment of Other Long-Term Loans	-	(102)
Net Increase / (Decrease) in Working Capital Borrowings	(9,896)	6,128
Finance Costs Paid	(4,459)	(5,008)
Dividends Paid	(437)	(5,380)
Tax on Dividend Paid	(77)	(885)
Net Cash Flow Used In Financing Activities	(C)	(24,548)
Net Increase in Cash and Cash Equivalents	(A+B+C)	1,514
Add: Opening Cash and Cash Equivalents		467
Closing Cash and Cash Equivalents (Refer Note No 11)		1,981
Closing Cash and Cash Equivalents Comprises		
(a) Cash on Hand	19	86
(b) Balance with Banks:		
i) In Current Accounts	651	142
ii) In EEFC Accounts	1,311	239
	1,981	467

See accompanying notes forming part of the financial statements

For and on behalf of the Board of Directors

K.P. Ramasamy
Chairman

PL Murugappan
Chief Financial Officer

Coimbatore
03.05.2017

KPD Sigamani
Managing Director

P. Kandaswamy
Company Secretary

P. Nataraj
Chief Executive Officer
& Managing Director

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

C.R. Rajagopal
Partner

Coimbatore
03.05.2017

CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

Statement of Changes in Equity for the year ended March 31, 2017

	(₹ in Lakhs)
a. Equity Share Capital	
Balance as at April 01, 2015	3,768
Changes during the year	-
Balance as at March 31, 2016	3,768
Less: Buyback of Equity Shares	73
Balance as at March 31, 2017	3,695

b. Other Equity

(₹ in Lakhs)

Particulars	Securities Premium Reserve	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Total Other Equity
Balance as at April 01, 2015	15,233	-	-	19,649	50,047	84,929
Transfer from Surplus in the Statement of Profit & Loss	-	-	1,500	1,555	-	3,055
Profit for the year	-	-	-	-	15,591	15,591
Other Comprehensive Income	-	-	-	-	23	23
Interim Dividend	-	-	-	-	(3,391)	(3,391)
Final Dividend for 2014-15 paid	-	-	-	-	(1,884)	(1,884)
Preference Dividend for 2014-15 paid	-	-	-	-	(60)	(60)
Tax on Dividend	-	-	-	-	(871)	(871)
Transfer to General Reserve	-	-	-	-	(1,555)	(1,555)
Transfer to Capital Redemption Reserve	-	-	-	-	(1,500)	(1,500)
Balance as at March 31, 2016	15,233	-	1,500	21,204	56,400	94,337
Profit for the year	-	-	-	-	23,842	23,842
Other Comprehensive Income	-	-	-	-	15	15
Transfer from Retained Earnings	-	-	73	2,386	-	2,459
Transfer to Capital Redemption Reserve	-	-	-	-	(73)	(73)
Premium on Buyback of Equity Shares	-	-	-	-	(9,629)	(9,629)
Transfer to General Reserve	-	-	-	-	(2,386)	(2,386)
Final Dividend related to 2015-16 paid	-	-	-	-	(377)	(377)
Tax on Dividend	-	-	-	-	(77)	(77)
Balance as at March 31, 2017	15,233	-	1,573	23,590	67,715	1,08,111

For and on behalf of the Board of Directors

K.P. Ramasamy
Chairman

PL Murugappan
Chief Financial Officer

Coimbatore
03.05.2017

KPD Sigamani
Managing Director

P. Kandaswamy
Company Secretary

P. Nataraj
Chief Executive Officer
& Managing Director

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

C.R. Rajagopal
Partner

Coimbatore
03.05.2017

1 CORPORATE INFORMATION

K.P.R. Mill Limited is one of the largest vertically integrated apparel manufacturing Companies in India. The Company produces Yarn, Knitted Fabric, Readymade Garments and Wind power. It has state-of-the-art production facilities in the State of Tamil Nadu, India.

The Company's shares are listed in BSE LTD (BSE) and National Stock Exchange of India Ltd (NSE).

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of Cash Flows' and Ind AS 102, 'share-based payment'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable from 1 April, 2017.

Amendments to Ind AS 107

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statement to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance sheet for liabilities arising from financing activities to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

2 SIGNIFICANT ACCOUNTING POLICIES

A) BASIS OF PREPARATION AND PRESENTATION

STATEMENT OF COMPLIANCE:

i) The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Companies (Indian Accounting Standards) Amendment Rules, 2016.

(ii) For all periods up to and including the year ended 31 March 2016, the Company prepared and presented its

financial statements in accordance with Accounting Standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP"). These financial statements for the year ended 31 March 2017 are the first financial statements the Company has prepared in accordance with Ind AS. Reconciliation and description of the effect of the transition from Indian GAAP to Ind AS is given in Note 4.

BASIS OF PREPARATION AND MEASUREMENT:

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within

Level 1 that are observable for the asset or liability, either directly or indirectly. Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The financial statements have been prepared on a historical cost basis, except for certain financial assets measured at fair value at the end of the reporting period (refer accounting policy regarding fair value measurement).

The financial statements are presented in INR and all values are rounded to the nearest lakhs, except when otherwise indicated.

B) BASIS OF MEASUREMENT

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS.

- i. Derivative financial instruments;
- ii. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments) and
- iii. Defined benefit and other long-term employee benefits.

C) USE OF ESTIMATES AND JUDGEMENT

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

A) INVENTORIES

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

B) CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASH FLOW STATEMENT)

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

C) CASH FLOW STATEMENT

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

D) DEPRECIATION

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

E) REVENUE RECOGNITION

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

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

F) OTHER INCOME

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

G) PROPERTY PLANT AND EQUIPMENTS

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 01, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Machinery Spares including spare parts, stand-by and servicing equipment are capitalised as property, plant and equipment if they meet the definition of property, plant and equipment i.e. if the company intends to use these for more than a period of 12 months. These spare parts capitalized are depreciated as per Ind AS -16.

The Company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

INTANGIBLE ASSETS

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Estimated useful lives of the assets are as follows:

Factory Building	~ 30 years
Non Factory Building	~ 60 years
Plant & Equipments	~ 10 years
Electrical	~ 14 years
Computers	~ 3 years
Furnitures	~ 10 years
Vehicles	~ 8-10 years
Wind Mill	~ 12 years
Intangible assets	~ 3 Years

Capital work-in-progress

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

H) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within the account caption pertaining to the nature of transaction.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

I) FINANCIAL INSTRUMENTS

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. While loans, borrowings and payables are recognised at net of directly attributable transaction costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI or fair value through profit and loss account (FVTPL), non derivative financial liabilities at amortised cost or FVTPL

and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTPL.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

a) Non-derivative financial assets

(i) Financial assets at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal.

For the purpose of the cash flow statement, cash and cash equivalents including cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Company's cash management system.

(ii) Debt instruments at FVTOCI

A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and

(b) the asset's contractual cash flow represent SPPI

Debt instruments included in FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recognised in other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the effective interest rate (EIR) model.

(iii) Equity instruments at FVTOCI

All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis.

If the Company decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently recycled to statement of profit and loss.

(iv) Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as amortised cost or as FVTOCI, is classified as FVTPL.

In addition the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. The Company has not designated any financial asset as FVTPL.

Financial assets included within the FVTPL category are measured at fair values with all changes in the statement of profit and loss.

b) Non-derivative financial liabilities

(i) Financial liabilities at amortised cost

Financial liabilities at amortised cost are represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.

(ii) Financial liabilities at FVTPL

Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the statement of profit and loss.

c) Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates on foreign currency assets or liabilities and forecasted cash flows denominated in foreign currencies. The counter party for these contracts is generally a bank.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of profit and loss.

GOVERNMENT GRANTS, SUBSIDIES AND EXPORT INCENTIVES

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

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

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

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

K) INVESTMENTS

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

Investment in subsidiaries

A subsidiary is an entity that is controlled by the company

The Company accounts for the each category of investments in subsidiaries at cost in accordance with Ind AS 27- Separate Financial Statements.

L) EMPLOYEE BENEFITS

(a) Short Term

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

(b) Long Term Post Retirement

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

i) Provident Fund & Employee State Insurance

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

ii) Gratuity Fund

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on

plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

iii) Leave encashment

There is no scheme for encashment of unavailed leave.

M) BORROWING COSTS

Borrowing cost directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

N) SEGMENT REPORTING

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

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

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

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

O) LEASE

Rental expense from operating leases is generally recognised on a straight - line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

P) EARNINGS PER SHARE

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

Q) TAXATION

Income tax expense represents the sum of the tax currently payable and deferred tax.

i) CURRENT TAX

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii) DEFERRED TAX

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interest are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

iii) CURRENT AND DEFERRED TAX FOR THE YEAR

Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

R) RESEARCH AND DEVELOPMENT EXPENSES

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

S) IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS OTHER THAN GOODWILL

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units, for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit and loss.

T) PROVISIONS

Provision are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to

settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

U) INSURANCE CLAIMS

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

V) SERVICE TAX INPUT CREDIT

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

W) EXCISE DUTY

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

X) OPERATING CYCLE

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has

determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

4 EXPLANATION OF TRANSITION TO IND AS

The Company's financial statements for the year ended 31 March, 2017 are the first annual financial statement prepared by the company in order to comply with Ind AS. The adoption of Ind AS was carried out in accordance with Ind AS 101, using April 1, 2015 as the transition date. The transition was carried out from previous GAAP (based on the AS framework) to Ind AS. The effect of adopting Ind AS has been summarized in the reconciliations provided below.

Ind AS 101 generally requires full retrospective application of the standards in force at the first reporting date. However, Ind AS 101 allows certain exemptions in the application of particular Standards to prior periods in order to assist companies with the transition process.

Reconciliations

The Accounting policies as stated above in note 3 have been applied in preparing the financial statements for the year ended 31 March, 2017, the financial statement for the year ending 31 March, 2016 and the preparation of an opening Ind AS statement of financial position as at 1 April, 2015. In Preparing its opening Ind AS balance sheet and Statement of Profit and Loss for the year ended 31 March, 2016, the company has adjusted amounts reported in financial statements prepared in accordance with previous GAAP.

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance is set out in the following tables.

EXPLANATION OF TRANSITION TO IND AS

I. Reconciliations of Other Equity

(₹ in Lakhs)

Particulars	As at 31 st March, 2016	As at 1 st April, 2015
Equity as per previous GAAP	93,722	82,572
Add : Dividend as per "Ind AS"	459	2,261
"Ind AS" 109 Adjustments	182	122
Less: Preference Dividend	26	26
Equity as per "Ind AS"	94,337	84,929

II. Reconciliations of Total Comprehensive Income

(₹ in Lakhs)

Particulars	For the Year Ended 31.03.2016
Net Profit as per previous GAAP	15,554
Actuarial gain / loss on employee defined benefit plans recognised in other Comprehensive Income (net of taxes)	23
"Ind AS" 109 Adjustments	60
Total Comprehensive Income (Net of Tax) under "Ind AS"	15,637

iii. Explanation of material adjustments to statement of cash flows for the year ended 31st March, 2016

The transition from previous GAAP to Ind AS has no material impact on the Statement of Cash Flows except bank overdraft which has been considered as part of cash & cash equivalent.

5. Property, Plant & Equipment

(₹ in Lakhs)

Particulars	Freehold Land	Factory Building	Non Factory Building	Plant & Equipment	Wind Mill	Electricals	Furniture & Fixture	Computers & Accessories	Vehicles	Total
Cost										
Gross Block as on April 01, 2015	5,426	20,987	8,920	95,108	35,668	6,629	2,940	392	567	1,76,637
Accumulated Depreciation as on April 01, 2015	-	(4,370)	(773)	(51,603)	(22,823)	(2,811)	(1,590)	(298)	(353)	(84,621)
Cost as on April 01, 2015	5,426	16,617	8,147	43,505	12,845	3,818	1,350	94	214	92,016
Additions	2,774	277	646	5,325	-	74	220	57	630	10,003
Disposals	(18)	(2)	-	(700)	-	(1)	(22)	(3)	(84)	(830)
Depreciation Expense	-	(667)	(154)	(7806)	(2,704)	(474)	(389)	(48)	(93)	(12,335)
Eliminated on Disposal of Asset	-	-	-	437	-	1	10	2	36	486
Balance as at March 31, 2016	8,182	16,225	8,639	40,761	10,141	3,418	1,169	102	703	89,340
Additions	328	1,925	455	10,442	-	496	261	128	78	14,113
Disposals	-	-	(37)	(234)	-	(2)	(7)	(9)	(5)	(294)
Depreciation Expense	-	(680)	(162)	(7728)	(2,124)	(476)	(357)	(66)	(116)	(11,709)
Eliminated on Disposal of Asset	-	-	3	82	-	-	5	8	5	103
Balance as at March 31, 2017	8,510	17,470	8,898	43,323	8,017	3,436	1,071	163	665	91,553

Other Intangible Assets

(₹ In Lakhs)

Particulars	Licence	Patents	Trade Marks	Total
Cost				
Gross Block	243	-	-	243
Accumulated Depreciation	(133)	-	-	(133)
Cost as on April 01, 2015	110	-	-	110
Additions	15	-	-	15
Disposals	-	-	-	-
Depreciation Expense	(49)	-	-	(49)
Balance as at March 31, 2016	76	-	-	76
Additions	4	-	-	4
Disposals	-	-	-	-
Depreciation expense	(34)	-	-	(34)
Balance as at March 31, 2017	46	-	-	46

FINANCIAL ASSETS

6 INVESTMENTS

At Cost

Unquoted (all fully paid up)

a) In Equity Instruments

i) Subsidiaries

1,00,000 (March 31, 2016: 1,00,000 and April 1, 2015: 1,00,000) Shares of ₹ 10 each in Quantum KNITS PVT. LIMITED.

50,000 (March 31, 2016: 50,000 and April 1, 2015: 50,000) Equity Shares of ₹ 10 each in Galaxy Knits Limited.

15,10,000 (March 31, 2016: 15,10,000 and April 1, 2015: 15,10,000) Equity Shares of ₹ 10 each in Jahnvi Motor Private Limited.

4,16,666 (March 31, 2016: 4,16,666 and April 1, 2015: 4,16,666) Equity Shares of ₹ 10 each at a Premium of ₹ 20 each in Jahnvi Motor Private Limited.

10,50,000 (March 31, 2016: 10,50,000 and April 1, 2015: 10,50,000) Equity Shares of ₹ 10 each at a Premium of ₹ 140 per share in K.P.R. Sugar Mill Limited.

