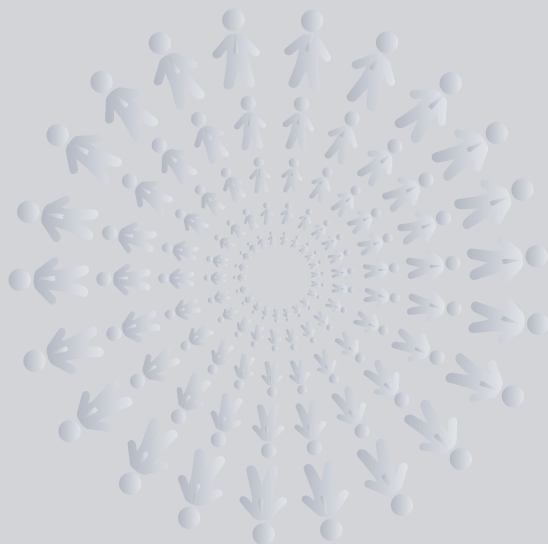


KPR
MILL LIMITED



team efforts
derive results

10th annual report 2012 -13

KPR's journey into textiles began in the year 1984. In 1989, the group ventured into garment exports. Today KPR is a leading garment exporter as well as a largest vertically integrated apparel Company, engaged in manufacturing and marketing readymade knitted garments, Knitted fabrics and cotton yarn including value added Compact & Melange yarn. KPR Mill has a cumulative capacity of 3,53,088 spindles to produce 90,000 MT of yarn per annum; Knitting facility to produce 21,000 MT of fabrics per annum; garmenting facility to produce 63 million pieces of ready-made knitted apparel per annum (operating double shift) and 'State of the Art' processing facility to process 9,000 MT per annum and 66 Wind mills with total power generation capacity of 61.92 MW which enables meeting 75% of our power requirement through Green Energy. To facilitate meeting our entire power needs through Green Energy a Cogen Cum Sugar Factory with a capacity of 30 MW and 5,000 TCD has been established through Subsidiary Company that has commenced Production since November 2012.



HIGH LIGHTS 2012-13

	(₹ in Lakhs)
Total Revenue	1,67,040
PBDIT	39,303
PBT	14,407
PAT	10,301
Cash Profit	25,394
Assets	2,09,002
Net Worth	70,626
EPS	₹ 27.01
Cash EPS	₹ 67.38





CONTENTS

Directors' Report	1
Corporate Governance	6
Auditors' Certificate on Corporate Governance	12
Management Discussion and Analysis	13
Auditors' Report	16
Balance Sheet	20
Statement of Profit & Loss	21
Cash Flow Statement	22
Notes forming part of the Financial Statement	24
Auditors' Report on Consolidated Financial Statement	42
Consolidated Balance Sheet	44
Consolidated Statement of Profit & Loss	45
Consolidated Cash Flow Statement	46
Notes forming part of the Consolidated Financial Statement	48
Statement U/S 212 of the Companies Act	67



CHAIRMAN'S LETTER

Dear Shareholders,

It is always a pleasure to share with you the progress and prospects of your Company

I am happy to report that Fiscal 2013 was a year of growth and progress for Your Company. Our results have been especially noteworthy in the wake of significant economic headwinds faced over the last few years.

We are all aware of the challenging and volatile economic environment and on-going market weakness in USA and Europe. The global economy in FY 2012-13 improved slowly and did not recover to the extent anticipated in the beginning of the year. The year started with the news that the

previous fiscal's fourth quarter GDP had dropped to 5.5%. That coupled with low growth, macroeconomic issues such as high fiscal deficit, expansionary subsidies and worsening current account balance has added to the slowdown.

Despite the descending trend, we achieved a 32% year on year growth in revenue. The EBIDTA too showed marked improvement with an increase to ₹ 393 crores from ₹ 187 crores in the previous year. Consequently, Our Consolidated Net Profit stood at ₹ 103 crores compared to ₹ 33 crores last year. Today, our exports account for close to 28% of the Company's sales sustaining the strong relationships with leading global brands.

We delivered a steady and satisfactory performance for FY 2013, largely due to vertical integration and self sufficiency in power.

India has gone through a difficult year in FY2013 and numerous challenges both in the global economic outlook and India's own economic situation persist. Nevertheless, given India's demographics, potential, and trajectory, we firmly believe that the decade ahead will have better prospects. The Indian textile industry is set for strong growth, buoyed by both rising domestic consumption as well as export demand. Abundant availability of raw materials such as cotton, wool, silk and jute and skilled workforce has made India a sourcing hub.

Garment exports from India are also witnessing a huge growth, mainly driven by improving US Economy, weakening of rupee, uncertainties & rising costs at competing neighbouring Countries.

Your Company remains committed to the underlying values of providing quality products, exemplary customer service, achieving business objectives with social responsibility and enhancing stakeholder value.

The major capex programme of the Company for developing this large integrated production capacity have been completed. Going forward, the focus is on value added and balancing capex related capital investments.

At KPR, we have the integrated capacity base in place supported by the increasing growth in

customer relationships. We are going to leverage both these to gain market share and continue with our growth path. We remain cautiously optimistic on delivering results with a strong focus on delivering improved returns on capital employed.

In FY2014, we plan to capitalise on all our existing facilities by consolidation. We are confident that as one of the largest vertically integrated textile companies in the country, we will continue to achieve impressive gains both in terms of new geographies as well as higher operational efficiencies, and continue to deliver outstanding value to our stakeholders.

Good Governance has always been an essential component of our success and will continue to be a cornerstone of our business as we move into the future. Your Directors firmly believe in acting with integrity and upholding the highest standard of Corporate Governance.

I would like to thank all our colleagues for their hard work and valued contribution during 2012-13. Together we have much to look forward to as we strive to make our Company even stronger and continue to focus on delivering for our customers.

I thank all our customers, suppliers, bankers, investors, and last but not the least, all our employees at KPR Mill Limited who continue to achieve stellar results.

With best wishes

K.P. Ramasamy
Chairman



Board of Directors



K.P. Ramasamy
Chairman



KPD Sigamani
Managing Director



P. Nataraj
Managing Director



C.R. Anandakrishnan
Executive Director



Shujaat Khan
Director



K.N.V. Ramani
Director



M.J. Vijayaraaghavan
Director



G.P. Muniappan
Director



Dr. K. Sabapathy
Director



A.M. Palanisamy
Director



A. Sekar
Whole Time Director



C. Thirumurthy
Director



REGISTERED OFFICE

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

CORPORATE OFFICE

1st Floor, Srivari Shrimat,
1045, Avinashi Road
Coimbatore – 641 018.

PL. MURUGAPPAN
Chief Financial Officer

P.KANDASWAMY
Company Secretary



BANKERS

Bank of Baroda
Bank of India
Corporation Bank
IDBI Bank Limited
Oriental Bank of Commerce
Allahabad Bank
State Bank of Mysore
State Bank of Travancore
The Karnataka Bank Limited
United Bank of India

STATUTORY AUDITORS

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

INTERNAL AUDITORS

Mr. A. Vetrivel B.Sc., F.C.A.,
Chartered Accountant
1/1 Seth Narayan Das Layout
2nd Street, Tatabad
Coimbatore – 641 012

**REGISTRAR AND
SHARE TRANSFER AGENTS**

Karvy Computershare Private Limited
Unit: KPR MILL LIMITED
17-24 Vittal Rao Nagar
Madhapur
Hyderabad – 500 081



DIRECTORS REPORT

Dear Shareholders,

We are delighted to present the report on our business and operations for the year ended March 31, 2013.

(₹ in Lakhs)				
FINANCIAL RESULTS	STANDALONE		CONSOLIDATED	
Particulars	2012-13	2011-12	2012-13	2011-12
Sales and Other Income				
Domestic Sales (Net of Excise Duty)	1,18,937	89,346	1,19,225	81,240
Export Sales	27,157	19,493	43,368	39,130
Other Income	3,835	10,427	4,447	6,868
	1,49,929	1,19,266	1,67,040	1,27,238
Profit before Interest & Depreciation	36,312	18,376	39,303	18,676
Less : Interest	8,008	4,704	9,803	4,817
Depreciation	14,181	10,362	15,093	10,362
Profit Before Tax	14,123	3,310	14,407	3,497
Less : Taxation				
Provision for Current Tax	2,798	591	2,877	648
Less : MAT Credit Entitlement	244	590	263	598
Tax relating to earlier years	-	360	12	378
	2,554	(359)	2,602	(328)
Provision for Deferred Tax Liability	1,493	546	1,504	546
Profit After Tax	10,076	3,123	10,301	3,279

REVIEW OF OPERATIONS

Your Company is one of the largest vertically integrated textile players with presence across the entire value chain from "fibre to fashion".