10,00,000 (March 31, 2016: 10,00,000 and April 1, 2015: 10,00,000) Equity Shares of ₹ 10 each in K.P.R. Sugar Mill Limited.

ii) Other Entities

Nil (March 31, 2016: Nil and April 1, 2015: 700) Equity Shares of ₹ 10 each at a premium of ₹ 265 per Share in A.R.S. Metals Private Limited.

Nil (March 31, 2016: Nil and April 1, 2015: 34,00,000) Equity Shares of ₹ 10 each of Cauvery Power Generation Chennai Pvt. Ltd.

Nil (March 31, 2016: 3,500 and April 1, 2015: 3,500) Equity Shares of ₹ 10 each at a premium of ₹ 126 per Share in Surya Dev Alloys and Power Pvt. Ltd.

1,00,84,629 (March 31, 2016: 6,00,000 and April 1, 2015: Nil) Equity Shares of ₹ 10 each of Ind Bharath Powergen Com Limited.

1,80,000 (March 31, 2016: 1,00,000 and April 1, 2015: Nil) Equity shares of ₹ 100 each of Somanur Water Scheme Pvt Ltd.

b) Investment in Preference shares

Subsidiaries

37,83,000 (March 31, 2016: 37,83,000 and April 1, 2015: 37,83,000) 7% Optionally Convertible Non - Cumulative Redeemable Preference Shares of ₹ 10 each at a Premium of ₹ 140 per share in K.P.R. Sugar Mill Limited.

7 LOANS

Unsecured and Considered good unless otherwise stated

Loan to Related Party

M/s Jahnvi Motor Private Limited

As at
31.03.2017

As at
31.03.2016

As at
01.04.2015

(₹ in Lakhs)

10	10	10
5	5	5
151	151	151
125	125	125
1,575	1,575	1,575
100	100	100
-	-	2
-	-	340
-	5	5
1,008	60	-
180	100	-
5,675	5,675	5,675
8,829	7,806	7,988
776	808	641
776	808	641

8 OTHER NON CURRENT ASSETS**(i) Capital Advances****(ii) Advances other than capital advances**

Security Deposit

Deposit with Central Excise & Service Tax

Advance to Suppliers

(iii) Others

Prepaid Expenses - Lease Hold Land

9 INVENTORIES**(At lower of cost & Net realisable value)**

Raw Materials

Stock-in-process **

Finished Goods

Stores, Spares, Packing & Others

** Includes Yam ₹ 1,595 Lakhs (Pr. Yr. ₹ 1,389 Lakhs),

Fabric ₹ 12 Lakhs (Pr. Yr. ₹ 12 Lakhs) and Garments ₹ 179 Lakhs (Pr. Yr. ₹ 37 Lakhs)

The Cost of Inventories recognised during the year was ₹ 1,36,234 Lakhs

(Pr.Yr. ₹ 1,19,122 Lakhs) The Mode of Valuation of inventories has been stated in

Note 3A Average age of inventory is less than 90 days only.

FINANCIAL ASSETS**10 TRADE RECEIVABLES**

Trade Receivables - Outstanding for a period more than 6 months

- Unsecured considered good

- Unsecured and considered doubtful

Trade Receivables

Less: Provision for Doubtful Trade Receivables

(i) The average credit period ranges from 30 days to 90 days.

(ii) Since we are having whole turnover insurance policy for our domestic as well as export business, expected credit loss provision does not required.

11 CASH AND CASH EQUIVALENTS**Cash and Cash Equivalents As per Ind AS 7**

Cash on Hand*

Balance with Banks

i) In Current Accounts

ii) In EEFC Accounts

Other Bank Balances

i) In Deposit Accounts #

ii) In Earmarked Deposit accounts - Unpaid dividend accounts

Total as per Ind AS 7

As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(₹ in Lakhs)		
1,405	2,183	2,538
1,163	1,439	1,467
31	31	31
4,347	4,347	2,500
339	334	318
7,285	8,334	6,854
18,579	19,013	22,175
1,786	1,438	1,201
7,541	4,275	3,911
2,762	1,906	1,147
30,668	26,632	28,434
250	70	67
113	132	132
21,088	25,895	21,863
113	132	132
21,338	25,965	21,930
19	86	56
651	142	710
1,311	239	1,011
1,981	467	1,777
820	1,384	145
7	7	8
827	1,391	153
2,808	1,858	1,930

As at 31.03.2017 As at 31.03.2016 As at 01.04.2015

(₹ In Lakhs)

Of the above, the balances that meet the definition of cash and cash equivalents as per Ind AS 7 Cash Flow Statements is ₹ 1,981 Lakhs (Pr.Yr. ₹ 467 Lakhs).

Margin Deposits is ₹ 820 Lakhs (Pr. Yr. ₹ 1,384 Lakhs)

* The details of Specified Bank Notes (SBN) held and transacted during the period November 08, 2016 to December 30, 2016 are:

(in ₹)

Particulars	SBN	Other Notes	Total
Closing cash on hand as on November 08, 2016	61,57,500	83,734	62,41,234
Add : Permitted Receipts	-	69,39,110	69,39,110
Less : Permitted Payments	-	54,05,659	54,05,659
Less : Amount Deposited in Banks	61,57,500	-	61,57,500
Closing Cash on Hand as on December 30, 2016	-	16,17,185	16,17,185

12 OTHER FINANCIAL ASSETS

Interest Accrued on Deposits

Income Receivable

Technology Upgradation Fund Subsidy Receivable

Investment Promotion Subsidy Receivables

Others

80	122	124
960	768	1,168
161	610	478
3,614	1,624	1,681
273	182	122
5,088	3,306	3,573

13 OTHER CURRENT ASSETS

Advance for Purchase

Loans and Advances to Employees

Unsecured and Considered good unless otherwise stated

Others (Primarily prepaid expenses)

Balances with Government Authorities

VAT Credit Receivable

10,845	8,132	7,925
37	35	34
544	457	450
-	260	70
11,426	8,884	8,479

14 SHARE CAPITAL

a) Authorised

9,00,00,000 (March 31, 2016: 4,00,00,000 and April 1, 2015: 4,00,00,000)

Equity Shares of ₹ 5 each with voting rights (Pr. Yr. Equity Shares of ₹ 10 each with voting rights)

10,00,000 (March 31, 2016: 15,00,000 and April 1, 2015: 15,00,000) 7% Redeemable Cumulative Non - Convertible Preference Shares of ₹ 100 each

4,500	4,000	4,000
1,000	1,500	1,500
5,500	5,500	5,500

b) Issued, Subscribed & Fully Paid up

7,38,95,784 (March 31, 2016: 3,76,82,892 and April 1, 2015: 3,76,82,892)

Equity Shares of ₹ 5 each fully paid - up with voting rights

(Pr. Yr. Equity Shares of ₹ 10 each with voting rights)

3,695	3,768	3,768
3,695	3,768	3,768

14.1 Term / Rights to Shares

Equity Shares

The Company has issued only one class of equity shares having a face value of ₹ 5 per share. The holder of each equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

During the year, the amount of per share interim dividend paid to equity shareholders was ₹ Nil (31st March 2016: ₹ 9 per share) and per share final dividend recommended for distribution to equity shareholder is ₹ 0.75 per share (31st March 2016: ₹ 1 per share).

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

14.2 Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period**a. Equity Shares with voting rights**

Particulars	For the Year Ended 31.03.2017		For the Year Ended 31.03.2016	
	Number of Shares	(₹ in Lakhs)	Number of Shares	(₹ in Lakhs)
At the beginning of the year	753,65,784	3,768	3,76,82,892	3,768
Less : Buyback	14,70,000	73	-	-
Outstanding at the end of the year	738,95,784	3,695	3,76,82,892	3,768

b. 7% Redeemable Cumulative Non - Convertible Preference Shares

Particulars	For the Year Ended 31.03.2017		For the Year Ended 31.03.2016	
	Number of Shares	(₹ in Lakhs)	Number of Shares	(₹ in Lakhs)
At the beginning of the year	-	-	15,00,000	1,500
Less: Changes During the year (Redeemed)	-	-	15,00,000	1,500
Outstanding at the end of the year	-	-	-	-

14.3 Details of Shareholders holding more than 5% of Shares in the Company**Equity Shares**

Particulars	As at 31 st March, 2017		As at 31 st March, 2016	
	Number of Shares	%	Number of Shares	%
Sri. K.P. Ramasamy	1,59,50,000	21.58	81,27,684	21.57
Sri. KPD Sigamani	1,59,50,000	21.58	81,28,634	21.57
Sri. P. Nataraj	1,59,50,000	21.58	81,27,733	21.57
DSP Blackrock Micro Cap Fund	36,13,057	4.88	18,99,385	5.04

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

As at 31.03.2017 As at 31.03.2016 As at 01.04.2015

15**OTHEREQUITY****Securities Premium**

Opening Balance

Closing Balance

Amount received on issue of shares in excess of the par value has been classified as security share premium.

Capital Redemption Reserve

Opening Balance

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

Buyback on Capital Redemption

Closing Balance

Capital redemption reserve is created out of profit on redemption of capital

General Reserve

Opening Balance

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

Closing Balance

(₹ in Lakhs)

15,233

15,233

15,233

15,233

15,233

15,233

1,500

-

-

-

1,500

-

73

-

-

1,573

1,500

-

21,204

19,649

18,189

2,386

1,555

1,460

23,590

21,204

19,649

The General reserve is used from time to time to transfer profits from retained earnings for appropriations purposes. As the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will be reclassified subsequently to profit or loss.

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	(₹ In Lakhs)		
Retained Earnings			
Opening Balance	56,400	50,047	38,808
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax)	-	-	61
Add: Profit for the year	23,857	15,614	14,572
"Ind AS" 109 Adjustments	-	-	122
Less:			
Interim Dividend ₹ Nil per share (Pr.Yr ₹ 9 per share)	-	3,391	1,507
Final Dividend	377	1,884	-
Preference Dividend	-	60	105
Premium on Buyback of Equity Share	9,629	-	-
Tax on Dividend	77	871	322
Transferred to:			
General Reserve	2,386	1,555	1,460
Capital Redemption Reserve	73	1,500	-
Closing Balance	67,715	56,400	50,047
	1,08,111	94,337	84,929

NON CURRENT LIABILITIES

FINANCIAL LIABILITIES

16 BORROWINGS

From Banks (Secured)

Term Loans

From Others (Unsecured)

Nil (March 31, 2016: Nil and April1, 2015: 15,00,000)

7% Redeemable Cumulative Non-Convertible Preference Shares of ₹ 100 each

	11,196	11,746	21,507
	-	-	1,500
	11,196	11,746	23,007

16.1 Term Loans from banks are secured by pari-passu first charge on fixed assets and second charge on current assets of the Company.

- 16.2 i) Loan amounting to ₹ 354 Lakhs (Pr. Yr. ₹ 436 Lakhs) is repayable in 18 quarterly installments.
 ii) Loan amounting to ₹ 1,874 Lakhs (Pr. Yr. ₹ 2,099 Lakhs) is repayable in 21 quarterly installments.
 iii) Loan amounting to ₹ 6,717 Lakhs (Pr. Yr. ₹ 15,806 Lakhs) is repayable in 8 quarterly installments.
 iv) Loan amounting to ₹ 9,387 Lakhs (Pr. Yr. ₹ Nil) is repayable in 24 quarterly installments.

16.3 Interest rate relating to term loans from banks is in the range of 9.65% to 11.25%.(Pr. Yr. 10.75 % to 11.25%)

16.4 The Company has not defaulted in the repayment of principal and interest during the year.

16.5 For the current maturities of long-term borrowings, refer Note 20 Other Financial Liabilities.

17 DEFERRED TAX LIABILITIES (NET)

Tax effect of items constituting deferred tax liabilities

Deferred Tax Liabilities

On difference between book balance and tax balance of fixed assets

Add : Deferred tax liability for current year

Less : Deferred tax asset for earlier years due to change in method of depreciation as per New Companies Act, 2013

Deferred Tax Assets

Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961

Closing Balance

Opening Balance

Net Deferred Tax Charge / (Credit)

Less : MAT Credit Entitlement

CURRENT LIABILITIES**FINANCIAL LIABILITIES****18 BORROWINGS**

Loans repayable on demand

From Banks (Secured)

Loans for Working Capital

Packing Credit

Other - Acceptances Under Buyers Credit

18.1 The above loans are secured by first charge on inventories and book debts and second charge on fixed assets to lending banks on pari-passu basis.

18.2 The Company has not defaulted in its repayments of the loans and interest during the year.

19 TRADE PAYABLES

Total outstanding dues of creditors other than Micro and Small Enterprises

Other than Acceptances (Refer Note 33)

The average credit period on purchase of goods and services are within 60 days. Trade payable are non- interest bearing.

20 OTHER FINANCIAL LIABILITIES**Current Maturities of**

(i) Long Term Loan (Refer Note 16.1 to 16.5)

(ii) Interest Free Sales Tax Loan

Unclaimed Dividend

Interest accrued but not due on borrowings

Statutory Payables

Other Liabilities

As at 31.03.2017 As at 31.03.2016 As at 01.04.2015

(₹ in Lakhs)

5,867	6,004	6,011
-	-	25
-	-	32
(313)	(137)	-
5,554	5,867	6,004
5,867	6,004	6,011
(313)	(137)	(7)
-	-	1,281
5,554	5,867	4,723
16,433	20,131	29,220
14,317	13,768	5,298
-	6,747	-
30,750	40,646	34,518
11,367	8,452	8,358
11,367	8,452	8,358
7,136	6,595	9,603
-	-	102
7	7	8
55	11	577
1,569	1,372	1,005
17	11	78
8,784	7,996	11,373

As at 31.03.2017 As at 31.03.2016 As at 01.04.2015

(₹ in Lakhs)

21 OTHER CURRENT LIABILITIES

Advance from Customers

159 105 83

159 105 83

22 PROVISIONS

Provision - Others

Provision for Proposed Preference Dividend

Provision for Tax on Preference Dividend

- 60 105

- 12 21

- 72 126

23 CURRENT TAX LIABILITIES (Net)

Provision for Tax*

409 54 1,070

409 54 1,070

* Net of Advance Tax paid ₹ 7,259 Lakhs (Pr. Yr. ₹ 6,520 Lakhs).