During the year under consideration the Company witnessed a good surge in its top line. Even though the year 2012-13 was marked by a significant volatility in the National Economy, the Company delivered a commendable performance. The increase in EBITDA was driven mainly by growth in sales, stable raw-material pricing and continued optimization of costs.

Consistent expansion with continuous focus on delivering value added products at customer acclaimed Quality and recent diversification activities have started yielding the desired results. The year under review witnessed establishment of the Melange yarn facility which is a value added yarn yielding higher margins. Price stability and adequate availability of Cotton, increased demand for Yarn and Fabrics both at domestic and international Markets resulted an impressive performance during the year under review over previous year.

Growing response for our superior quality products in the markets led to improved profitability. Your Company generated a Cash Profit of ₹ 243 Crores and Cash EPS of ₹ 64 as against ₹ 135 Crores and ₹ 36 in the previous year.

DIVIDEND

Your Board of Directors at their Meeting held on 07.02.2013 had declared an interim dividend of 30% on the Equity Shares of the

Company. Your Board has recommended a final dividend of 30% on Equity Shares of the Company, which is subject to approval of the Members at the ensuing 10th Annual General Meeting

PROJECTS

Melange Yarn Project at Karumathampatti with 16,128 Spindles and Expansion cum Modernisation at Sathyamangalam were completed.

FIXED DEPOSITS

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

FINANCE

Your Company has been regular in meeting its obligation towards payment of Principal / Interest to Banks.

DIRECTORS

Sri.M.J.Vijayaaraghavan, Sri.A.M.Palanisamy and Sri.C.Thirumurthy, Directors retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment.

As required under clause 49 of the Listing Agreement, the brief resumes of those Directors are furnished in the Notice of Annual General Meeting.

DIRECTORS REPORT

SUBSIDIARY COMPANIES

The Company has following four Subsidiary Companies with 100% Beneficial Interest and the Statements pursuant to Section 212 of the Companies Act, 1956 containing details of Subsidiaries forms part of this Annual Report.

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

COGEN CUM SUGAR PROJECT- K.P.R.SUGAR MILL LIMITED:

We are glad to announce that the Cogen Cum Sugar Factory with 30 MW and 5000 TCD respectively, established at Almel Village, Sindagi Taluk, Bijapur (DT), Karnataka, commenced commercial production from November 2012 onwards. During five months of its maiden year of operations produced 7.23 Crores units of Power, out of which 5.24 Crores Units sold and the remaining 1.99 Crores units captively consumed; 66234 MT of Sugar produced, out of which 8939 MT sold. Adequate availability of Men, Material and Strategic Management Policies enabled a comfortable operation in its first year itself.

PREMIUM CAR DEALERSHIP- JAHNVI MOTOR PRIVATE LIMITED

During the year, your company has invested ₹ 1.51 Crores in M/s.Jahnvi Motors Private Limited. Consequently the said Company has become our Wholly Owned Subsidiary w.e.f. 30.10.2012.

In view of the general exemption granted by the Central Government vide its Circular No: 2/2011 dated 8th February, 2011 the Audited Statement of Accounts, the reports of the Board of Directors and Auditors of the Subsidiary Companies are not annexed as required under section 212(8) of the Companies Act, 1956. Shareholders who wish to have a copy of the full report and accounts of the Subsidiaries will be provided on receipt of written request from them. These documents will be put up on the Company's Website viz. www.kpmillimited.com and will also be available for inspection by any Shareholder at the Registered Office of the Company on any working day during business hours.

CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Clause 32 of the Listing Agreement entered into with the Stock Exchanges and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in this regard.

The consolidated Financials also marked a significant increase in its Revenue as well as Profitability.

PARTICULARS OF EMPLOYEES

The information required under Section 217 (2A) of the Companies Act 1956 and the Rules made thereunder, is provided in an Annexure forming part of this Report. In terms of Section 219 (1) (b) (iv) of the Companies Act 1956, the Report and Accounts are being sent to Shareholders excluding the aforesaid Annexure. Any Shareholder interested in obtaining a copy of the same may write to the Company Secretary.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under section 217(1)(e) of the Companies Act 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 are provided in the Annexure to the Report.

DIRECTORS REPORT

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that;

- i. In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. The Directors have selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate record in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors have arranged preparation of the accounts for the financial year ended March 31, 2013 on a going concern basis.

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

Corporate Governance Report and Management Discussion and Analysis Statement are attached to this Report.

AUDITORS

M/s.Deloitte Haskins & Sells, Chartered Accountants, Coimbatore, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for Re-appointment.

AUDITORS REPORT

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

COST AUDITOR

The Company has reappointed Sri.B.Venkateswar, B.Sc., ACMA, Coimbatore, as the Cost Auditor to audit cost accounts for the year ending on 31.03.2014.

INDUSTRIAL RELATIONS

The relationship with employees continued to remain cordial throughout the year under review.

ACKNOWLEDGMENT

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

Coimbatore
21.05.2013

By order of the Board of Directors
K.P. Ramasamy
Chairman

INFORMATION PURSUANT TO COMPANIES (Disclosure of Particulars in the Report of Board of Directors) RULES, 1988

A) CONSERVATION OF ENERGY

a) ENERGY CONSERVATION MEASURES TAKEN

1. At Sathy Unit significant saving done in lighting system by replacing the old conventional 40 Watts tube lights by 28 watts Asian make and 15 Watts CFL in Hostel rooms and other utilities areas.
2. At Karumathampatti spinning unit, the old belt driven reciprocating type Kirloskar compressor replaced by Atlas Screw compressor with inverter drive to avoid the belt transmission loss and increase the output efficiency in the Air line system.
3. At Karumathampatti spinning unit, the variable frequency drives installed in WRS centrifugal 75 KW motor with pressure controller to maintain the required pressure consistently by varying speed and modification WRS system modified by Draft Air technologies.
4. At Neelambur unit, Lighting Energy saver unit (Beblec Make) installed for total lighting system and significant saving done in overhead travelling cleaners by optimizing the hours of operation.
5. At Karumathampatti Compact Spinning unit, installing of Variable frequency drives in Spinning Blower motors and Humidification plants to optimizing the energy output by maintaining the required machine parameters and department relative humidity.
6. At Karumathampatti Compact Spinning unit, existing fans in the Overhead cleaners was replaced by energy saving fans in all 72 ring frames.
7. At Arasur unit, in all ring frames pneumatic suction tubes are modified to improve suction level and simplex OHTC operations controlled based on machine running by timer controls.

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

Further efforts are being taken to reduce energy consumption in all energy intensive equipment.

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

The above measures have secured reduced consumption of electricity and fuel oils vis-a-vis reduction in the cost of production. Total energy consumption & consumption per unit of production are as per Form 'A' below:

Annexure to the Directors' Report

FORM A – PARTICULARS IN RESPECT OF ENERGY CONSERVATION:

I. Power and Fuel Consumption

Particulars	Units	2012-13	2011-12
1. Power & Fuel Consumption			
A) Electricity			
i) Connected Load	KVA	31,925	27,475
ii) Purchase of Units	Lakh Units	128	206
iii) Total Amount	₹ Lakhs	771	1253
iv) Rate per unit (Average)	₹	6.03	6.03
v) Demand Charges	₹ Lakhs	886	530
B) Electricity from Third Party			
i) Purchase of Units	Lakh Units	279	143
ii) Total Amount	₹ Lakhs	1,995	947
iii) Rate Per Unit (Average)	₹	7.16	6.63
2. Own Generation			
i) Through Diesel Generator			
Units generated	Lakh Units	48	63
Total Amount	₹ Lakhs	662	692
Cost/Unit	₹	13.68	11.03
Units/Litre of Diesel	Units	3.27	3.43
ii) Through Wind Mill			
Units generated	Lakh Units	1,491	1,191
iii) Through Steam turbine Units			
Coal/Furnace Oil / Others	Units	Nil	Nil
II. Consumption per unit of Production			
a) Production of yarn			
Electricity (units) per Kg of Yarn Production	Kgs.	6,28,28,194	4,52,17,140
	Units	2.84	2.51
b) Production of Garments			
Electricity (Units) / Piece of Garments	Pieces	1,81,87,631	1,57,80,049
	Units	0.24	0.27
c) Processed Fabrics			
Electricity (Units) / Kg of Fabric Processed	Kgs.	64,25,668	67,23,687
	Units	1.22	1.12