For the Year
Ended
31.03.2017

For the Year
Ended
31.03.2016

(₹ in Lakhs)

23.1 INCOME TAX RECOGNISED IN PROFIT & LOSS

Current Tax

Current Income Tax Charge

Adjustment in respect of Current Income Tax of Prior Years

7,668 6,574

(166) 145

7,502 6,719

Deferred Tax

In respect of Current Year

(313) (137)

7,189 6,582

The Income tax expense for the year can be reconciled to the accounting profit as follows

Profit Before Tax

31,031 22,196

Income Tax expense calculated @ 34.608%

10,739 7,682

Effect of expenses that is exempt from taxation

(4,571) (2,780)

Effect of expenses that are not deductible in determining taxable profit

1,500 1,672

7,668 6,574

Adjustments recognised in the Current Year in relation to the Current Tax of Prior Years

(166) 145

Deferred Tax for Current Year

(313) (137)

Total Income Tax Recognised

7,189 6,582

24 REVENUE FROM OPERATIONS

Sale of Products (Refer Note 24.1)
 Sale of Services (Refer Note 24.2)
 Other Operating Revenues (Refer Note 24.3)
 Revenue from Operations (Gross)

24.1 Sale of Products

Garment
 Yarn
 Fabric
 Cotton Waste

24.2 Sale of Services

Processing & Fabrication Income

24.3 Other Operating Revenues

Export Incentives
 Others (Primarily Scrap)

25 OTHER INCOME

Interest from
 Bank Deposits
 Others (Refer Note 36.3e)

Dividend Income

From Current Investments
 Others

From Long-Term Investments

Subsidiaries
 Investment Promotion Subsidy
 Profit on Sale of Fixed Assets (Net)
 Miscellaneous Income (Refer Note 36.3h)
 Net gain on Financial Assets designated at FVTPL

For the Year
 Ended
 31.03.2017

For the Year
 Ended
 31.03.2016

(₹ in Lakhs)

2,07,728
 8,634
 5,552

1,80,632
 11,287
 4,208

2,21,914

1,96,127

31,584
 1,21,046
 47,776
 7,322

21,124
 1,04,124
 48,200
 7,184

2,07,728

1,80,632

8,634

11,287

8,634

11,287

5,059
 493

3,877
 331

5,552

4,208

120
 148

106
 194

52

14

26
 1,990

1,026
 1,774

3

-

282

247

91

60

2,712

3,421

For the Year
Ended
31.03.2017For the Year
Ended
31.03.2016

(₹ in Lakhs)

26 COST OF MATERIALS CONSUMED**a) Opening Stock**

Cotton	18,273	21,798
Dyes & Chemicals	224	317
Yarn , Fabric & Garments	516	60

19,013**22,175****b) Add: Purchases & Production Expenses**

Cotton	1,11,131	96,083
Dyes & Chemicals	2,492	2,397
Yarn, Fabric, Polyester & Garments	20,167	14,992
Production Expenses	3,268	1,283
Trims, Packing & Others (Consumption)	2,356	1,806

1,39,414**1,16,561****c) Less : Closing Stock**

Cotton	17,431	18,273
Dyes & Chemicals	147	224
Yarn, Fabric & Garments	1,001	516

18,579**19,013****1,39,848****1,19,723****27 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK - IN - PROGRESS****a) Inventories at the beginning of the year**

Finished Goods	4,275	3,911
Work-in-Progress	1,438	1,201

5,713**5,112****b) Inventories at the end of the year**

Finished Goods	7,541	4,275
Work-in-Progress	1,786	1,438

9,327**5,713****Net (Increase)****(3,614)****(601)**

28 EMPLOYEE BENEFITS EXPENSE

Salaries and Wages, including bonus
Contribution to Provident & Other Funds
Staff Welfare Expenses

29 FINANCE COSTS

Interest Expense on
Term Loans
Working Capital Loans
Others

Average Interest Cost Refer Note 16.3

30 OTHER EXPENSES

Power & Fuel
Consumption of Stores Spares and Packing Materials
Repairs and Maintenance
 Building
 Machinery
 Others
Insurance Charges
Administration Expenses
 Professional Fees
 Rent (Refer Note 41)
 Rates & Taxes
 Payment to Auditors (Refer Note 32)
 Loss on Sale of Fixed Assets (Net)
 Travelling Expenses
 Expenditure on Corporate Social Responsibility (CSR) under section 135 of the Companies Act, 2013
 Donations
 Bad Debts Written Off
 General Expenses
Selling Expenses
 Freight & Forwarding
 Sales Commission
 Other Selling Expenses

For the Year
Ended
31.03.2017

For the Year
Ended
31.03.2016

(₹ in Lakhs)

16,800	12,896
1,402	1,093
1,211	953
19,413	14,942

1,505	2,597
2,555	1,487
443	358
4,503	4,442

9,135	12,721
1,916	1,810
384	246
4,417	6,678
377	224
168	168
165	92
88	77
114	122
9	9
-	14
398	296
392	341
325	318
16	11
298	197
1,669	1,610
1,257	1,440
574	88
21,702	26,462

31 Contingent Liabilities and Commitments (to the extent not provided for)

As at
31.03.2017 As at
31.03.2016

(₹ In Lakhs)

I. Contingent Liabilities**(a) Disputed Liabilities in Appeal**

- (i) Demand Notice from Indian Bank towards Prepayment Charges. The same has been contested in writ filed before the High Court of Judicature at Madras which has restrained Indian Bank from applying proceeds of TUF subsidy towards its demand for prepayment charges. The case is pending disposal.
- (ii) Income Tax demands
- (iii) Central Excise demands
- (iv) Service Tax demands

82	82
27	3230
6	6
28	28

(b) Bank Guarantees in favour of parties

- (i) Tamil Nadu Generation and Distribution Corporation [TANGEDCO]
- (ii) Tamil Nadu Pollution Control Board
- (iii) Suryadev Alloys and Power Private Limited
- (iv) A.R.S.Energy Private Limited
- (v) Bank Note Paper Mill India Private Limited
- (vi) Ind Bharath Power Gencom Limited
- (vii) New Tirupur Area Water Development Corporation Limited

164	164
15	5
-	374
-	67
32	-
-	891
58	28

(c) Letter of Credit Facility in favour of Suppliers

Foreign Letter of Credit

7,595	5,445
-------	-------

(d) Discounted sales invoices

1,971	2,738
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Future cash outflows in respect of the above matters are determinable only on receipt of judgement / decisions pending at various forums / authorities.

II. Commitments**(a) Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for

602	3,763
-----	-------

(b) Other Commitments

- (i) The Company has given Corporate guarantees to banks / financial Institutions / Others on behalf of M/s Quantum KNITS PVT. LIMITED, M/s Jahnvi Motor Private Limited and M/s K.P.R. Sugar Mill Limited
- (ii) Export obligations against the import licenses taken for import of capital goods under the Export Promotion Capital Goods Scheme and advance license scheme for import of raw material. The duty implication involved is ₹ 2,194 Lakhs (Pr.Yr. ₹ 1,031 Lakhs)

38,605	36,605
16,666	13,163

32 Payment to Auditors

(₹ in Lakhs)

Particulars	2016-17	2015-16
Statutory Audit Fees	8	8
Expenses (incl. Service Tax)	1	1
Total	9	9

33 Disclosure with respect to Micro, Small and Medium Enterprises

In accordance with the Notification No: G.S.R.679 (E) dated 04.09.2015 issued by the Ministry of Corporate Affairs, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Development Act, 2006. The Company circulated for the information of its suppliers about their coverage under the said Act. Since there is no response from supplier, no disclosures have been made in these Financial Statements. However, in the considered view of the management and as relied upon by the auditors, impact of interest, if any that may be payable in accordance with the provisions of this Act is not expected to be material.

34. Corporate Social Responsibility Expenditure

The gross amount required to be spent by the Company during the year towards Corporate Social Responsibility (CSR) as per the provision of section 135 of the Companies Act, 2013 amounts to ₹ 392.24 Lakhs (Pr.Yr. ₹ 340.50 Lakhs). Amount spent during the year on CSR activities (included in note 31 of the Statement of Profit & Loss) as under:

(₹ in Lakhs)

Particulars	For the Year 31.03.2017	For the Year 31.03.2016
Promotion of Education	386.54	338.00
Ensuring Environmental Sustainability	5.70	-
Enhancing Vocational skill of Differently abled person	-	0.50
Eradicating Hunger, Poverty and Malnutrition	-	1.00
Disaster Relief	-	1.00
Total	392.24	340.50

35. Financial Instruments**Capital Management**

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through optimisation of debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 16, 18 and 20 off set by cash and bank balances) and total equity of the Company.

The Company is not subject to any externally imposed capital requirements.

Gearing Ratio

The gearing ratio at the end of the reporting period was as follows

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Debt *	49,082	58,987	65,730
Less : Cash and Bank Balances	2,808	1,858	1,930
Net Debt	46,274	57,129	63,800
Total Equity	1,11,806	98,105	88,697
Net Debt to Equity Ratio	41.39 %	58.23 %	71.93 %

* Debt is defined as long-term borrowings, short-term borrowings and current maturities of long term borrowings as described in notes 16, 18 and 20.

Financial Risk Management objectives

The Company's corporate treasury function provides services to the business, co-ordinates access to domestic and International financial markets, monitors and manages the financial risk relating to the operation of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk), credit risk and liquidity risk. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivatives financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company does not enter into or trade financial instrument, including derivative financial instruments, for speculative purposes

Market Risk

The Company's activities expose it primarily to the financial risk of changes in foreign currency exchange rates. The Company enters into plain vanilla forward contracts to manage its exposure to foreign currency risk including:

Details of hedged and unhedged foreign currency exposures**(i) Outstanding forward exchange contracts for hedging purposes as on 31st March, 2017**

Currency	Cross Currency	Amount (₹ in Lakhs)	Buy / Sell
USD	INR	13,913 (7,184)	Buy Buy
USD	INR	5,616 (7,185)	Sell Sell
EURO	INR	2,740 (3,171)	Sell Sell
GBP	INR	6,189 (2,510)	Sell Sell

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

As at 31 st March, 2017		As at 31 st March, 2016	
Receivables / (Payables)		Receivables / (Payables)	
₹ in Lakhs	FC in Lakhs	₹ in Lakhs	FC in Lakhs
6890	\$106	591	\$9
629	€ 9	33	€ 0
974	£12	-	-
-	-	(2,456)	(€33)
-	-	(5,069)	(\$76)
-	-	(1,009)	CHF (15)

Note: Figures in bracket relates to the previous year

i.) Forward foreign exchange contracts to hedge the exchange rate risk arising on imports and exports.

ii.) The Company covering its currency billing under forward cover and hence sensitivity analysis is not required.

Foreign Currency Risk Management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed through plain vanilla forward foreign exchange contracts.

Equity Risk

There is no material equity risk relating to the Company's equity investments which are detailed in note 5 "Investments". The Company's equity investments majorly comprises of strategic investments rather than trading purposes.

Interest Risk

The Company borrow funds from banks is only at fixed rates, the rates are reviewed every year by the bank. There is no material interest risk relating to the Company's financial liabilities.

Credit Risk Management

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Company. The Company's domestic & export receivables are covered under credit insurance.

Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

All current financial liabilities are repayable within one year. The contractual maturities of non current liabilities are disclosed in note no. 16.

36 Related Party Disclosures

Disclosures under "Ind AS" 24- Related Party Disclosure, as identified and disclosed by the Management and relied upon by the Auditors:

36.1 Name of related parties and nature of relationships

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

36.2 Transactions during the year and the balance outstanding at the balance sheet date

(₹ in Lakhs)

Nature of Transaction	Enterprises owned by Key Management Personnel / Directors or their relatives	Key Managerial Persons	Relatives to Key Managerial Persons	Subsidiary Company	Total as on 31.03.2017
Purchase of Goods / Assets	- (977)	- (1)	- (22)	985 (977)	985 (977)
Sales of Goods / Assets	- (9,848)	- (2,042)	- (22)	8,192 (9,848)	8,192 (9,848)
Lease Rent Paid	- (1)	1 (1)	- (22)	- (68)	1 (1)
Lease Rent Received	- (212)	- (2,042)	- (22)	224 (212)	224 (212)
Remuneration / Salary	- (2,064)	2,733 (2,042)	6 (22)	- (6,740)	2,739 (2,064)
Processing / Service Charges Income	- (7,948)	- (2,042)	- (22)	6,595 (7,948)	6,595 (7,948)
Processing / Service Charges Expenses	- (56)	- (2,042)	- (22)	56 (68)	56 (68)
Interest Receipts	- (68)	- (2,042)	- (22)	74 (68)	74 (68)
Donations	300 (300)	- (2,042)	- (22)	- (6,740)	300 (300)
Investments	- (7,641)	- (2,042)	- (22)	7,641 (7,641)	7,641 (7,641)
Loans & Advances	- (808)	- (2,042)	- (22)	776 (808)	776 (808)
Amount Receivable	- (6,740)	- (2,042)	- (22)	11,867 (6,740)	11,867 (6,740)
Amount Payable	- (1,217)	1,652 (1,217)	- (22)	- (6,740)	1,652 (1,217)

(Previous year figures are shown in brackets)

36.3 Details of transactions with related parties**a. Purchase of Goods / Assets**

(₹ in Lakhs)

Name	2016 - 17	2015 - 16
M/s. K.P.R. Sugar Mill Limited	985	527
M/s. Jahnvi Motor Private Limited	-	450
Total	985	977

b. Sale of Goods / Assets

(₹ in Lakhs)

Name	2016 - 17	2015 - 16
M/s. K.P.R. Sugar Mill Limited	8,192	9,848
Total	8,192	9,848

c. Processing / Service Charges Income

(₹ in Lakhs)

Name	2016 - 17	2015 - 16
M/s. K.P.R. Sugar Mill Limited	6,595	7,948
Total	6,595	7,948

d. Processing / Service Charges Expenses

(₹ in Lakhs)

Name	2016 - 17	2015 - 16
M/s. K.P.R. Sugar Mill Limited	56	-
Total	56	-

e. Interest Receipts

(₹ in Lakhs)

Name	2016 - 17	2015 - 16
M/s. Jahnvi Motor Private Limited	74	68
Total	74	68

f. Donations

(₹ in Lakhs)

Name	2016 - 17	2015 - 16
M/s. K P R Charities	300	300
Total	300	300

g. Lease Rent Paid

(₹ in Lakhs)

Name	2016 - 17	2015 - 16
Sri. K.P. Ramasamy	0.19	0.19
Sri. KPD Sigamani	0.19	0.19
Sri. P. Nataraj	0.18	0.18
Total	0.56	0.56

h. Lease Rent Received

(₹ in Lakhs)

Name	2016 - 17	2015 - 16
M/s. K.P.R. Sugar Mill Limited	224	212
Total	224	212

i. Remuneration / Salary

(₹ in Lakhs)

Name	2016 - 17	2015 - 16
Sri. K.P. Ramasamy	897	672
Sri. KPD Sigamani	897	672
Sri. P. Nataraj	897	672
Sri. C.R. Anandakrishnan	24	24
Sri. E.K. Sakthivel	18	18
Smt. D. Geetha	6	6
Total	2,739	2,064

j. Amount Payable

(₹ in Lakhs)

Name	2016 - 17	2015 - 16
Sri. K.P. Ramasamy	546	405
Sri. KPD Sigamani	538	405
Sri. P. Nataraj	568	407
Total	1,652	1,217

k. Amount Receivable

(₹ in Lakhs)

Name	2016 - 17	2015 - 16
M/s. Quantum KNITS PVT. LIMITED	1	-
M/s. K.P.R. Sugar Mill Limited	11,866	6,740
Total	11,867	6,740

l. Loans & Advances

(₹ in Lakhs)

Name	2016 - 17	2015 - 16
M/s. Jahnvi Motor Private Limited	776	808
Total	776	808

m. Investments

(₹ in Lakhs)

Name	2016 - 17	2015 - 16
Equity Shares		
M/s. K.P.R. Sugar Mill Limited	1,675	1,675
M/s. Jahnvi Motor Private Limited	276	276
M/s. Quantum KNITS PVT. LIMITED	10	10
M/s. Galaxy Knits Limited	5	5
Preference Shares		
M/s. K.P.R. Sugar Mill Limited	5,675	5,675
Total	7,641	7,641

37 Expenditure in Foreign Currency and CIF Value of Imports (₹ in Lakhs)

Particulars	2016 - 17	2015 - 16
(a) Expenditure in Foreign Currency		
Travel, sales commission etc.,	215	401
Interest	205	135
Professional Fees	37	5
Others	16	-
(b) Value of Imports on CIF basis		
Raw Material	36,848	14,634
Stores and Spare parts	534	580
Machinery	6,781	4,785
Total	44,636	20,540

38 Earnings in Foreign Exchange (₹ in Lakhs)

Particulars	2016 - 17	2015 - 16
Export of Goods on FOB basis	64,200	54,397
Total	64,200	54,397

39 Earnings Per Share (EPS) (₹ in Lakhs)

Particulars	2016 - 17	2015 - 16
Profit for the year	23,842	15,614
Less: Preference Dividend and Tax thereon	-	72
Profit for the year attributable to the equity shareholders	23,842	15,542
Weighted average number of Shares*	7,51,80,524	7,53,65,784
Face Value Per Share (₹)	5.00	5.00
Earnings Per Share (₹) - Basic & Diluted	31.71	20.62

* During the year Company bought back 14,70,000 shares of fully paid-up equity shares of the face value of ₹ 5/- each through "Tender Route" process at a price of ₹ 660 per equity share.

40 Segment Reporting

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

40.1 Segment Revenue by Geographic Location of Customers (₹ in Lakhs)

Particulars	2016 - 17	2015 - 16
Asia	34,577	35,337
Europe	27,938	18,705
USA	1,391	341
India	1,43,416	1,26,180
Others	406	69
Total	2,07,728	1,80,632

40.2 Segment Assets by Geographic Location of Assets

(₹ in Lakhs)

Particulars	2016 - 17	2015 - 16
Receivables		
Asia	920	3,820
Europe	4,737	5,597
USA	187	88
India	82,374	74,088
Fixed Asset	88,218	83,593
India	91,807	89,450
Total	1,80,025	1,73,043

40.3 Information about major Customers

No single customer contributed more than 10% to the Company's revenue for both 2016 -17 and 2015-16

(₹ in Lakhs)

Capital Expenditure	2016 - 17	2015 - 16
Outside India	-	-
India	14,117	10,016
Total	14,117	10,016

41 Operating Lease Disclosure

The Company has taken Office space on lease for a period of 9 years with option to renew and with escalation in rent once in three years with lock-in period of three years. Lease rent for the year ended 31st March, 2017 amounted to ₹ 64 Lakhs (Pr. Yr. ₹ 62 Lakhs).

(₹ in Lakhs)

Particulars	2016 - 17	2015 - 16
Minimum lease payments not later than one year	64	64
Later than one year but not later than five years	218	282
More than five years	-	18

42 Disclosure of Employee Benefits**42.1 Defined Contribution Plans**

(₹ in Lakhs)

Particulars	2016-17	2015-16
Provident Fund	1,272	1,021
Employee State Insurance	493	405

42.2 Defined Benefit Plan/Gratuity

A	Changes in Present Value of Obligation		
	PV of obligation as at the beginning of the year	292	240
	Current Service Cost	64	56
	Interest Cost	23	19
	Actuarial (Gain) / Loss on Obligation	(15)	(23)
	PV of obligation as at end of the year	364	292
B	Change in Fair Value of Plan Assets		
	FV of Plan Asset as at beginning of the year	312	245
	Expected return on Plan Assets	30	23
	Actuarial gain / (loss)	-	-
	Contributions by the employer	57	44
	FV of Plan Asset as at end of the year	399	312
C	Net Asset/(Liability) recognized in the Balance Sheet		
	PV of Obligation as at end of the year	364	292
	FV of Plan Asset as at end of the year	399	312
	Funded Status [Surplus/(Deficit)]	35	20
D	Expense recognized in the Statement of Profit and Loss		
	Current Service Cost	64	56
	Interest Cost	23	19
	Expected return on Plan Assets	(30)	(23)
	Actuarial (gains) / Losses	(15)	(23)
	Expense recognized in the Statement of Profit and Loss	42	29
E	Composition of Plan Assets		
	Government Securities	163	128
	Debentures and bonds	150	117
	Fixed deposits	60	47
	Others	26	21
F	Actuarial Assumptions		
	Discount Rate (per annum)	8.00%	8.00%
	Rate of increase in compensation levels (per annum)	7.00 %	7.00 %
	Rate of return on plan assets (per annum)	8.00%	8.00%
	Expected average remaining working lives of employees (years)	30.51	29.46

The details of experience adjustments arising on account of plan assets and liabilities as required by paragraph 120(n)(ii) of Ind AS 19 on "Employee Benefits" are not readily available in the valuation report and hence, are not furnished.

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

G Gratuity

Interest risk and Investment risk: Fund managed by LIC hence risk does not arise.

Longevity Risk : LIC is taking insurance cover to protect the longevity risk. It covers upto the retirement age of the employee.

Salary Risk : Since it is funded benefit Company's liability restricted to the extent of salary revision during the year.

Sensitivity Analysis:**Obligation for Next Five Years**

Particulars	(₹ in Lakhs)
I year	61
II year	66
III year	71
IV year	76
V year	82

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

44 **Disclosure as per Schedule V of Regulation 34 of the listing regulations - Investments**

(₹ in Lakhs)

Name of the Company	2016 - 17	2015 - 16
M/s. Quantum KNITS PVT. LIMITED	10	10
M/s. K.P.R. Sugar Mill Limited	7,350	7,350
M/s. Jahnvi Motor Private Limited	276	276
M/s. Galaxy Knits Limited	5	5
Total	7,641	7,641

45 **Disclosure as per Schedule V of Regulation 34 of the listing regulations Loans & Advances**

(₹ in Lakhs)

Name of the Company	As at 31.03.2017	Maximum outstanding during the year 2016 - 17	As at 31.03.2016	Maximum outstanding during the year 2015-16
M/s. Jahnvi Motor Private Limited	776	808	808	808
Total	776	808	808	808

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

Particulars	2016 - 17			2015 - 16		
	Quantity in Kgs	₹ in Lakhs	%	Quantity in Kgs	₹ in Lakhs	%
Import	3,26,41,544	34,492	31	1,29,43,217	13,000	13
Domestic	6,69,33,520	77,481	69	8,76,18,301	86,608	87
Total	9,95,75,064	1,11,973	100	10,05,61,518	99,608	100

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

P. Nataraj
Chief Executive Officer &
Managing Director

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of K.P.R. Mill Limited (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at 31 March, 2017, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

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

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements/

financial information of the subsidiaries referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2017, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

(a) We did not audit the financial statements / financial information of 3 subsidiaries, whose financial statements/ financial information reflect total assets of Rs. 82,186 lakhs as at 31 March, 2017, total revenues of Rs. 75,710 lakhs and net cash outflows amounting to Rs. 350 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

(b) The comparative financial information for the year ended 31 March, 2016 and the transition date opening balance sheet as at 1 April, 2015 in respect of three subsidiaries included in this consolidated Ind AS financial statements prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by us.

Our opinion on the consolidated Ind AS financial statements above and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on

separate financial statements and other financial information of the subsidiaries, referred in the Other Matters paragraph above, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books, and the reports of other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent as on 31 March, 2017 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the parent, subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent's/ subsidiary company's incorporated in India internal

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

financial controls over financial reporting.

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - The Group did not have any material foreseeable losses on long - term contracts including derivative contracts.
 - There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies incorporated in India.
 - The Parent has provided requisite disclosures in the consolidated Ind AS financial statements as regards

the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated Ind AS financial statements and as produced to us and the other auditors by the Management of the respective Group entities.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No.008072S)

Place: Coimbatore
Date: 03 May 2017

C.R. Rajagopal
Partner
(Membership No.23418)

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **K.P.R. Mill Limited** (hereinafter referred to as "the Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting of the Parent, its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("Guidance Note") issued by the Institute

of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as

necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, which

are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to three subsidiary companies which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No.008072S)

Place: Coimbatore
Date: 03 May 2017

C.R. Rajagopal
Partner
(Membership No. 23418)

CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET AS AT 31.03.2017

ASSETS	Note	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(₹ in Lakhs)				
(1) Non - Current Assets				
(a) Property, Plant & Equipment	5	1,30,621	1,15,210	1,20,139
(b) Capital Work-in-Progress		208	3,477	236
(c) Goodwill		70	70	70
(d) Other Intangible Assets	5	46	76	110
(e) Financial Assets				
(i) Investments	6	1,188	165	347
(f) Other Non - Current Assets	7	3,241	10,655	4,434
Total Non - Current Assets		1,35,374	1,29,653	1,25,336
(2) Current Assets				
(a) Inventories	8	53,299	50,570	51,643
(b) Financial Assets				
(i) Investments	9	-	-	5,818
(ii) Trade Receivables	10	34,073	41,941	27,758
(iii) Cash & Cash Equivalents	11	4,764	4,570	4,038
(iv) Other Financial Assets	12	6,759	3,947	4,585
(c) Other Current Assets	13	4,866	7,477	2,443
Total Current Assets		1,03,761	1,08,505	96,285
Total Assets		2,39,135	2,38,158	2,21,621
EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share Capital	14	3,695	3,768	3,768
(b) Other Equity	15	1,24,901	1,06,292	91,659
Total Equity		1,28,596	1,10,060	95,427
(2) Non - Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	21,136	20,587	32,465
(b) Deferred Tax Liabilities (Net)	17	4,421	4,373	4,337
(c) Other Non - Current Liabilities	18	8,008	5,802	5,791
Total Non - Current Liabilities		33,565	30,762	42,593
(3) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	19	47,378	60,468	41,292
(ii) Trade Payables	20	16,602	25,459	28,056
(iii) Other Financial Liabilities	21	11,724	9,505	12,329
(b) Other Current Liabilities	22	681	565	473
(c) Provisions	23	-	72	126
(d) Current Tax Liabilities (Net)	24	589	1,267	1,325
Total Current Liabilities		76,974	97,336	83,601
Total Liabilities		1,10,539	1,28,098	1,26,194
Total Equity & Liabilities		2,39,135	2,38,158	2,21,621

See accompanying notes forming part of the consolidated financial statements

For and on behalf of the Board of Directors

K.P. Ramasamy
Chairman

KPD Sigamani
Managing Director

P. Nataraj
Chief Executive Officer
& Managing Director

PL Murugappan
Chief Financial Officer

P. Kandaswamy
Company Secretary

Coimbatore
03.05.2017

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

C.R. Rajagopal
Partner

Coimbatore
03.05.2017

CONSOLIDATED STATEMENT OF PROFIT & LOSS

	Note	Year Ended 31.03.2017	Year Ended 31.03.2016
(₹ in Lakhs)			
I. Revenue from Operations (Gross)	25	2,81,660	2,60,052
II. Other Income	26	2,749	2,389
III. Total Revenue (I+II)		2,84,409	2,62,441
IV. Expenses			
Cost of Materials Consumed	27	1,63,365	1,45,832
Purchase of Stock-in-Trade		9,099	14,820
Changes in Inventories of Finished Goods, Work- in-Progress and Stock in Trade	28	(2,242)	(1,362)
Employee Benefits Expense	29	27,830	21,767
Finance Costs	30	6,445	5,763
Depreciation and Amortization Expense	5	14,939	15,205
Other Expenses	31	27,283	32,038
V. Total Expenses		2,46,719	2,34,063
VI. Profit Before Tax (III - V)		37,690	28,378
VII. Tax Expense			
Current Tax			
- Pertaining to Current Year		9,119	8,390
- Less: MAT Credit		1,420	1,119
- Pertaining to Prior Years		(159)	165
Deferred Tax Expense / (Credit)		1,468	(129)
Net Tax Expenses		9,008	7,307
VIII. Profit for the year (VI- VII)		28,682	21,071
IX. Other Comprehensive Income			
Item that will be reclassified to profit or loss			
Remeasurement of Actuarial gain/loss on employee defined benefit plans		15	5
X. Total Comprehensive Income for the year (VIII+IX)		28,697	21,076
Earnings per Equity Share			
Basic & Diluted (in ₹) Face value ₹ 5/- each	38	38.17	27.87