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

- Specific areas in which R&D carried out by the Company :
Improvement of Quality of Products, Development of new Products and Designs, Cost control measures, Energy Conservation etc.
- Benefits derived as a result of above R&D:
Sustained quality of products at economized cost.
- Future Plan of Action:
Continuous focus on innovations in Textile development processes & products.
- Expenditure on R&D - NIL
- Technology absorption, adaptation and innovation:

For consistent production of higher quality products, besides having State of the Art Machinery and Equipments, each of our manufacturing facilities are equipped with well trained Personnel and high-tech quality control equipments. Zero Discharge System of ETP at Processing Division.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars	(₹ in Lakhs)	
	2012-13	2011-12
i) Foreign Exchange earned through Exports amount to	27,157	19,493
ii) Foreign Exchange used	16,003	2,081

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Good Corporate Governance is based on the principles of transparency, efficiency, timeliness, completeness and accuracy of information at all levels. A strong governance record creates a positive impression in the minds of all Stakeholders. However sophisticated the markets, reputation and trust are crucial. A company's reputation and image constitute an integral, if intangible part of its assets.

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

BOARD OF DIRECTORS

The Board consists of eminent Professionals from different fraternity empowering the Corporate's strive for sustained better Corporate Governance practices. It comprises Twelve Directors viz., One Executive Chairman, Four Executive Directors, One Non-Executive Non Independent Director and Six Independent Directors having no business relationship with the Company and constituting 50% of Board's composition

Name of the Director	Category	Number of Directorships held in other Companies *	Number of Board Committee Members held in other companies	
			Chairman	Member
Sri. K. P. Ramasamy	Executive	5	-	-
Sri. KPD Sigamani	Executive	5	-	-
Sri. P. Nataraj	Executive	5	-	-
Sri. Shujaat Khan	Non-Executive and Non-Independent	2	1	-
Sri. M. J. Vijayaraaghavan	Independent Director	1	-	-
Dr. K. Sabapathy	Independent Director	1	-	-
Sri. G. P. Muniappan	Independent Director	1	-	1
Sri. K. N. V. Ramani	Independent Director	6	6	3
Sri. A.M. Palanisamy	Independent Director	1	1	-
Sri. A. Sekar	Executive	2	-	-
Sri.C.R. Anandkrishnan	Executive	2	-	-
Sri. C. Thirumurthy	Independent Director	1	-	1

* Excluding Directorship in Non-Subsidiary Private Limited Companies and Section 25 Companies.

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

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

BOARD PROCEDURE

By deciding the dates and issue of notices well in advance, Five Board Meetings were held during the year under review. They were held on 14.05.2012, 28.06.2012, 11.8.2012, 30.10.2012 and 07.02.2013. The Agenda papers containing all material information such as raw materials purchased, yarn produced, yarn sold, fabric production, fabric sales, fabric processing, garment production, export of garments, power generated, power consumed, realization, stock details, working capital facilities, term loan availment, risk exposures, annual budget, capital expenditure, sale of assets, status of projects under implementation, financials of Subsidiary Company etc., are circulated to the Directors in advance for facilitating meaningful and focused discussions at the Meetings.

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

Name of the Director	Number of Board Meeting Attended	Last AGM Attended Yes / No
Sri. K. P. Ramasamy	4	Yes
Sri. KPD Sigamani	5	Yes
Sri. P. Nataraj	5	Yes
Sri. Shujaat Khan	4	Yes
Sri. M. J. Vijayaraaghavan	5	Yes
Dr. K. Sabapathy	5	Yes
Sri. G.P. Muniappan	5	Yes
Sri. K.N.V. Ramani	4	Yes
Sri. A.M. Palanisamy	5	Yes
Sri. A. Sekar	4	Yes
Sri. C.R. Anandkrishnan	4	Yes
Sri. C. Thirumurthy	4	Yes

Corporate Governance

AUDIT COMMITTEE

The Audit Committee comprised 4 Directors of which 3 were Independent Directors.

The terms of reference to the Audit Committee are as per Clause 49 of the Listing Agreement as well as Section 292-A of the Companies Act, 1956.

During the year under review, the Audit Committee met Five times on 05.05.2012, 21.06.2012, 06.08.2012, 27.10.2012 and 31.01.2013 and the attendance of each Member is furnished as below:

Name of the Member	Number of Meetings Attended
1) Sri. M.J. Vijayaraaghavan - Independent and Non-Executive Director (Chairman)	5
2) Dr. K. Sabapathy - Independent and Non-Executive Director	5
3) Sri. G.P. Muniappan - Independent and Non-Executive Director	5
4) Sri. P. Nataraj - Non-Independent and Executive Director	5

All the Members of the Audit Committee are financially literate wherein two are Chartered Accountants and one is Retd. Deputy Governor of RBI.

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

The Audit Committee recommends the appointment of Internal Auditors and Statutory Auditors.

To ensure independence and credibility of the Internal Audit process, a well qualified and experienced person, who is not an employee of the Company, conducts Internal Audit.

REMUNERATION COMMITTEE

The Remuneration Committee consisted of 4 Non-Executive Directors of whom 3 are Independent. No Executive Director is on the Committee.

1) Sri. M.J. Vijayaraaghavan	- Independent and Non-Executive Director (Chairman)
2) Sri. Shujaat Khan	- Non-Independent and Non-Executive Director
3) Sri. G.P. Muniappan	- Independent and Non-Executive Director
4) Dr.K.Sabapathy	- Independent and Non-Executive Director

The terms of reference specified by the Board of Directors to the Remuneration Committee are as under:

The function of Remuneration Committee is to ensure that the Company's remuneration policies in respect of the Directors are competitive so as to recruit and retain the best talent in the Company and to ensure appropriate disclosure of

remuneration paid to the said persons.

During the year under review the Remuneration Committee met once to recommend the Remuneration payable to Sri.A.Sekar, Whole Time Director of the Company upon his re-appointment.

Details of Remuneration and sitting fee paid to the Directors are given below:

(₹ in Lakhs)		
Name of the Director	Remuneration during the year 2012-13	Sitting fees for attending meetings of the Board and / or Committee thereof
Sri. K.P. Ramasamy	36700	Nil
Sri. KPD Sigamani	36700	Nil
Sri. P. Nataraj	36700	Nil
Sri. Shujaat Khan	Nil	0.50
Sri. M.J. Vijayaraaghavan	Nil	1.50
Dr. K. Sabapathy	Nil	1.50
Sri. G.P. Muniappan	Nil	1.00
Sri. K.N.V. Ramani	Nil	0.40
Sri. A.M. Palanisamy	Nil	0.50
Sri. A. Sekar	10.80	Nil
Sri.C.R.Anandakrishnan	24.00	Nil
Sri. C. Thirumurthy	Nil	0.40

INVESTORS GRIEVANCE COMMITTEE

The Investors' Grievance Committee was formed to specifically look into Shareholders / Investors complaints, if any, on request for re-materialization of shares, transfer and transmission of shares, non-receipt of Balance Sheet, non-receipt of dividend declared etc., and also the action taken by the Company on those matters.

The Investors Grievance Committee consisted of 3 Directors of whom 2 are Independent:-

1) Dr. K. Sabapathy	- Independent and Non-Executive Director (Chairman)
2) Sri. M.J. Vijayaraaghavan	- Independent and Non-Executive Director (Vice-Chairman)
3) Sri. P. Nataraj	- Non-Independent and Executive Director

Corporate Governance

The Committee held four Meetings on 05.05.2012, 06.08.2012, 27.10.2012 and 31.01.2013 during the Financial Year 2012 - 2013.

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

During the financial year 2012 - 2013 the Company has received 2 complaints (upto March 2013) from the Shareholders. All the complaints were redressed to the satisfaction of the Shareholders. No transfer was pending as on 31.03.2013.