See accompanying notes forming part of the consolidated financial statements

For and on behalf of the Board of Directors

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Chairman

KPD Sigamani
Managing Director

P. Nataraj
Chief Executive Officer
& Managing Director

PL Murugappan
Chief Financial Officer
Coimbatore
03.05.2017

P. Kandaswamy
Company Secretary

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

C.R. Rajagopal
Partner

Coimbatore
03.05.2017

CONSOLIDATED CASH FLOW STATEMENT

	Year Ended 31.03.2017	Year Ended 31.03.2016
	(₹ in Lakhs)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	28,697	21,076
Adjustments for:		
Income tax Expenses recognised in the statement of profit and loss	9,008	7,307
Depreciation and amortisation expense	14,939	15,205
Loss on Sale of Assets	(1)	15
Finance Costs	6,445	5,729
Interest Income	(199)	(242)
Net gain on Financial Assets designated at FVTPL	(91)	(60)
Dividend Income	(52)	(65)
Rental Income from Operating Leases	(13)	(14)
Bad Debts Written-off & Provision for Doubtful Trade and Other Receivables	16	8
Operating Profit before Working Capital Changes	58,749	48,959
Changes in Working Capital:		
Adjustments for (Increase) / Decrease in Operating Assets:		
Inventories	(2,729)	1,073
Trade Receivables	7,940	(14,260)
Other Current Assets	2,611	(5,034)
Other Non Current Assets	251	(110)
Other Financial Assets	(2,854)	762
Adjustments for Increase / (Decrease) in Operating Liabilities:		
Trade Payables	(8,857)	(2,597)
Other Current Liabilities	88	468
Other Non Current Liabilities	2,143	(138)
Cash Generated from Operations	57,342	29,123
Net Income Tax (Paid)	(9,638)	(8,645)
Net Cash Generated from Operating Activities (A)	47,704	20,478
CASH FLOW FROM INVESTING ACTIVITIES		
Capital Expenditure on Property, Plant and Equipments, Including Capital Advances	(19,918)	(19,986)
Bank Balance not considered as Cash and Cash Equivalents - Margin Deposit Accounts	785	(1,457)
Proceeds from Sale of Fixed Assets	84	244
Purchase of Non-Current Investment		
- Others	(1,023)	182
Dividend Received	52	65
Interest Received	241	244
Bank Balance not Considered as Cash and Cash Equivalents - Unpaid Dividend Account	1	1
Rental Income Received from Operating Leases	13	14
Net Cash Flow Used In Investing Activities (B)	(19,765)	(20,693)

CASH FLOW FROM FINANCING ACTIVITIES

Payment for buyback of shares
Proceeds from Long-Term Borrowings
Repayment of Long-Term Borrowings
Net Increase in Working Capital Borrowings
Finance Costs Paid
Dividends Paid
Tax on Dividend Paid

Net Cash Flow Used in Financing Activities

Net Increase / (Decrease) in Cash and Cash Equivalents
Add: Opening Cash and Cash Equivalents

Closing Cash and Cash Equivalents (Refer Note No. 11)

Closing Cash and Cash Equivalents comprises

- (a) Cash on Hand
- (b) Balance with Banks:
 - i) In Current Accounts
 - ii) In EEFC Accounts

(C)

(A+B+C)

Year Ended 31.03.2017	Year Ended 31.03.2016
(₹ in Lakhs)	
(9,702)	-
15,198	8,290
(12,479)	(21,203)
(13,090)	19,176
(6,368)	(6,298)
(437)	(5,380)
(82)	(1,094)
(26,960)	(6,509)
979	(6,724)
2,931	9,655
3,910	2,931
29	149
1,937	2,543
1,944	239
3,910	2,931

See accompanying notes forming part of the consolidated financial statements

For and on behalf of the Board of Directors

K.P. Ramasamy
Chairman

KPD Sigamani
Managing Director

P. Nataraj
Chief Executive Officer
& Managing Director

PL Murugappan
Chief Financial Officer
Coimbatore
03.05.2017

P. Kandaswamy
Company Secretary

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

C.R. Rajagopal
Partner

Coimbatore
03.05.2017

CHANGES IN EQUITY

Statement of Changes in Equity for the year ended March 31, 2017

	(₹ in Lakhs)
a. Equity Share Capital	
Balance as at April 01, 2015	3,768
Changes during the year	-
Balance as at March 31, 2016	3,768
Less: Buyback of Equity Shares	73
Balance as at March 31, 2017	3,695

b. Other Equity (₹ in Lakhs)

Particulars	Securities Premium Reserve	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Total Other Equity
Balance as at April 01^a 2015	19,096	293	-	19,651	52,619	91,659
Transfer from Surplus in the Statement of Profit & Loss	-	-	1,500	1,682	-	3,182
Profit for the year	-	-	-	-	21,048	21,048
Other Comprehensive Income	-	-	-	-	5	5
Interim Dividend	-	-	-	-	(3,391)	(3,391)
Final Dividend for 2014-15 paid	-	-	-	-	(1,884)	(1,884)
Preference Dividend for 2014-15 paid	-	-	-	-	(60)	(60)
Tax on Dividend	-	-	-	-	(1,085)	(1,085)
Transfer to General Reserve	-	-	-	-	(1,682)	(1,682)
Transfer to Capital Redemption Reserve	-	-	-	-	(1,500)	(1,500)
Balance as at March 31^a 2016	19,096	293	1,500	21,333	64,070	1,06,292
Profit for the year	-	-	-	-	28,682	28,682
Other Comprehensive Income	-	-	-	-	15	15
Transfer from Retained Earnings	-	-	73	2,386	-	2,459
Transfer to Capital Redemption Reserve	-	-	-	-	(73)	(73)
Premium on Buyback of Equity Shares	-	-	-	-	(9,629)	(9,629)
Transfer to General Reserve	-	-	-	-	(2,386)	(2,386)
Final Dividend 2015 - 16 paid	-	-	-	-	(377)	(377)
Tax on Dividend	-	-	-	-	(82)	(82)
Balance as at March 31^a 2017	19,096	293	1,573	23,719	80,220	1,24,901

For and on behalf of the Board of Directors

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

K.P. Ramasamy
Chairman

KPD Sigamani
Managing Director

P. Nataraj
Chief Executive Officer
& Managing Director

C.R. Rajagopal
Partner

PL Murugappan
Chief Financial Officer
Coimbatore
03.05.2017

P. Kandaswamy
Company Secretary

Coimbatore
03.05.2017

1 CORPORATE INFORMATION

K.P.R. Mill Limited is one of the largest vertically integrated apparel manufacturing Companies in India. The Company produces Yam, Knitted Fabric, Readymade Garments and Wind power. It has state-of-the-art production facilities in the State of Tamil Nadu, India. It has four Wholly Owned Subsidiary Companies as follows:

- a) Quantum KNITS PVT. LIMITED is a Wholly Owned Subsidiary Company of K.P.R. Mill Limited. The Company deals in Readymade Garments.
- b) K.P.R. Sugar Mill Limited is the Wholly Owned Subsidiary Company of K.P.R. Mill Limited. The Plant is Located at Bijapur District, Karnataka State. It produces Sugar along with Green Energy viz., Co-Gen Power. The Company also has Garment manufacturing facility at Arasur, Coimbatore and commenced its operation from November 2013.
- c) Jahnvi Motor Private Limited is the Wholly owned Subsidiary Company of K.P.R. Mill Limited. The Company is the authorised dealers of AUDI cars in Coimbatore Region and Madurai Region.
- d) Galaxy Knits Limited is a Wholly Owned Subsidiary Company of K.P.R. Mill Limited. The Company has not commenced any major business activity.

The Consolidated Financial Statements relate to K.P.R. Mill Limited ('the Company') and its wholly owned Subsidiary Companies Quantum Knits Private Limited, K.P.R. Sugar Mill Limited, Galaxy Knits Limited and Jahnvi Motor Private Limited. The Company and its subsidiaries constitute the Group.

The Company's shares are listed in BSE LTD (BSE) and National Stock Exchange of India Ltd (NSE).

2 SIGNIFICANT ACCOUNTING POLICIES

A) BASIS OF PREPARATION AND PRESENTATION

STATEMENT OF COMPLIANCE:

The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS").

Upto the year ended March 31, 2016, the Group prepared its financial statements in accordance with generally accepted accounting principles in India, including accounting standards read with section 133 of the Companies Act, 2013 notified under Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the Group's first Ind AS financial statements. The date of transition to Ind AS is 1 April, 2015. Refer Note 4 for the details of first-time adoption exemptions availed by the Group.

BASIS OF PREPARATION AND MEASUREMENT:

The Consolidated Financial Statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within

Level 1 that are observable for the asset or liability, either directly or indirectly. Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

B) BASIS OF CONSOLIDATION

The Consolidated Financial Statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its Wholly Owned Subsidiaries.

The Consolidated Financial Statements have been prepared on the following basis:

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

C) USE OF ESTIMATES AND JUDGEMENT

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the

revision and future periods if the revision affects both current and future periods.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

A) 1) INVENTORIES - TEXTILE

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

2) INVENTORIES - SUGAR

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

B) CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASH FLOW STATEMENT)

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

C) CASH FLOW STATEMENT

Cash flow are reported using indirect method, whereby profit

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

D) DEPRECIATION

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

E) REVENUE RECOGNITION

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

F) OTHER INCOME

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

G) PROPERTY PLANT AND EQUIPMENTS

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying

amount of the asset and is recognised in profit or loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 01, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Machinery Spares including spare parts, stand-by and servicing equipment are capitalised as property, plant and equipment if they meet the definition of property, plant and equipment i.e. if the company intends to use these for more than a period of 12 months. These spare parts capitalized are depreciated as per Ind AS 16.

The Company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

INTANGIBLE ASSETS

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Estimated useful lives of the assets are as follows:

Factory Building	~	30 Years
Non Factory Building	~	60 Years
Plant & Equipments	~	10 Years
Electrical	~	14 Years
Computers	~	3 Years
Furnitures	~	10 Years
Vehicles	~	8-10 Years
Wind Mill	~	12 Years
Intangible assets	~	3 Years

Capital work-in-progress

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

H) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within the account caption pertaining to the nature of transaction.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

I) FINANCIAL INSTRUMENTS

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. While loans, borrowings and payables are recognised at net of directly attributable transaction costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortised cost, debt instruments at fair value through other

comprehensive income (FVTOCI), equity instruments at FVTOCI or fair value through profit and loss account (FVTPL), non derivative financial liabilities at amortised cost or FVTPL and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTPL.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

- a) Non-derivative financial assets
 - (i) Financial assets at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal.

For the purpose of the cash flow statement, cash and cash equivalents including cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Company's cash management system.

- (ii) Debt instruments at FVTOCI

A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

(a) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and

(b) the asset's contractual cash flow represent SPPI

Debt instruments included in FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recognised in other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain loss in statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the effective interest rate (EIR) model.

(iii) Equity instruments at FVTOCI

All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis.

If the Company decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently recycled to statement of profit and loss.

(iv) Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as amortised cost or as FVTOCI, is classified as FVTPL.

In addition the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. The Company has not designated any financial asset as FVTPL.

Financial assets included within the FVTPL category are measured at fair values with all changes in the statement of profit and loss.

b) Non-derivative financial liabilities

(i) Financial liabilities at amortised cost

Financial liabilities at amortised cost are represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.

(ii) Financial liabilities at FVTPL

Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the statement of profit and loss.

c) Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates on foreign currency assets or liabilities and forecasted cash flows denominated in foreign currencies. The counterparty for these contracts is generally a bank.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of profit and loss.

D) GOVERNMENT GRANTS, SUBSIDIES AND EXPORT INCENTIVES

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

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

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

their acquisition cost. In case the non-monetary asset is given free of cost, the grant is recorded at a nominal value.

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

K) EMPLOYEE BENEFITS

(a) Short Term

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

(b) Long Term Post Retirement

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

i) Provident Fund & Employee State Insurance

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

ii) Gratuity Fund

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding

net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

iii) Leave encashment

There is no scheme for encashment of unavailed leave.

L) BORROWING COSTS

Borrowing cost directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

M) SEGMENT REPORTING

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

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

Inter-segment revenue is accounted on the basis of

transactions which are primarily determined based on market / fair value factors.

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

N) LEASE

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

O) EARNINGS PER SHARE

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

bonus shares, as appropriate.

P) TAXATION

Income tax expense represents the sum of the tax currently payable and deferred tax.

i) CURRENT TAX

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii) DEFERRED TAX

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interest are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in

the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

iii) CURRENT AND DEFERRED TAX FOR THE YEAR

Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Q) RESEARCH AND DEVELOPMENT EXPENSES

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

R) IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS OTHER THAN GOODWILL

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to

determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating units to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units, for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating units) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating units) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss recognised for the asset (or cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit and loss.

S) PROVISIONS

Provision are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at

the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

T) INSURANCE CLAIMS

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

U) SERVICE TAX INPUT CREDIT

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

V) EXCISE DUTY - TEXTILE

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

W) OPERATING CYCLE

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

4. EXPLANATION OF TRANSITION TO IND AS

The Company's financial statements for the year ended 31 March, 2017 are the first annual financial statement prepared by the company in order to comply with Ind AS. The adoption of Ind AS was carried out in accordance with Ind AS 101, using 1 April, 2015 as the transition date. The transition was carried out from previous GAAP (based on the AS framework) to Ind AS. The effect of adopting Ind AS has been summarized in the reconciliations provided below.

Ind AS 101 generally requires full retrospective application of the standards in force at the first reporting date. However, Ind AS 101 allows certain exemptions in the application of particular Standards to prior periods in order to assist companies with the transition process.

Reconciliations

The Accounting policies as stated above in note 3 have been applied in preparing the financial statements for the year ended 31 March, 2017, the financial statement for the year ending 31 March, 2016 and the preparation of an opening Ind AS statement of financial position as at 1 April, 2015. In Preparing its opening Ind AS Balance Sheet and Statement of Profit and Loss for the year ended 31 March, 2016, the Company has adjusted amounts reported in financial statements prepared in accordance with previous GAAP. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance is set out in the following tables.

i. Reconciliations of other equity

(₹ in Lakhs)

Particulars	As at 31 March ,2016	As at 1 April,2015
Equity as per previous GAAP	1,05,651	89,253
Add : Dividend as per "Ind AS"	459	2,266
"Ind AS" 109 Adjustments	182	122
Net Asset Value of Mutual Funds	-	18
Equity as per Ind AS	1,06,292	91,659

ii. Reconciliations of Total Comprehensive Income

(₹ In Lakhs)

Particulars	For the Year Ended 31.03.2016
Net Profit as per previous GAAP	21,011
On account of interest on Interest free Government Sales Tax Loan	(34)
On account of other income	34
Actuarial gain / loss on employee defined benefit plans recognised in other Comprehensive Income (net of taxes)	23
Net Asset Value of Mutual funds	(18)
"Ind AS" 109 Adjustments	60
Total Comprehensive Income (Net of Tax) under "Ind AS"	21,076

iii. Explanation of material adjustments to statement of cash flows for the year ended 31 March ,2016:

The transition from previous GAAP to Ind AS has no material impact on the Statement of Cash Flows except bank overdraft which has been considered as part of Cash & Cash Equivalent.

5. Property, Plant & Equipment

(₹ In Lakhs)

Particulars	Freehold Land	Factory Building	Non Factory Building	Plant & Equipment	Wind Mill	Electricals	Furniture & Fixture	Computers & Accessories	Vehicles	Total
Cost										
Gross Block as on April 01, 2015	5,818	28,496	11,202	1,18,266	35,668	7,351	3,411	429	914	2,11,555
Accumulated Depreciation as on April 01, 2015	-	(5,007)	(846)	(57,408)	(22,823)	(2,927)	(1,648)	(321)	(436)	(91,416)
Cost as on April 01, 2015	5,818	23,489	10,356	60,858	12,845	4,424	1,763	108	478	1,20,139
Additions	2,774	584	655	5,504	-	207	303	81	730	10,838
Disposals	(18)	(147)	-	(742)	-	(34)	(66)	(5)	(85)	(1,097)
Depreciation expense	-	(905)	(190)	(10,202)	(2,704)	(529)	(434)	(55)	(137)	(15,156)
Eliminated on Disposal of Asset	-	-	-	437	-	1	10	2	36	486
Balance as at March 31, 2016	8,574	23,021	10,821	55,855	10,141	4,069	1,576	131	1,022	1,15,210
Additions	328	6,048	6,647	15,365	-	952	703	335	136	30,514
Disposals	-	-	(37)	(235)	-	(2)	(7)	(9)	(15)	(305)
Depreciation expense	-	(988)	(265)	(10,259)	(2,124)	(557)	(431)	(110)	(171)	(14,905)
Eliminated on Disposal of Asset	-	-	3	82	-	-	5	8	9	107
Balance as at March 31, 2017	8,902	28,081	17,169	60,808	8,017	4,462	1,846	355	981	1,30,621

Other Intangible Assets

(₹ In Lakhs)

Particulars	Licence	Patents	Trade Marks	Total
Cost				
Gross Block	243	-	-	243
Accumulated Depreciation	(133)	-	-	(133)
Cost as on April 01, 2015	110	-	-	110
Additions	15	-	-	15
Disposals	-	-	-	-
Depreciation Expense	(49)	-	-	(49)
Balance as at March 31, 2016	76	-	-	76
Additions	4	-	-	4
Disposals	-	-	-	-
Depreciation Expense	(34)	-	-	(34)
Balance as at March 31, 2017	46	-	-	46

FINANCIAL ASSETS**6 INVESTMENTS**

At Cost

Unquoted (all fully paid up)

a) In Equity Instruments

Nil (March 31, 2016: Nil and April 1, 2015: 700) Equity Shares of ₹ 10 each at a premium of ₹ 265 per Share in A.R.S. Metals Private Limited.

Nil (March 31, 2016: Nil and April 1, 2015: 34,00,000) Equity Shares of ₹ 10 each of Cauvery Power Generation Chennai Pvt. Ltd.

Nil (March 31, 2016: 3,500 and April 1, 2015: 3,500) Equity Shares of ₹ 10 each at a premium of ₹ 126 per Share in Surya Dev Alloys and Power Pvt. Ltd.

1,00,84,629 (March 31, 2016: 6,00,000 and April 1, 2015: Nil) Equity Shares of ₹ 10 each of Ind Bharath Powergen Com Limited.

1,80,000 (March 31, 2016: 1,00,000 and April 1, 2015: Nil) Equity shares of ₹ 100 each of Somanur Water Scheme Pvt Ltd.

7 OTHER NON CURRENT ASSETS

(i) Capital Advances

(ii) Advances other than Capital Advances

Security Deposit

Deposit with Central Excise & Service Tax

(iii) Others

Prepaid Expenses- Lease hold land

8 INVENTORIES

(At lower of cost & Net realisable value)

Raw Materials

Stock-in-process **

Finished Goods

Stock-in-trade

Stores, Spares, Packing & Others

** Includes Yarn ₹ 1,595 Lakhs (Pr. Yr. ₹ 1,388 Lakhs), Fabric ₹ 12 Lakhs (Pr. Yr. ₹ 12 Lakhs), Sugar Nil (Pr. Yr. ₹ Nil) and Garments ₹ 451 Lakhs (Pr. Yr. ₹ 516 Lakhs).

The Cost of Inventories recognised during the year was ₹ 1,72,464 Lakhs (Pr.Yr. ₹ 1,60,652 Lakhs). The Mode of Valuation of inventories has been stated in Note 3A. Average age of inventory is less than 90 days only.

FINANCIAL ASSETS**9 CURRENT INVESTMENTS**

Investments in Mutual Funds (Unquoted)

Reliance Mutual Fund

10 TRADE RECEIVABLES

Unsecured and Considered good

Trade Receivables - Outstanding for a period more than 6 months

- Unsecured considered good

- Unsecured and considered doubtful

Trade Receivables

Less: Provision for Doubtful Trade Receivables

(i) The average credit period ranges from 30 days to 90 days.

(ii) Since we are having whole turnover insurance policy for our domestic as well as export business, expected credit loss provision does not required.

As at
31.03.2017

As at
31.03.2016

As at
01.04.2015

(₹ in Lakhs)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	-	-	2
	-	-	340
	-	5	5
	1,008	60	-
	180	100	-
	1,188	165	347
	1,559	8,712	2,538
	1,312	1,578	1,547
	31	31	31
	339	334	318
	3,241	10,655	4,434
	20,815	21,116	24,335
	2,058	1,916	1,584
	24,145	20,024	19,983
	1,830	3,851	2,862
	4,451	3,663	2,879
	53,299	50,570	51,643
	-	-	5,818
	-	-	5,818
	261	53	58
	113	132	132
	33,832	41,908	27,723
	133	152	155
	34,073	41,941	27,758

11 CASH AND CASH EQUIVALENTS**Cash and Cash Equivalents as per Ind AS 7**

Cash on Hand*

Balance with Banks

i) In Current Accounts

ii) In EEFC Accounts

Other Bank Balances

i) In Deposit Accounts #

ii) In Earmarked Deposit Accounts - Unpaid Dividend Accounts

Total as per Ind AS 7

Of the above, the balances that meet the definition of cash and cash equivalents as per Ind AS 7 Cash Flow Statements is ₹ 3,937 Lakhs (Pr.Yr. ₹ 2,956 Lakhs)

Margin Deposits is ₹ 820 Lakhs (Pr. Yr. ₹ 1,384 Lakhs)

* The details of Specified Bank Notes (SBN) held and transacted during the period November 08, 2016 to December 30, 2016 are:

(In ₹)

Particulars	SBN	Other Notes	Total
Closing cash on hand as on November 08, 2016	1,20,25,500	6,27,976	1,26,53,476
Add : Permitted Receipts	-	1,33,79,978	1,33,79,978
Less : Permitted Payments	-	1,04,16,055	1,04,16,055
Less : Amount Deposited in Banks	1,20,25,500	28,952	1,20,54,452
Closing Cash on Hand as on December 30, 2016	-	35,62,947	35,62,947

12 OTHER FINANCIAL ASSETS

Interest accrued on Deposits

Income Receivable

Technology Upgradation Fund Subsidy Receivable

Investment promotion Subsidy Receivables

Others

13 OTHER CURRENT ASSETS

Advance to suppliers

Loans and Advances Others

Loans and Advances to Employees

(Unsecured and Considered good unless otherwise stated)

Others (Primarily prepaid expenses)

Balances with Government Authorities

VAT Credit Receivable

14 EQUITY SHARE CAPITAL**a) Authorised**

9,00,00,000 (March 31, 2016: 4,00,00,000 and April 1, 2015:

4,00,00,000) Equity Shares of ₹ 5 each with voting rights

(Pr.Yr. Equity Shares of ₹ 10 each with voting rights)

10,00,00,000 (March 31, 2016: 15,00,00,000 and April 1, 2015: 15,00,00,000)

7% Redeemable Cumulative Non Convertible Preference Shares of ₹ 100 each

As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(₹ in Lakhs)		
29	149	91
1,937	2,543	2,628
1,944	239	1,132
3,910	2,931	3,851
847	1,632	179
7	7	8
854	1,639	187
4,764	4,570	4,038
80	122	124
2,631	1,409	2,180
161	610	478
3,614	1,624	1,681
273	182	122
6,759	3,947	4,585
3,561	5,857	1,029
-	-	106
54	61	60
591	504	471
660	1,055	777
4,866	7,477	2,443
4,500	4,000	4,000
1,000	1,500	1,500
5,500	5,500	5,500

b) Issued, Subscribed & Fully Paid up

738,95,784 (March 31, 2016: 3,76,82,892 and April 1, 2015: 3,76,82,892)

Equity Shares of ₹ 5 each fully paid-up with voting rights

(Pr. Yr. Equity Shares of ₹ 10 each with voting rights)

As at 31.03.2017 As at 31.03.2016 As at 01.04.2015

(₹ in Lakhs)

3,695 3,768 3,768

3,695 3,768 3,768

14.1 Term / Rights to Shares**Equity Shares**

The Company has issued only one class of equity shares having a face value of ₹ 5 per share. The holder of each equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

During the year, the amount of per share interim dividend paid to equity shareholders was ₹ Nil (31st March 2016: ₹ 9 per share) and per share final dividend recommended for distribution to equity shareholder is ₹ 0.75 per share (31st March 2016: ₹ 1 per share).

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

14.2 Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period**a. Equity Shares with voting rights**

Particulars	For the Year Ended 31.03.2017		For the Year Ended 31.03.2016	
	Number of Shares	(₹ in Lakhs)	Number of Shares	(₹ in Lakhs)
At the beginning of the year	753,65,784	3,768	3,76,82,892	3,768
Less : Buyback	14,70,000	73	-	-
Outstanding at the end of the year	738,95,784	3,695	3,76,82,892	3,768

b. 7% Redeemable Cumulative Non - Convertible Preference Shares

Particulars	For the Year Ended 31.03.2017		For the Year Ended 31.03.2016	
	Number of Shares	(₹ in Lakhs)	Number of Shares	(₹ in Lakhs)
At the beginning of the year	-	-	15,00,000	1,500
Changes During the year (Redeemed)	-	-	15,00,000	1,500
Outstanding at the end of the year	-	-	-	-

14.3 Details of Shareholders holding more than 5% of Shares in the Company**Equity Shares**

Particulars	As at 31 st March, 2017		As at 31 st March, 2016	
	Number of Shares	%	Number of Shares	%
Sri. K. P. Ramasamy	1,59,50,000	21.58	81,27,684	21.57
Sri. KPD Sigamani	1,59,50,000	21.58	81,28,634	21.57
Sri. P. Nataraj	1,59,50,000	21.58	81,27,733	21.57
DSP Blackrock Micro Cap Fund	36,13,057	4.88	18,99,385	5.04

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

15 OTHER EQUITY**Capital Reserve**

Opening Balance

Closing Balance

Securities Premium

Opening Balance

Closing Balance

Amount received on issue of shares in excess of the par value has been classified as security share premium.

Capital Redemption Reserve

Opening Balance

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

Buyback on Capital Redemption

Closing Balance

Capital redemption reserve is created out of profit on redemption of capital.

General Reserve

Opening Balance

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

Closing Balance

The General reserve is used from time to time to transfer profits from retained earnings for appropriations purposes. As the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will be reclassified subsequently to profit or loss.

Retained Earnings

Opening Balance

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

Add: Profit for the year

"Ind AS" 109 Adjustments

Less:

Interim Dividend ₹ Nil per share (Pr.Yr ₹ 9 per share)

Final Dividend

Preference dividend

Premium on Buyback of Equity Share

Tax on Dividend

Transferred to:

General Reserve

Capital Redemption Reserve

Closing Balance

As at
31.03.2017

As at
31.03.2016

As at
01.04.2015

(₹ in Lakhs)

293	293	293
293	293	293
19,096	19,096	19,096
19,096	19,096	19,096
1,500	-	-
-	1,500	-
73	-	-
1,573	1,500	-
21,333	19,651	18,191
2,386	1,682	1,460
23,719	21,333	19,651
64,070	52,619	38,624
-	-	64
28,697	21,053	17,331
-	-	122
-	3,391	1,507
377	1,884	-
-	60	105
9,629	-	-
82	1,085	322
2,386	1,682	1,460
73	1,500	-
80,220	64,070	52,619
1,24,901	1,06,292	91,659

NON CURRENT LIABILITIES

FINANCIAL LIABILITIES

16 BORROWINGS

From Banks

Secured

Term Loans

From Others

Unsecured

Interest Free Sales Tax Loan - NPV

Nil (March 31, 2016: Nil and April1, 2015: 15,00,000)

7% Redeemable Cumulative Non - Convertible Preference

Shares of ₹100 each, fully paid-up

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(₹ in Lakhs)			
	20,639	20,113	30,617
	497	474	348
	-	-	1,500
	21,136	20,587	32,465

16.1 Term Loans from banks are secured by pari - passu first charge on fixed assets and second charge on current assets of the company.

16.2 i) Loan amounting to ₹ 9,387 Lakhs (Pr. Yr. Nil) is repayable in 24 quarterly installments.

ii) Loan amounting to ₹ 6,775 Lakhs (Pr. Yr. ₹ 5,536 Lakhs) is repayable in 23 quarterly installments.

iii) Loan amounting to ₹ 355 Lakhs (Pr. Yr. ₹ 436 Lakhs) is repayable in 18 quarterly installments.

iv) Loan amounting to ₹ 1,874 Lakhs (Pr. Yr. ₹ 2,099 Lakhs) is repayable in 17 quarterly installments.

v) Loan amounting to ₹ 3,947 Lakhs (Pr. Yr. Nil) is repayable in 16 quarterly installments.

vi) Loan amounting to ₹ 367 Lakhs (Pr. Yr. ₹ 473 Lakhs) is repayable in 14 quarterly installments.

vii) Loan amounting to ₹ 455 Lakhs (Pr. Yr. ₹ Nil) is repayable in 9 quarterly installments.

viii) Loan amounting to ₹ 6,866 Lakhs (Pr. Yr. ₹ 16,688 Lakhs) is repayable in 4 quarterly installments.

ix) Loan amounting to ₹ Nil Lakhs (Pr. Yr. ₹ 2,099 Lakhs) is fully paid

16.3 Interest rate relating to term loans from banks is in the range of 9.05% to 12.50% (Pr. Yr. 9.75% to 12.5%)

16.4 The Group has not defaulted in the repayment of principal and interest during the year.

16.5 For the current maturities of long-term borrowings, Refer Note 21 Other Current Liabilities.

17 DEFERRED TAX LIABILITIES (NET)

Tax effect of items constituting deferred tax liabilities

Deferred Tax Liabilities

On difference between book balance and tax balance of fixed assets

Add : Deferred tax liability for current year

Less : Deferred tax asset for earlier years due to change in method of depreciation as per New Companies Act, 2013

Deferred Tax Assets

i) Unabsorbed Depreciation Carry Forward

ii) Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961

Closing Balance

Opening Balance

Net Deferred Tax Charge / (Credit)

Less : MAT Credit entitlement

	5,875	6,004	6,011
	-	(129)	25
	-	-	32
	1,781	-	-
	(313)	-	-
	7,343	5,875	6,004
	5,875	6,004	6,012
	1,468	(129)	(8)
	2,922	1,502	1,667
	4,421	4,373	4,337

18 OTHER NON CURRENT LIABILITIES

Trade Payable	
Payables on purchase of Fixed Assets	
Others	
Deferred Revenue arising from Government Grants	

As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(₹ in Lakhs)		
7,516	5,329	5,467
117	54	-
375	419	324
8,008	5,802	5,791

**CURRENT LIABILITIES
FINANCIAL LIABILITIES****19 BORROWINGS****Loans repayable on demand****From Banks (Secured)**

i) Loans for Working Capital	
ii) Packing Credit	
iii) Others	
Acceptances Under Buyers Credit	
Loans Repayable on demand	

17,067	26,650	30,714
28,278	24,599	8,426
-	6,747	-
2,033	2,472	2,152
47,378	60,468	41,292

19.1 The above loans are secured by first charge on inventories and book debts and second charge on fixed assets to lending banks on pari - passu basis.