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

Pursuant to Clause 47(f) of the Listing Agreement, the Company has designated the following exclusive E-mail ID for the convenience of Investors: investor@kprmill.com

In addition they can forward their grievance, if any, to the following E-mail ID also: kandaswamy@kprmill.com

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

CEO / CFO CERTIFICATION

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

GENERAL BODY MEETING

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

Annual General Meeting	Date	Venue	Time
7th	25.08.2010	Ball Room, Hotel The Residency, 1076, Avinashi Road, Coimbatore - 641 018	11.30 A.M.
8th	28.07.2011	Ball Room, Hotel The Residency, 1076, Avinashi Road, Coimbatore - 641 018	11.30 A.M.
9th	29.08.2012	Ball Room, Hotel The Residency, 1076, Avinashi Road, Coimbatore - 641 018	11.30 A.M.

POSTAL BALLOTS:

During the year ended 31st March, 2013 no Resolution was passed by our Shareholders through a postal ballot.

DISCLOSURE:

- i. None of the transactions with related parties during the year 2012-13 were in conflict with the interest of the Company.
- ii. No penalty or levy have been imposed by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets during last year.
- iii. Sri.K.P.Ramasamy, Chairman, Sri.KPD Sigamani, Managing Director and Sri.P.Nataraj, Managing Director are related to each other and Sri. C.R. Anandakrishnan, Executive Director is related to Sri. K.P. Ramasamy, Chairman.
- iv. When the Subsidiary Companies become material Subsidiary Companies, an Independent Director of the Company will be nominated on its Board. The salient features of the Minutes of Meeting of Board of Directors of the Wholly Owned Subsidiary Companies viz., M/s. Quantum KNITS PVT. LIMITED, M/s. K.P.R. Sugar Mill Limited, M/s.Jahnavi Motor Private Limited and Galaxy Knits Limited are placed before the Board of Directors and their attention are drawn to significant transaction and arrangement entered into by the Subsidiary Company.
- v. Directors Responsibility Statement and Management Discussion and Analysis Report along with the Report of the Auditors thereon have been furnished elsewhere in the Annual Report.
- vi. The Company has a system to inform the Members of the Board about the risk Assessment and its minimization procedure.

MEANS OF COMMUNICATION

The Annual Report containing the financial statements is posted / e-mailed to the shareholders of the Company in compliance with the provisions of the Companies Act, 1956. Towards Green Initiative, the Shareholders are requested to convey / update their e-mail address as well as register the same with their respective Depository Participant.

- 1 Quarterly Results are usually published in "Business Line" (English) and in "Dinamalar" (Tamil).
- 2 The Financial Results are also accessible on the Company's Website - www.kprmilllimited.com

SHAREHOLDERS INFORMATION

Annual General Meeting

Day and Date	Saturday, 31st August 2013
Time	11.30 AM.
Venue	Ball Room, Hotel The Residency, 1076, Avinashi Road, Coimbatore – 641 018

DATE OF BOOK CLOSURE

The Register of Members and Share Transfer Books of the Company will remain closed from 23.08.2013 to 31.08.2013 (both days inclusive) for the purpose of Final Dividend and Annual General Meeting of the Company.

SHARE DETAILS:

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

Scrip Code : 532889

Bombay Stock Exchange Limited,

1st Floor, Rotunda Buildings,
Phiiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001.

Symbol : KPRMILL

National Stock Exchange of India Ltd.,

Exchange Plaza, Plot: C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051.

The Annual Listing Fee payable to the Stock Exchanges for the Financial Year 2013-2014 have been paid in full.

DEMATERIALISATION OF SHARES:

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

The Annual Custodian Fee payable to the above Custodians for the Financial Year 2013-2014 have been paid in full.

As on 31.03.2013, shares representing 97.06 percentage of the total paid up capital of the Company are held in dematerialized form with NSDL and CDSL

REGISTRAR AND TRANSFER AGENTS:

Karvy Computershare Private Limited,

Unit: KPR MILL LIMITED,
17-24 Vittal Rao Nagar,
Madhapur, Hyderabad – 500 081.

Tel: +91 40 23420181

Toll free No: 18003454001

Fax: +91 40 23420815 - 828

E-mail: einward.ris@karvy.com

SHARE TRANSFER SYSTEM

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

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

Please register your mobile number and email id with the DP, to get instant information thru SMS from the Depository, whenever shares are credited or debited from your DP account. Please ensure that you receive a copy of the transaction statement from your DP every month. Also use the nomination facility available with the Depository and register the nominee.

In respect of shares to be transferred in physical form, the investors need to attach a photocopy of the PAN card issued by the Income tax department along with the transfer deed. After the share transfer committee of the company approves the transfer, the shares will be transferred by the Share Transfer Agent. For matters regarding the physical shares, the investors may approach the Company's Share Transfer Agent.

Corporate Governance

MARKET PRICE DATA

The details of the monthly highest and lowest closing quotations of the Equity Shares of the Company at the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd., during the financial year 2012-2013 are given below:

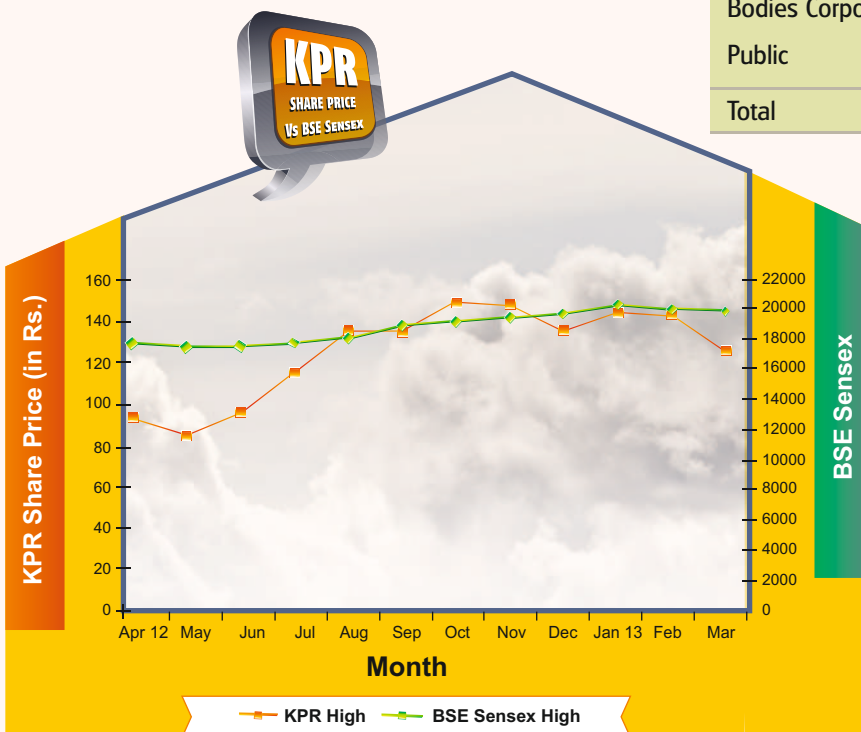
Month	BSE		NSE	
	High ₹	Low ₹	High ₹	Low ₹
April 2012	92.10	79.10	89.00	75.20
May 2012	83.55	75.20	86.80	75.00
June 2012	94.70	78.20	95.00	75.25
July 2012	114.00	93.10	115.00	92.00
August 2012	134.35	97.00	134.95	98.15
September 2012	134.00	117.75	135.55	120.00
October 2012	148.00	126.00	148.00	125.60
November 2012	147.00	125.00	146.80	121.05
December 2012	134.70	122.80	135.75	123.00
January 2013	143.40	125.30	143.40	122.70
February 2013	141.90	120.00	140.05	118.20
March 2013	124.40	100.10	125.00	101.10

DISTRIBUTION OF SHAREHOLDINGS AS ON 31st MARCH 2013:

Shareholdings	No. of Share holders	% of Share holders	No. of Shares	% to Equity	
1	500	5147	90.70	518819	1.38
501	1000	212	3.74	173704	0.46
1001	2000	121	2.13	185208	0.49
2001	3000	55	0.97	139719	0.37
3001	4000	27	0.48	98032	0.26
4001	5000	13	0.23	60431	0.16
5001	10000	43	0.75	295840	0.79
10001 & above		57	1.00	36211139	96.09
Total		5675	100.00	37682892	100.00

SHARE HOLDING PATTERN AS ON 31st MARCH 2013:

Category	Number of Shares Held	% of Holding
Promoters & Promoter Group	28246725	74.96
Overseas Corporate Bodies	1611949	4.28
Banks	30390	0.08
Foreign Institutional Investors	953	0.00
Foreign Venture Capital Investors	3347185	8.88
NRIs	77400	0.21
Bodies Corporate	978028	2.60
Public	3390262	8.99
Total	37682892	100.00



Corporate Governance

PLANT LOCATION:

LOCATION	TELEPHONE	FACILITIES
Indiampalayam Village, Sathyamangalam - 638 454.	+ 91 4285 251490	Spinning
S.F.No.273, Kittampalayam, Karumathampatti, Coimbatore - 641 659.	+ 91 421 2321000	Spinning, Compact & Melange
S.F. No.525, Neelambur, Coimbatore - 641 014.	+ 91 422 2625115	Spinning & Knitting
S.F.No.181, Kollupalayam, Arasur, Coimbatore - 641 407.	+ 91 422 2635500	Spinning, Knitting & Garmenting
252, Periyar Colony, Tirupur - 641 652.	+ 91 421 2259200	Garmenting
SIPCOT Industrial Area, Perundurai - 638 052.	+ 91 4294 234800	Processing
270 J, Periyar Colony, Tirupur - 641 652.	+ 91 421 2259500	Marketing (Yarn&Fabric)
Tirunelveli, Tenkasi, Theni & Coimbatore District		Windmills

ADDRESS FOR CORRESPONDENCE

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

TRAINING OF BOARD MEMBERS

The Members of the Board are eminent and experienced persons and majority of them are professionals and are kept informed of the latest developments in laws, rules and regulations as also the various risks to which the company is exposed and the manner in which these risks are mitigated / minimized. Therefore the need for formal training on these issues is not felt necessary at present.

CAPITAL INTEGRITY AUDIT

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

PREVENTION OF INSIDER TRADING

Pursuant to SEBI (Prohibition of Insider Trading) Regulation, 1992, the Company has prescribed a Code of Conduct for prevention of insider trading through Purchase / Sale of Share of the Company by an insider on the basis of unpublished price sensitive information.

The same is followed and the designated persons are disclosing the related information periodically.

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

DEMAT SUSPENSE ACCOUNT

(As per Clause 5A of the Listing Agreement)

Particulars	No. of Cases	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. as on April 1, 2012	9	1,175
Number of shareholders who approached for Issuer / Registrar for transfer of shares from suspense account during the year 2012 - 13	-	-
Number of shareholders to whom shares were transferred from suspense account during the year 2012 - 13	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. as on March 31, 2013	9	1,175

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

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

CORPORATE GOVERNANCE VOLUNTARY GUIDELINES 2009

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

The above Corporate Governance Report has been placed before the Board of Directors at their Meeting held on 21.05.2013 and the same was approved thereat.

CODE OF CONDUCT AND ETHICS – DECLARATION

"It is hereby declared that the Board of Directors of the Company have adopted a Code of Conduct for the Board members and Senior Management of the Company and the same has also been posted in the website of the Company and that all the Board Members and Senior Management Personnel to whom this Code of Conduct is applicable have affirmed the compliance of Code of Conduct during the year 2012 - 13".

Coimbatore
21.05.2013

P. Nataraj
Managing Director

Certificate

CERTIFICATE ON CORPORATE GOVERNANCE

The Members of K.P.R. Mill Limited

1. We have examined the compliance of conditions of Corporate Governance by K.P.R. MILL LIMITED (the "Company"), for the financial year ended 31st March, 2013, as stipulated in clause 49 of the Listing Agreement of said Company with the stock exchanges.

2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor expression of opinion on the financial statement of the Company.

3. In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the directors and the management, we certify that the Company has complied in all material respect with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

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

Coimbatore
21.05.2013

For Deloitte Haskins & Sells
Chartered Accountants
Registration No. 008072S
C R Rajagopal
Partner
Membership No.23418

CEO / CFO CERTIFICATE

Pursuant to Clause 49(v) of Listing Agreement

In relation to the audited financial accounts of the Company as at 31st March, 2013, We hereby certify that

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

Coimbatore
21.05.2013

PL Murugappan
Chief Financial Officer

P. Nataraj
Managing Director

Management Discussion & Analysis Report

Economic Scenario:

There has been a general slowdown in the global economy which is passing through a rather prolonged phase of uncertainty. The recovery from the global crisis of 2008-09 in the advanced economies have been uneven, with a decisive resolution yet to emerge to the sovereign debt problem in the Euro zone.

India is considered as one of the fastest growing significant economies in the World. It is also expected to be the Second largest manufacturing Country globally in the next Five Years. In the year 2012-13, the fragile global economic recovery and a number of domestic factors such as continued high inflation, trade deficit. etc, have led to a slowdown Fiscal consolidation by expenditure control continues to be an important factor affecting growth outlook. Rural wages have been growing at an average 19% for past three years. This has been one of the key factors resulting in higher food and overall CPI inflation and inflation expectations. Rationalisation of Government expenditure has become inevitable in view of the huge Fiscal deficit.

Our Performance:

Realising the vast potential of the Indian and global Markets, the Company has steadily expanded its activities across various facets. Compared to last year, the performance has been much encouraging at all levels inspite of the challenging environment within which we operated in. Yarn Sales was 39 % up, Fabrics 57% and the overall Export increased by 10%. However, the garment sector remained subdued due to sluggish Demand.

Our Cogen cum Sugar Project commissioned at a path breaking short duration in the month of November 2012 and started generating Revenue. Now the Company can meet its entire Power requirements through green energy sourced from wind mills and Cogen power. Value added yarn capacity recently commissioned has contributed to the revenue and margin expansion.

With the positive developments taking place in the textile sector, the Company is well positioned to tap the market and expand its footprints further.

GLOBAL TEXTILE INDUSTRY:

During the Year, the international market for textile products and apparel remained sluggish due to the adverse effects of the weak recovery in the global economy and the sovereign debt crisis in Europe, while competition became more intense. Medium term growth rate remained subdued for major consuming economies. In most manufacturing countries, costs (minimum wage, inflation, utility costs, currency exchange) continued to rise faster than efficiency gains.

After a downturn faced in the previous year, along with the global slowdown, we are now confidently looking forward to the near future.

The situation of ultimate demand from international markets looks optimistic for India, as export orders for textile products and apparel are gradually shifting from China and Bangladesh to neighbouring countries with lower production costs like India and Pakistan, thereby providing additional opportunity of growth to domestic textile players.

INDIAN TEXTILE INDUSTRY:

The Indian textile industry is one of the largest and oldest sectors in the country and among the most important in the economy in terms of output, investment and employment. The industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. Strong production base of both natural and man-made fibres including cotton, jute, silk, wool, polyester, nylon and acrylic adds to the fundamental strength of Indian textile and apparel industry.

The Indian textile and apparel market size estimated to be ₹ 273,000 crores (USD 58 billion) in 2011 is projected to grow at 9% CAGR to ₹ 664,000 crores (USD 141 billion) by 2021. Various policy measures initiated by the Government in the recent past have placed the Indian textiles industry in a stronger position than it was in the last six decades. The industry which was growing at 3-4 percent during the last six decades has now accelerated to an annual growth rate of 8-9 per cent in value terms.

Increasing investments, subsequent increase in the industrial production and the positivism observed by the textile sector, has resulted in progress and development of the sector.

On the other hand, high input costs, competition, cost competitiveness, low productivity levels and the rupee volatility are some of the key challenges faced by the industry.

To address these challenges, the Company continuously invests in new technology, strives to shorten delivery cycles to meet customer demands, expands its portfolio, introduces innovation in product offerings and strengthens design focus, both in India and overseas, exploring newer Markets as an integral part of the strategy.

INDUSTRY OUTLOOK:

General:

The Financial Year began with uncertainty posing biggest challenge for the textile industry as a whole. The economic situation in Europe and the US, a combination of rising production costs and flat prices, the pressure to improve working conditions, lack of new production centers and low volume growth in fashion all add up to a worrying start. However sign of global recovery at major Markets and newer market Avenues refreshed a ray of hope for the Industry. The macroeconomic picture is looking considerably brighter these days. Looking ahead, textiles and apparel sector would witness phenomenal growth on the back of supportive government policies and schemes and tremendous growth potential due to favorable socio economic factors.