19.2 The Company has not defaulted in its repayments of the loans and interest during the year.

20 TRADE PAYABLES**Total outstanding dues of Creditors other than Micro and Small Enterprises****Other than Acceptances**

16,602	25,459	28,056
16,602	25,459	28,056

The average credit period on purchase of goods and services are within 60 days. Trade payable are non- interest bearing.

21 OTHER FINANCIAL LIABILITIES**Current Maturities of**

i) Long Term Loans (Refer Note 16.1 to 16.5)	
ii) Interest Free Sales Tax Loan	

Others - Unclaimed Dividend	
Interest accrued but not due on borrowings	
Statutory payables	
Other Liabilities	

9,388	7,218	9,746
-	-	102
7	7	8
88	11	580
2,210	2,250	1,806
31	19	87
11,724	9,505	12,329

22 OTHER CURRENT LIABILITIES**Advance from Customers**

681	565	473
681	565	473

23 PROVISIONS**Provision - Others**

Provision for Proposed Preference Dividend	
Provision for Tax on Proposed Dividends	

-	60	105
-	12	21
-	72	126

24 CURRENT TAX LIABILITIES (Net)

Provision for Tax*

* Net of Advance Tax paid ₹ 8,530 Lakhs (Pr. Yr. ₹ 7,123 Lakhs).

As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(₹ in Lakhs)		
589	1,267	1,325
589	1,267	1,325

24.1 INCOME TAX RECOGNISED IN PROFIT & LOSS**Current Tax**

Current Income Tax charge

Adjustment in respect of Current Income Tax of Prior Years

MAT Credit Entitlement

Deferred Tax

In respect of Current Year

The Income tax expense for the year can be reconciled to the accounting profit as follows:

Profit before Tax

Income Tax Expense

Effect of expenses that is exempt from taxation

Effect of expenses that are not deductible in determining taxable profit

Adjustments recognised in the current year in relation to the Current Tax of Prior Years

MAT Credit Entitlement

Deferred Tax for Current Year

Total Income Tax Recognised

For the Year Ended 31.03.2017	For the Year Ended 31.03.2016
(₹ in Lakhs)	
9,119	8,390
(159)	165
(1,420)	(1,119)
7,540	7,436
1,468	(129)
9,008	7,307
37,690	28,378
12,179	9,486
(4,576)	(2,784)
1,516	1,688
9,119	8,390
(159)	165
(1,420)	(1,119)
1,468	(129)
9,008	7,307

25 REVENUE FROM OPERATIONS

Sale of Products (Refer Note 25.1)

Sale of Services (Refer Note 25.2)

Other Operating Revenues (Refer Note 25.3)

Revenue from Operations (Gross)

25.1 Sale of Products

Garment

Yam

Fabric

Sugar

Molasses

Co-Gen Power

Automobile

Cotton Waste

25.2 Sale of Services

Processing & Fabrication Income

Automobile Service Income

25.3 Other Operating Revenues

Export Incentives

Others (Primarily Scrap)

26 OTHER INCOME**Interest from**

Bank Deposits

Others

Dividend

From Current Investments

Investment Promotion Subsidy

Profit on Sale of Fixed Assets (Net)

Miscellaneous Income

Net gain on Financial Assets designated at FVTPL

For the Year
Ended
31.03.2017For the Year
Ended
31.03.2016

(₹ in Lakhs)

2,68,103

2,47,315

2,551

3,668

11,006

9,069

2,81,660**2,60,052**

69,354

59,262

1,20,592

1,05,932

41,546

41,610

16,508

16,382

1,589

1,818

956

3,686

10,236

11,441

7,322

7,184

2,68,103**2,47,315**

2,237

3,423

314

245

2,551**3,668**

9,068

6,704

1,938

2,365

11,006**9,069**

125

116

74

126

52

65

1,990

1,774

1

-

416

248

91

60

2,749**2,389**

27 COST OF MATERIALS CONSUMED**a) Opening Stock**

	For the Year Ended 31.03.2017	For the Year Ended 31.03.2016
Cotton	18,273	21,798
Dyes & Chemicals	224	317
Yarn, Fabric & Garments	2,619	2,220
	21,116	24,335

b) Add: Purchases and Production Expenses

Cotton	1,11,131	96,083
Dyes & Chemicals	2,424	2,397
Yarn, Fabric, Polyester & Garments	25,286	18,117
Production Expenses	5,625	3,197
Trims, Packing & Others (Consumption)	6,251	5,691
Sugar Cane & Coal	11,381	16,234
	1,62,098	1,41,719

c) Less : Closing Stock

Cotton	17,431	18,273
Dyes & Chemicals	147	224
Yarn, Fabric & Garments	3,237	2,619
	20,815	21,116
Excise duty on sale of goods	966	894
	1,63,365	1,45,832

28 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK - IN - PROGRESS AND STOCK IN TRADE**a) Inventories at the beginning of the year**

Finished Goods	20,024	19,983
Work-in-Progress	1,916	1,584
Stock-in-Trade	3,851	2,862
	25,791	24,429

b) Inventories at the end of the year

Finished Goods	24,145	20,024
Work-in-Progress	2,058	1,916
Stock-in-Trade	1,830	3,851
	28,033	25,791

Net (Increase)

	(2,242)	(1,362)
--	----------------	----------------

29 EMPLOYEE BENEFITS EXPENSE

Salaries & Wages	
Contribution to Provident & Other Funds	
Staff Welfare Expenses	

23,775	18,424
2,045	1,699
2,010	1,644

27,830	21,767
---------------	---------------

30 FINANCE COSTS**Interest Expense on**

Term Loans	
Working Capital Loans	
Others	
Interest on Interest Free Sales Tax Loan	

2,066	3,204
3,602	2,017
732	508
45	34

6,445	5,763
--------------	--------------

Average Interest Cost (Refer Note 16.3)

31 OTHER EXPENSES

Power & Fuel	
Consumption of Stores & Packing materials	
Repairs and Maintenance	
Building	
Machinery	
Others	
Insurance Charges	
Administration Expenses	
Professional Fees	
Rent (Refer Note 41)	
Duties, Rates & Taxes	
Payment to Auditor (Refer Note 33)	
Loss on Sale of Fixed Assets (Net)	
Travelling Expenses	
Expenditure on Corporate Social Responsibility (CSR) under section 135 of the Companies Act, 2013	
Donations	
Bad Debts Written Off	
General Expenses	
Selling Expenses	
Freight & Forwarding	
Sales Commission	
Other Selling Expenses	

9,895	12,861
3,545	3,180
530	543
4,942	7,689
493	362
240	229
275	164
276	246
176	271
14	15
-	15
700	555
465	369
328	318
16	8
482	336
2,431	2,174
1,296	1,495
1,179	1,208
27,283	32,038

As at
31.03.2017 As at
31.03.2016

(₹ in Lakhs)

32 Contingent Liabilities and Commitments (to the extent not provided for)

I. Contingent Liabilities

(a) Disputed Liabilities in Appeal

(i) Demand Notice from Indian Bank towards Prepayment Charges. The same has been contested in writ filed before the High Court of Judicature at Madras which has restrained Indian Bank from applying proceeds of TUF subsidy towards its demand for prepayment charges. The case is pending disposal.

82 82

(ii) Income Tax demands

2,077 6,088

(iii) Central Excise demands

6 6

(iv) Service Tax demands

28 28

(iv) Sales Tax demands

- 11

(b) Bank Guarantees in favour of parties

(i) Tamil Nadu Generation and Distribution Corporation [TANGEDCO]

164 164

(ii) Tamil Nadu Pollution Control Board

15 5

(iii) Suryadev Alloys and Power Private Limited

- 374

(iv) A.R.S.Energy Private Limited

- 67

(v) Bank Note Paper Mill India Private Limited

32 -

(vi) Ind Bharath Power Gencor Limited

- 891

(vii) New Tirupur Area Water Development Corporation Limited

58 28

(c) Letter of Credit Facility in favour of Suppliers

Foreign Letter of Credit

7,595 6,246

(d) Discounted sales invoices

2,563 3,258

Future cash outflows in respect of the above matters are determinable only on receipt of judgement / decisions pending at various forums / authorities.

II. Commitments

Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for

910 6,212

33 Payment to Auditors

(₹ in Lakhs)

Particulars	2016-17	2015-16
Audit Fees	13	13
Tax Audit and Tax Matters	-	1
Other Services	-	-
Expenses (incl. Service Tax)	1	1
Total	14	15

34 Financial Instruments**Capital Management**

The Group manages its capital to ensure that the Group will be able to continue as going concern while maximising the return to stakeholders through optimisation of debt and equity balance.

The capital structure of the Group consists of net debt (borrowings as detailed in notes 16, 19 and 21 off set by cash and bank balances) and total equity of the Group.

The Group is not subject to any externally imposed capital requirements.

Gearing Ratio

The Gearing Ratio at the end of the reporting period was as follows

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Debt *	77,902	88,273	83,605
Less : Cash and Bank Balances	4,764	4,570	4,038
Net Debt	73,138	83,703	79,567
Total Equity	1,28,596	1,10,060	95,427
Net Debt to Equity Ratio	56.87%	76.05%	83.38%

* Debt is defined as long-term borrowings, short-term borrowings and current maturities of long term borrowings as described in notes 16,19 and 21.

Financial Risk Management objectives

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and International financial markets, monitors and manages the financial risk relating to the operation of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk), credit risk and liquidity risk. The use of financial derivatives is governed by the group's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivatives financial instruments and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group does not enter into or trade financial instrument, including derivative financial instruments, for speculative purposes.

Market Risk

The Group's activities expose it primarily to the financial risk of changes in foreign currency exchange rates. The group enters into plain vanilla forward contracts to manage its exposure to foreign currency risk including:

Details of hedged and unhedged foreign currency exposures:**(i) Outstanding forward exchange contracts for hedging purposes as on 31st March, 2017**

Currency	Cross Currency	Amount (₹ in Lakhs)	Buy / Sell
USD	INR	13,913 (7,599)	Buy Buy
USD	INR	11,895 (10,482)	Sell Sell
EURO	INR	2,740 (3,171)	Sell Sell
EURO	INR	- (267)	Buy Buy
GBP	INR	6,189 (3,374)	Sell Sell

Note: Figures in bracket relates to the previous year

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

As at 31 st March, 2017		As at 31 st March, 2016	
Receivables / (Payables)		Receivables / (Payables)	
₹ in Lakhs	FC in Lakhs	₹ in Lakhs	FC in Lakhs
6890	\$106	591	\$9
629	€ 9	33	€ 0
974	£12	-	-
-	-	(5,069)	(\$76)
-	-	(1,009)	CHF (15)
-	-	(117)	JPY (198)
-	-	(2,456)	(€ 33)

- Forward foreign exchange contracts to hedge the exchange rate risk arising on imports and exports.
- The group covering its currency billing under forward cover and hence sensitivity analysis is not required.

Foreign currency Risk Management

The group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed through plain vanilla forward foreign exchange contracts.

Equity Risk

There is no material equity risk relating to the group's equity investments which are detailed in note 6 "Investments". The group's equity investments majorly comprises of strategic investments rather than trading purposes.

Interest Risk

The group borrows funds from banks only at fixed rates, the rates are reviewed every year by the bank. There is no material interest risk relating to the group's financial liabilities

Credit Risk Management

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the group. The group's domestic & export receivables are covered under credit insurance.

Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the group's short-term, medium-term and long-term funding and liquidity management requirements. The group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

All current financial liabilities are repayable within one year. The contractual maturities of non current liabilities are disclosed in note no. 16.