Management Discussion & Analysis Report

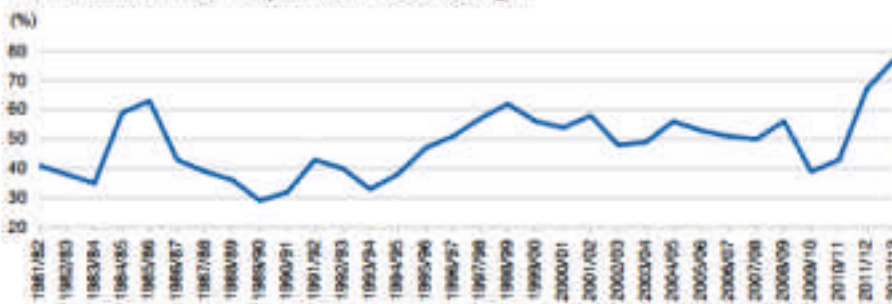
The Knitwear cluster, Tirupur appears to be surpassing the issue posed by the closure of Dyeing and Bleaching Units in the Region, since with the Common effluent treatment Plants the problems are mitigated considerably.

Due to large imports by China, Indian Cotton Yarn Exports reached an all time high.

Cotton:

The world cotton stock is projected to rise in the year 2013-14. The current global cotton inventory is at a multi-decade high, with stocks to usage ratio estimated to be at 71% (source: USDA). Around 50% of this global inventory is in China. The muted cotton consumption levels globally along with surging global inventory, driven by China, have kept global cotton prices at low levels.

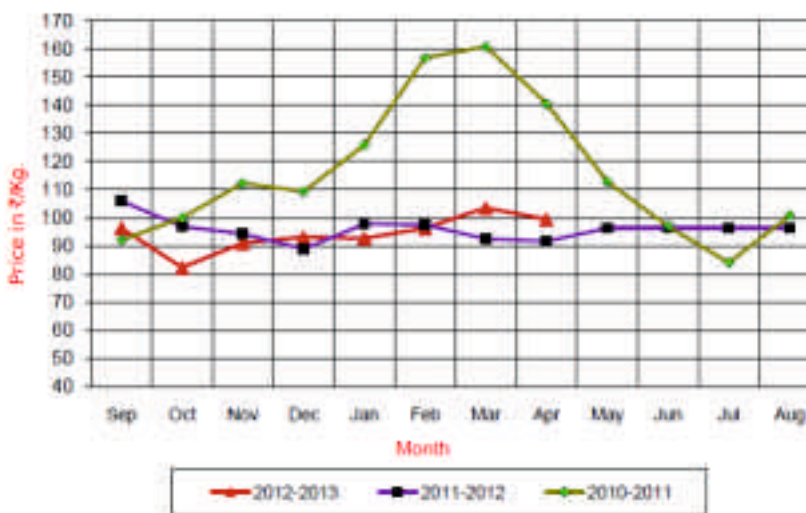
World Cotton Inventory at Multi Decade High



Source: OCI and India Ratings

We expect cotton prices to stabilise at the current low levels or decline by 5%-10% in 2013 due to a possible decline in import from China. However, this may be partially mitigated by increasing demand from Bangladesh and Pakistan. Ofcourse the prices started accelerating in the recent days , but the strategical shift in the buying practice of the Mills supported by the release of cotton from the govt stock are softening its impact.

Seasonal Price Trends of Raw Cotton



Source: Ministry of Textiles

YARN:

The cotton yarn manufacturers in the current year are expected to benefit from pick up in domestic demand, the likely higher demand of cotton yarn from China which had hitherto been importing Cotton in bulk and has changed its strategy to import value added Products i.e. Yarn and improving margins on account of low cotton prices and firm cotton yarn prices. Infact for quality yarn the entire world may have to depend on India in future.

Cotton yarn export in the fiscal year 2012 has registered a growth of approximately 20% as compared to the previous year. What this means to yarn spinners are that the favorable business conditions enjoyed over the past six months are likely to continue.

FABRIC:

The Domestic Market has been good during the current year. The fabric Market is reported to be growing at a steady pace. The changing demographics, higher demand and the growth of apparel e-tailing are contributing to the growth.

GARMENTS:

The Readymade garments industry is one among the globalised industries of the world. Readymade garments manufactured in India are well received across the overseas market and India has emerged as a preferred sourcing destination. The sector is a great contributor towards foreign exchange earnings and employment generation. The Readymade garments industry is increasing day by day due to changes of fashion in day to day life. The industry in India owes its existence to the emergence of a highly profitable market for exports. Ready-made garments account for approximately 45% of India's total textile exports. Exploring of emerging Markets including South America, Japan, Australia, New Zealand and Africa for Exports and the possibilities of FTA between India and EU appears to brighten the Garment Export.

Indian domestic apparel market is expected to grow at a CAGR of 9%. Higher per capita consumption, favorable consumer demographic and increase in prices will drive apparel market growth in India.

Management Discussion & Analysis

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has adequate system of internal controls to ensure that all the assets are safeguarded and are productive. Necessary checks and balances are in place to ensure that transactions are adequately authorized and reported correctly. The Internal Auditors of the Company conduct Audits of various departments to ensure that the necessary controls are in place. The Audit Committee of the Board reviews these and the Company, when needed, takes corrective actions.

HUMAN RESOURCES:

Human resources continue to be the biggest asset of the Company. The exemplary Five Star category welfare policy mitigates the impact of Labour shortage the Industry faces. The team has remained as committed as ever and produced results that are considered significant. Quality, quick delivery and focus on resolving customer issues are the hallmark of the team performance. Employee relations continue to be cordial.

OPPORTUNITIES & STRENGTHS:

A gradual shifting of textile manufacturing facilities from the developed economies to developing economies is making countries like India and Bangladesh play an increasingly important role. Policies imposed by the Chinese government on local cotton purchase have created an additional opportunity for Indian textile manufacturers. During the Year, the international market for textile products and apparel remained sluggish due to the adverse effects of the weak recovery in the global economy and the sovereign debt crisis in Europe, while competition became more intense. Medium term growth rate remained subdued for major consuming economies. In most manufacturing countries, costs (minimum wage, inflation, utility costs, currency exchange) continued to rise faster than efficiency gains.

Troubles in Bangladesh are highlighting the risks to investors looking for new manufacturing bases cheaper than China. One of the world's top clothing exporters now risks slipping through its fingers after a series of tumultuous events. After a downturn faced in the previous year, along with the global slowdown, we are now confidently looking forward to the near future.

The situation of ultimate demand from international markets looks optimistic for India, as export orders for textile products and apparel are gradually shifting from China and Bangladesh to neighboring countries with lower production costs like India and Pakistan, thereby providing additional opportunity of growth to domestic textile players.

India's consumer spending is going through fundamental change where lifestyle fuelled consumption is growing fast owing to rising disposable incomes and enormous available options. As per Technopak, around 35% of the country's population will be living in the urban areas and the contribution of urban population to GDP is likely to increase by 5% to approximately 65% by 2016. Apart from urban India, the expenses on apparel would also remain significantly high in smaller cities and rural areas due to rising affluence, which would provide necessary impetus to the industry.

The Government of India has been supporting the industry with plethora of encouraging policies, schemes and incentives like TUFs,

Integrated Textile Parks, permitting 100% FDI under automatic route, Duty Drawback Schemes and Excise Duty abatement on readymade garments etc. It also plans to put forth fiber neutral Excise Policy and to set up Integrated Apparel Clusters in 12th Five Year Plan.

WEAKNESS & THREATS:

While there is a proper structure for risk management, which is regularly implemented across the organization, there are certain regular risks and concerns that surface in the business. Our primary raw material is cotton, which we source from the domestic market. Cotton is an agricultural product and its supply and quality are subject to forces of nature. However, the Company has over the years developed considerable expertise in responding to the changes in prices and demand. Due to the vertical integration, the Company is generally able to pass on the increase in raw material prices to its customers.

Power and Fuel are major manufacturing costs while producing textiles. The wind mills and the captive power plant set up by the Company helps to fully mitigate the power cost risk by providing 100 percent self sufficiency in power.

Advancement in technology, upgradation of our manufacturing facilities, diversified product portfolio, quality approach, modern technology and strong marketing network have equipped the Company well to meet the stiff competition and any Market eventualities.

COMPANY'S FUTURE OUTLOOK:

Sensing the prospects for value added yarn we have already expanded Compact Yarn Capacity and established Melange yarn segment which would further the revenue. The growing demand for quality yarn at global and domestic Markets shall be met with the expanded capacity we have built in.

Similarly in the Garment segment too we have adequate capacity to meet the Market's additional need. We have started exploring the new avenues to top up our global customer base, from Countries remained untapped. Total self sufficiency in meeting our power requirements, attained through Co-gen Green Power would also accelerate our performance level.

Commercial Production has been commenced at the Co-gen Cum Sugar Unit established by the Company's wholly owned Subsidiary M/s. K.P.R Sugar Mill Limited at, Bijapur District, Karnataka, w.e.f. 23rd, November 2012. The co-gen plant is of 30MW and the capacity of the sugar plant stands at 5,000 TCD.

Driven by the domestic and export market demands, KPR already augmented its spindle capacity to be one of the largest spindleage Units in India and also as a value added Products focused unit. The 61.92 MW wind power capacity at Tirunelveli, Tenkasi, Theni and Coimbatore district and 30 MW Cogen Power at Karnataka gives us a further edge. The reliability gained over years on quality and prompt delivery besides our inherent unique strengths shall continue to benefit in future. Reasonable stability in cotton prices, remunerative yarn prices, surging Book orders for garments due to recovery in U.S Market and emergence of newer Markets, encouraging demand from domestic markets, changed policy scenario in respect of Sugar regulation etc., shall further the prospects of the Company in the years to come also.

Coimbatore
21.05.2013

By Order of the Board
K.P.Ramasamy
Chairman

Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of K.P.R. MILL LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Auditors' Report

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the act, we report that:
 - (a) We have 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For Deloitte Haskins & Sells
Chartered Accountants
Registration No. 008072S

C R Rajagopal
Partner
Membership No.23418

Coimbatore, May 21, 2013

Annexure to the Independent **Auditors' Report**

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

Having regard to the nature of the Company's business / activities / results during the year, clauses iii(b) to (d), (f) & (g), vi, xii, xiii, xiv and xx of paragraph 4 of the Order are not applicable to the Company.

- (i) In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) In respect of its inventories:
 - a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our audit we have not observed any continuing failure to correct major weakness in such internal control system.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - b) Where each of such transaction is in excess of ₹ 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion, the internal audit functions carried out during the year by a Chartered Accountant appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (vii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (viii) According to the information and explanations given to us, in respect of statutory dues:
 - a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.

Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2013 on account of disputes are given below:

Annexure to the Independent **Auditors' Report**

Statute	Nature of Dues	Forum where Dispute is pending	Year to which the amount relates	Amount involved (₹ in Lakhs)
Income Tax Act, 1961	Income Tax	CIT(A)-II	1998-1999	10.53
	Income Tax	CIT(A)-II	2002-2003	5.08
	Income Tax	CIT(A)	2005-2006	0.18
	Income Tax	CIT(A)	2005-2006	65.94
	Income Tax	CIT(A)	2009-2010	60.00
	Income Tax	CIT(A)	2010-2011	1887.37
Total				2029.10
Central Excise Act, 1944	Excise Duty	Tribunal, Chennai	2001-2002	2.15
	Excise Duty	Tribunal, Chennai	2005-2006	3.82
Total				5.97
Service Tax (Chapter V of the Finance Act, 1994)	Service Tax	Tribunal, Chennai and Commissioner, Salem	2004-2007	27.51
Grand Total				2062.58

- ix) The Company does not have accumulated losses and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.
- xi) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, prima facie, prejudicial to the interests of the Company. The Company has not issued any debentures, hence the question of repayment does not arise.
- xii) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- xiii) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.
- xiv) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 at a price which, in our opinion, is prima facie not prejudicial to the interest of the Company.
- xv) According to the information and explanations given to us, during the period covered by our audit report, the Company had not issued any debentures.
- xvi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For Deloitte Haskins & Sells
Chartered Accountants
Registration No. 008072S
C R Rajagopal
Partner
Membership No.23418

Coimbatore, May 21, 2013

Balance Sheet

Balance Sheet As At 31.03.2013

	Note	As at 31.03.2013	As at 31.03.2012
(₹ in Lakhs)			
A EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	5,268	5,268
(b) Reserves and Surplus	4	62,481	54,222
		67,749	59,490
2 Non-Current Liabilities			
(a) Long-Term Borrowings	5	27,472	36,191
(b) Deferred Tax Liabilities (Net)	6	6,227	4,734
(c) Other Long - Term Liabilities	7	14,710	16,400
		48,409	57,325
3 Current Liabilities			
(a) Short-Term Borrowings	8	12,829	23,333
(b) Trade Payables	9	17,226	3,054
(c) Other Current Liabilities	10	10,736	10,130
(d) Short-Term Provisions	11	1,828	2,384
		42,619	38,901
		1,58,777	1,55,716
B ASSETS			
1 Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	12	1,02,970	1,08,955
(ii) Capital Work-in-Progress		-	1,781
		1,02,970	1,10,736
(b) Non-Current Investments	13	7,416	2,689
(c) Long-Term Loans and Advances	14	2,323	3,375
(d) Other Non-Current Assets	15	228	174
		1,12,937	1,16,974
2 Current Assets			
(a) Current Investments	16	6,646	-
(b) Inventories	17	13,935	16,826
(c) Trade Receivables	18	13,780	11,050
(d) Cash and Cash Equivalents	19	6,225	5,441
(e) Short-Term Loans and Advances	20	4,295	1,611
(f) Other Current Assets	21	959	3,814
		45,840	38,742
		1,58,777	1,55,716

Accompanying notes form part of the financial statements

For and on behalf of the Board

K.P. Ramasamy
Chairman

KPD Sigamani
Managing Director

P. Nataraj
Managing Director

PL Murugappan
Chief Financial Officer

P. Kandaswamy
Company Secretary

"In terms of our report of even date"

For Deloitte Haskins & Sells
Chartered Accountants

C R Rajagopal
Partner

Coimbatore
21.05.2013

Coimbatore
21.05.2013

Statement of Profit and Loss

Statement of Profit and Loss for the year ended 31.03.2013

	Note	Year ended 31.03.2013	Year ended 31.03.2012
(₹ in Lakhs)			
I. Revenue from Operations	22	1,49,302	1,18,592
Less: Excise Duty		-	-
Revenue from Operations (Net)		1,49,302	1,18,592
II. Other Income	23	627	674
III. Total Revenue		1,49,929	1,19,266
IV. Expenses			
Cost of Materials Consumed	24	90,298	81,000
Purchase of Stock-in-Trade		-	-
Changes in Inventories of Finished Goods, Work- in-Progress and Stock in Trade	25	(615)	4,102
Employee Benefits Expenses	26	8,638	6,227
Finance Costs	27	8,008	4,704
Depreciation and Amortization Expenses	12	14,181	10,362
Other Expenses	28	15,296	9,561
Total Expenses		1,35,806	1,15,956
V. Profit Before Tax		14,123	3,310
Tax Expense			
1. Current Tax Expense for Current Year		2,798	591
2. Less: MAT Credit Entitlement		244	590
3. Current Tax Expense relating to Prior Years		-	(360)
4. Deferred Tax		1,493	546
Net Tax Expenses		4,047	187
VI. Profit for the year		10,076	3,123
VII. Earnings per equity share of ₹ 10 each			
1. Basic & Diluted (in ₹)		26.41	7.96

Accompanying notes form part of the financial statements

For and on behalf of the Board

K.P. Ramasamy
Chairman

KPD Sigamani
Managing Director

PL Murugappan
Chief Financial Officer

P. Kandaswamy
Company Secretary

Coimbatore
21.05.2013

"In terms of our report of even date"