35 Related Party Disclosures

Disclosures under "Ind AS" 24 – Related Party Disclosure, as identified and disclosed by the management and relied upon by the Auditors:

35.1 Name of related parties and nature of relationships

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

35.2 Transactions during the year and the balance outstanding at the balance sheet date

(₹ in Lakhs)

Nature of Transaction	Enterprises owned by key management personnel / Directors or their relatives	Key Management Personnel	Relatives to Key Management Personnel	Total as on 31.03.2017
Lease Rent	-	1	-	1
	-	(1)	-	(1)
Remuneration / Salary	-	2,733	6	2,739
	-	(2,042)	(22)	(2,064)
Donation	300	-	-	300
	(300)	-	-	(300)
Amount Payable	-	1,652	-	1,652
	-	(1,217)	-	(1,217)

(Previous year figures are shown in brackets)

35.3 Details of transactions with related parties**a. Lease Rent Paid**

(₹ in Lakhs)

Name	2016-17	2015-16
Sri K.P. Ramasamy	0.19	0.19
Sri KPD Sigamani	0.19	0.19
Sri P. Nataraj	0.18	0.18
Total	0.56	0.56

b. Remuneration / Salary

(₹ in Lakhs)

Name	2016-17	2015-16
Sri. K.P. Ramasamy	897	672
Sri. KPD Sigamani	897	672
Sri. P. Nataraj	897	672
Sri. C.R. Anandakrishnan	24	24
Sri. E.K. Sakthivel	18	18
Smt D. Geetha	6	6
Total	2,739	2,064

c. Donations

(₹ in Lakhs)

Particulars	2016-17	2015-16
M/s K.P.R. Charities	300	300
Total	300	300

d. Amount Payable

(₹ in Lakhs)

Name	2016-17	2015-16
Sri K.P. Ramasamy	546	405
Sri KPD Sigamani	538	405
Sri P. Nataraj	568	407
Total	1,652	1,217

36 Expenditure in Foreign Currency and CIF Value of Imports

(₹ in Lakhs)

Particulars	2016-17	2015-16
(a) Expenditure in Foreign Currency		
Travel, sales commission etc.,	275	509
Interest	205	135
Professional Fees	47	11
Salary	32	-
Others	70	-
(b) Value of Imports on CIF basis		
Raw Material	37,745	15,383
Stores and Spare parts	534	619
Machinery	6,811	7,673
Total	45,719	24,330

37 Earnings in Foreign Exchange

(₹ in Lakhs)

Particulars	2016-17	2015-16
Export of Goods on FOB basis	1,01,395	90,654
Total	1,01,395	90,654

38 Earnings Per Share (EPS)

(₹ in Lakhs)

Particulars	2016-17	2015-16
Profit for the year	28,697	21,076
Less: Preference Dividend and Tax thereon	-	72
Profit for the year attributable to the equity shareholders	28,697	21,004
Weighted average number of Shares*	751,80,524	753,65,784
Face Value Per Share (₹)	5	5
Earnings Per Share - Basic & Diluted (₹)	38.17	27.87

* During the year Company bought back 14,70,000 shares of fully paid-up equity shares of the face value of ₹ 5/- each through "Tender Route" process at a price of ₹ 660 per equity share.

39 Goodwill on Consolidation

(₹ In Lakhs)

Particulars	2016 - 17	2015 - 16
Opening Balance	70	70
Less: Impairment	-	-
Closing Balance	70	70

Goodwill is arising on consolidation of subsidiary Companies. All the subsidiary Companies earning good profits and hence impairment is not required.

40 Segment Reporting

The Group has classified the operations primarily into three segments viz., Textile, Sugar and Others based on nature of products, risk, returns and the internal business reporting system.

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

(₹ In Lakhs)

Particulars	For the year ended 31 March, 2017				
	Business segments			Eliminations	Total
	Textile	Sugar	Others		
Revenue	2,41,051 (2,17,411)	19,053 (21,886)	10,550 (11,686)	- -	2,70,654 (2,50,983)
Inter-segment revenue	- -	- (527)	- -	- (527)	- -
Total	2,41,051 (2,17,411)	19,053 (22,413)	10,550 (11,686)	- (527)	2,70,654 (2,50,983)
Segment result	34,481 (30,704)	452 (641)	8 (467)	- -	34,941 (31,812)
Unallocable expenses (net)					- (5,729)
Operating income					34,941 (26,083)
Other income (net)					2,749 (2,295)
Profit before taxes					37,690 (28,378)
Tax expense					9,008 (7,307)
Profit for the year					28,682 (21,071)

Note: Figures in bracket relate to the previous year

(₹ in Lakhs)

40.2

Particulars	For the year ended 31 March, 2017			
	Business Segments			Total
	Textile	Sugar	Others	
Segment Assets	1,98,830 (1,93,638)	35,397 (38,734)	4,752 (5,631)	2,38,979 (2,38,003)
Unallocable Assets				2,986 (1,572)
Total Assets				2,41,965 (2,39,575)
Segment Liabilities	93,657 (73,326)	16,645 (20,394)	3,294 (3,641)	1,13,596 (97,361)
Unallocable Liabilities				- (-)
Total Liabilities				1,13,596 (97,361)
Other information				
Capital expenditure	30,424 (10,016)	10 (145)	84 (688)	30,518 (10,849)
Depreciation and amortization	12,087 (12,387)	2,729 (2,727)	123 (91)	14,939 (15,205)

Note: Figures in bracket relate to the previous year

(₹ in Lakhs)

40.3 Segment Revenue by Geographic Location of Customers	2016-17	2015-16
Asia	36,095	36,542
Europe	50,607	43,608
USA	2,717	2,011
Others	12,089	8,549
India	1,66,595	1,56,605
Total	2,68,103	2,47,315

(₹ in Lakhs)

40.4 Segment Assets by Geographic Location of Assets	2016-17	2015-16
Receivables		
Asia	1,404	4,170
Europe	10,874	13,108
USA	253	367
Others	4,573	2,618
India	91,156	99,132
	1,08,260	1,19,395
Fixed Asset		
India	1,30,875	1,18,763
Total	2,39,135	2,38,158

40.5 Information about major Customers

No single customer contributed more than 10% to the Company's revenue for both 2016-17 and 2015-16

(₹ in Lakhs)

40.6	Capital Expenditure	2016-17	2015-16
	Outside India	-	-
	India	30,518	10,849
	Total	30,518	10,849

41 Operating Lease Disclosure

The Group has taken Office space on lease for a period of 9 years with option to renew and with escalation in rent once in three years with lock-in period of three years. Lease rent for the year ended 31st March, 2017 amounted to ₹ 236 Lakhs (Pr. Yr. ₹ 168 Lakhs).

(₹ in Lakhs)

Particulars	2016-17	2015-16
Minimum lease payments not later than one year	234	228
Later than one year but not later than five years	377	611
More than five years	-	18

42 Disclosure of Employee Benefits**42.1 Defined Contribution Plans**

(₹ in Lakhs)

Particulars	2016-17	2015-16
Provident Fund	1923	1581
Employee State Insurance	725	591

42.2 Defined Benefit Plan- Gratuity

(₹ in Lakhs)

A	Changes in Present Value of Obligation		
	PV of obligation as the beginning of the year	404	323
	Current Service Cost	86	87
	Interest Cost	29	24
	Actuarial (Gain) / Loss on Obligation	(38)	(30)
	PV of obligation as at end of the year	481	404
B	Change in Fair Value of Plan Assets		
	FV of Plan Asset as at beginning of the year	381	296
	Expected return on Plan Assets	35	28
	Actuarial gain / (loss)		
	Contributions by the employer	57	57
	FV of Plan Asset as at end of the year	473	381
C	Net Asset/(Liability) recognized in the Balance Sheet		
	PV of Obligation as at end of the year	481	404
	FV of Plan Asset as at end of the year	473	381
	Funded Status [Surplus/(Deficit)]	(8)	(23)
D	Expense recognized in the Consolidated Statement of Profit and Loss		
	Current Service Cost	86	87
	Interest Cost	29	24
	Expected return on Plan Assets	(35)	(28)
	Actuarial (gains) / Losses	(38)	(30)
	Expense recognized in the Consolidated Statement of Profit and Loss	42	53

E	Composition of Plan Assets		
	Government securities	194	156
	Debentures and bonds	177	143
	Fixed deposits	71	57
	Others	31	25
F	Actuarial Assumptions		
	Discount Rate (per annum)	8.00%	8.00%
	Rate of increase in compensation levels (per annum)	750%	725%
	Rate of return on plan assets (per annum)	8.00%	8.00%
	Expected average remaining working lives of employees (years)	27.80 - 30.51	29.46 - 31.39
The details of experience adjustments arising on account of plan assets and liabilities as required by paragraph 120(n)(iii) of AS 15 (Revised) on "Employee Benefits" are not readily available in the valuation report and hence, are not furnished.			
The estimate of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotions and other relevant factors including supply and demand in the employment market.			

G Gratuity

Interest risk and Investment risk: Fund managed by LIC hence risk does not arise.

Longevity Risk : LIC is taking insurance cover to protect the longevity risk. It covers upto the retirement age of the employee.

Salary Risk : Since it is funded benefit Company's liability restricted to the extent of salary revision during the year.

Sensitivity Analysis:

Obligation for Next Five Years

Particulars	(₹ in Lakhs)
I year	61
II year	66
III year	71
IV year	76
V year	82

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

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

2016-17

(₹ in Lakhs)

Particulars	Quantum KNITS PVT. LIMITED	K.P.R.Sugar Mill Limited	Galaxy Knits Limited	Jahnvi Motor Private Limited
Share Capital	10	583	5	193
Reserves & Surplus	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	-	-	-	-
% of Share Holding	100	100	100	100

2015-16

(₹ in Lakhs)

Particulars	Quantum KNITS PVT. LIMITED	K.P.R.Sugar Mill Limited	Galaxy Knits Limited	Jahnvi Motor Private Limited
Share Capital	10	583	5	193
Reserves & Surplus	2,025	16,211	(1)	472
Total Assets	3,076	74,861	4	5,621
Total Liabilities	1,041	58,067	-	4,956
Investments (Excluding investment in subsidiaries)	-	-	-	-
Turnover	11,263	66,115	-	13,160
Profit / (Loss) Before Tax	1,976	5,200	-	32
Provision for Tax	705	-	-	20
Profit After Tax	1,271	5,200	-	12
Proposed Dividend	-	-	-	-
% of Share Holding	100	100	100	100

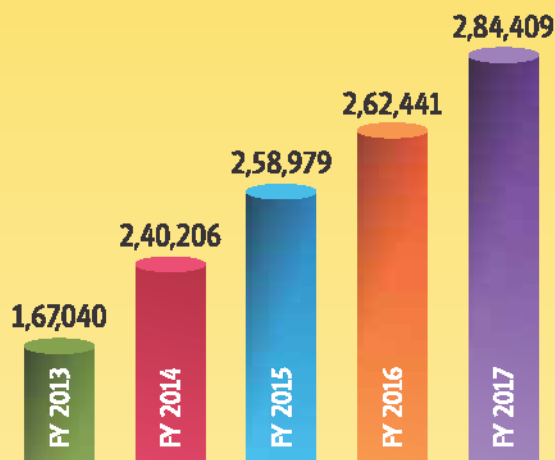
45 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statement to Schedule III to the Companies Act, 2013

(₹ in Lakhs)

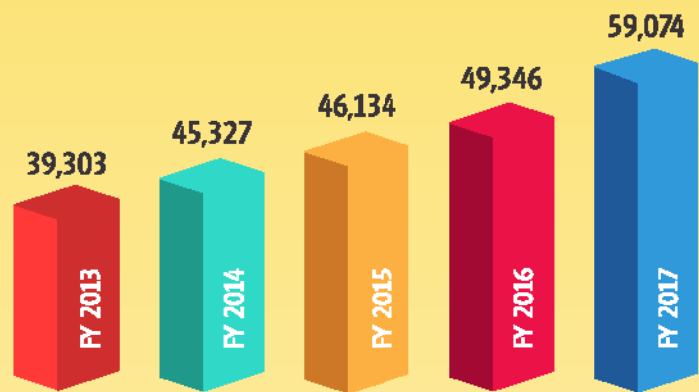
Name of the Entity	Net Assets, i.e., Total Assets minus Total Liabilities		Share of Profit or Loss	
	As % of consolidated net assets	Amount	As % of Consolidated Profit or Loss	Amount
K.P.R.Mill Limited	87	1,11,806	83	23,857
Subsidiaries - Indian				
1. M/s Quantum KNITS PVT. LIMITED	2	2,067	-	42
2. M/s K.P.R. Sugar Mill Limited	11	14,235	17	4,807
3. M/s Jahnvi Motor Private Limited	-	489	-	17
4. M/s Galaxy Knits Limited	-	(1)	-	-
Less : Dividend	-	-	-	(26)
	100	1,28,596	100	28,697

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

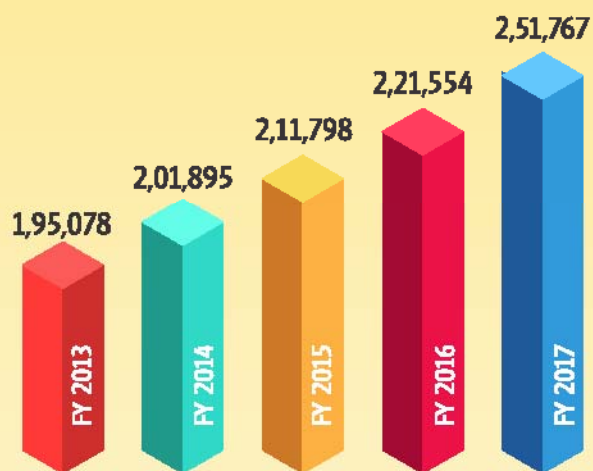
P. Nataraj
Chief Executive Officer &
Managing Director



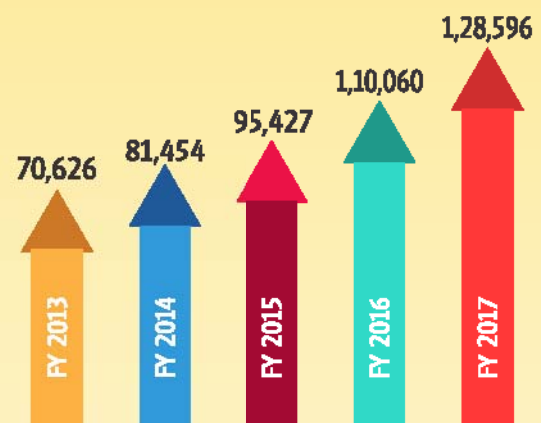
Turnover (₹ In Lakhs)



EBITDA (₹ In Lakhs)

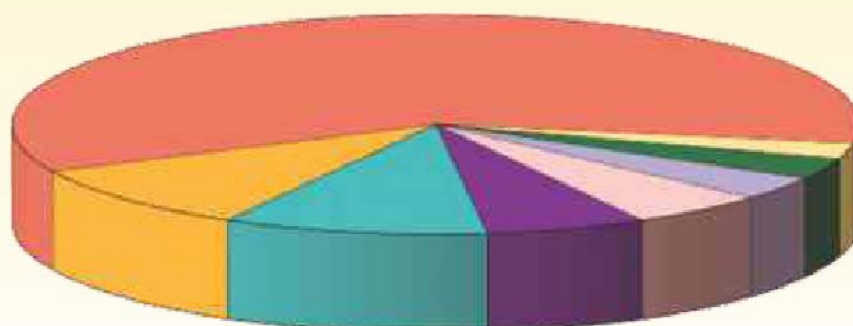


Investments in Fixed Assets (₹ In Lakhs)



Net Worth (₹ In Lakhs)

Distribution of Earnings



Raw Material	59.84%
Tax	2.27%
Finance Charges	3.17%
Power	3.48%
Depreciation	5.25%
Other Exp	6.11%
Employee Cost	9.79%
PAT	10.09%

Corporate Office :

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