P. Nataraj
Managing Director

For Deloitte Haskins & Sells
Chartered Accountants

C R Rajagopal
Partner

Coimbatore
21.05.2013

Cash Flow Statement

Cash Flow Statement for the Year Ended 31.03.2013

PARTICULARS	Year ended	Year ended
	31.03.2013	31.03.2012
	(₹ in Lakhs)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	14,123	3,310
Depreciation	14,181	10,362
(Profit) / Loss on Sale of Assets	22	(58)
Finance Costs	8,008	4,704
Interest Income	(473)	(205)
Dividend from Mutual Funds	(140)	(360)
Operating profit before Working Capital adjustments	35,721	17,753
(Increase) / Decrease in Sundry Debtors	(2,784)	(1,003)
(Increase) / Decrease in Loans and Advances	(1,633)	2,676
(Increase) / Decrease in Inventories	2,892	9,858
(Increase) / Decrease in Other Current Assets	3,692	(3,337)
Increase / (Decrease) in Current Liabilities	2,120	1,555
Bank Balance not considered as Cash and Cash Equivalents		
(i) Margin deposit account	(3,639)	(1,354)
Cash Generated from Operations	36,369	26,148
Net Income Tax (Paid) / Refunds	(2,488)	(2,285)
Net Cash from Operating Activities	(A) 33,881	23,863
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(5,878)	(13,852)
Proceeds from Sale of Fixed Assets	303	439
Purchase of Non-Current Investment	(4,727)	(2,679)
Purchase of Current Investment	(71,100)	(76,110)
Proceeds from the Sale of Investment	71,100	76,110
Dividend income	140	360
Interest Receipts	254	195
Net Cash flow used in Investing Activities	(B) (9,908)	(15,537)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-Term Borrowings	681	6,348
Repayment Long-Term Borrowings	(8,855)	(7,773)
Repayment of Other Short-Term Borrowings	(228)	(347)
Finance Costs	(8,155)	(4,655)
Dividend Paid	(3,119)	(1,192)
Tax on Dividend	(506)	(194)
Bank balance not considered as Cash and Cash equivalents		
(i) Unpaid Dividend account	(3)	(5)
(ii) Share Application money	-	(2)
Net Cash used in Financing Activities	(C) (20,185)	(7,820)
Net Increase in Cash and Cash Equivalents	(A+B+C) 3,788	506
Opening Balance of Cash and Bank Balance	4,080	3,574
Cash and Cash Equivalents at the end of the year	7,868	4,080

	Year ended 31.03.2013	Year ended 31.03.2012
	(₹ in Lakhs)	
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents (Refer Note 19)	6,225	5,441
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements		
(i) In earmarked accounts		
- Unpaid dividend accounts	8	5
- Share application money received for allotment of securities and due for refund	2	2
- Balances held as margin money or security against borrowings, guarantees and other commitments	4,993	1,354
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 19	1,222	4,080
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) (Refer Note 16 Current investments)	6,646	-
Cash and cash equivalents at the end of the year	7,868	4,080

Accompanying notes form part of the financial statements

For and on behalf of the Board

K.P. Ramasamy
Chairman

KPD Sigamani
Managing Director

P. Nataraj
Managing Director

PL Murugappan
Chief Financial Officer

P. Kandaswamy
Company Secretary

"In terms of our report of even date"

For Deloitte Haskins & Sells
Chartered Accountants

C R Rajagopal
Partner

Coimbatore
21.05.2013

Coimbatore
21.05.2013

1. COMPANY OVERVIEW

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

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

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

(i) The financial statements have been prepared under the historical cost convention on an accrual basis and in accordance with the Accounting Principles generally accepted in India (Indian GAAP) and comply with mandatory Accounting Standards notified by the Central Government of India under the Companies (Accounting Standard) Rules 2006 and the relevant provisions of the Companies Act, 1956 to the extent applicable.

(ii) The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

B) USE OF ESTIMATES

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Actual results could differ from those estimates.

C) INVENTORIES

Items of Inventories are valued at lower of cost or net realizable value. Cost is ascertained on Specific identification method/FIFO method as appropriate. Cost includes all direct costs and applicable production overheads, to bring the goods to the present location and condition.

D) CASH FLOW STATEMENT

Cash flow statement has been prepared in accordance with the indirect method prescribed in Accounting Standard 3 Cash Flow Statement.

Cash and cash equivalents (for the purposes of Cash Flow Statement)

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

E) DEPRECIATION

Depreciation on Fixed Assets is provided on Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956, except in respect of windmill which is depreciated at 8.33% based on the management's estimate of useful life of such assets.

F) REVENUE RECOGNITION

Revenue from sale of products are recognized when the property in goods are transferred to buyer. Job work income and Revenue from sale of windmill power is recognized when invoiced. Dividend Income is recognised when right to receive is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable. Export incentives are accounted for in the year of exports based on eligibility and expected amount on realisation.

G) FIXED ASSETS

i) Fixed Assets and Intangibles are stated at cost less accumulated depreciation. Cost includes all costs relating to acquisition and installation of fixed assets including any incidental costs of bringing the assets to their working condition for their intended use.

ii) Expenditure during construction period in respect of new projects is included under capital work-in-progress and the same is allocated to the fixed assets on the commissioning of the respective projects.

H) FOREIGN EXCHANGE TRANSACTIONS

Foreign Currency Transactions are accounted at the exchange rates ruling on the date of the transactions. Foreign currency monetary items as at the Balance Sheet date are restated at the closing exchange rates. Non-monetary foreign currency items are carried at cost. Exchange differences arising on actual payments/realizations and year end restatements are recognized in the Statement of Profit and Loss.

Exchange differences on translation or settlement of long term foreign currency monetary items (i.e. whose term of settlement is twelve months or above from date of its origination) at rates different from those at which they were initially recorded or reported in the previous financial statements, insofar as it relates to acquisition of depreciable assets are adjusted to the cost of the assets. In other cases, these are accumulated in "Foreign currency monetary item translation difference account" and amortised by recognition as income or expense in each period over the balance term of such items till settlement occurs but not beyond 31st March, 2020.

The Company enters into forward exchange contracts and other instruments that are in substance a forward exchange contract to hedge its risks associated with foreign currency fluctuations. The premium or discount arising at the inception of a forward exchanges contract or similar instrument is amortized as expense or income over the life of the contract. In case of monetary items which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of the contract is recognized as exchange difference. Any profit or loss arising on cancellation of a forward exchange contract or similar instrument is recognized as income or expense for the year.

I) GRANTS

Grants/Subsidy will be accounted on receipt basis.

J) INVESTMENTS

Long term investments 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 or market value. Cost of investments include acquisition charges such as brokerage, fees and duties.

K) RETIREMENT BENEFITS**(a) Short Term**

Short Term Employee Benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

(b) Long Term Post Retirement

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

i) Provident Fund

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

ii) Gratuity Fund

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

iii) Leave encashment

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

L) BORROWING COSTS

Borrowing costs directly attributable to acquisition or construction of qualifying assets, which necessarily take a substantial period of time to get ready for their intended use, are capitalized.

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

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

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

Provision for current tax is made on the basis of taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

The deferred tax for timing difference between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

Deferred tax assets in case of unabsorbed losses are recognized only if there is virtual certainty that such deferred tax asset can be realized against future taxable profits.

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

Q) IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

R) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes on accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

S) EXCISE DUTY

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

T) OPERATING CYCLE

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

	As at 31.03.2013	As at 31.03.2012
	(₹ in Lakhs)	
3 SHARE CAPITAL		
Authorised Share Capital		
4,00,00,000 (Pr.Yr. 4,00,00,000) Equity Shares of ₹ 10 each	4,000	4,000
15,00,000 (Pr.Yr.15,00,000) 7% Redeemable Cumulative Non-Convertible Preference Shares of ₹ 100 each	1,500	1,500
	5,500	5,500
Issued, Subscribed & Paid up Capital		
3,76,82,892 (Pr.Yr 3,76,82,892) Equity Shares of ₹ 10 each fully paid-up	3,768	3,768
15,00,000 (Pr.Yr.15,00,000) 7% Redeemable Cumulative Non-Convertible Preference Shares of ₹ 100 each	1,500	1,500
	5,268	5,268

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

3.2) Term / Rights to Shares

Equity Shares: As per the provisions of the Companies Act,1956 and Articles of Association of the Company.

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

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

Equity Shares Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of Shares	(₹ in Lakhs)	Number of Shares	(₹ in Lakhs)
At the beginning of the period	3,76,82,892	3,768	3,76,82,892	3,768
Changes during the year	-	-	-	-
Outstanding at the end of the period	3,76,82,892	3,768	3,76,82,892	3,768

3.4) 7% Redeemable Cumulative Non-Convertible Preference Shares

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

3.5) Details of Shareholders holding more than 5% of Shares in the Company

a) Equity Shares

Particulars	Number of Shares		%	
	Number of Shares	%	Number of Shares	%
Shri K.P.Ramasamy	81,27,684	21.57	80,68,109	21.41
Shri KPD Sigamani	81,28,634	21.57	80,69,059	21.41
Shri P.Nataraj	81,27,733	21.57	80,68,158	21.41
M/s Ares Investments	25,54,994	6.78	25,54,994	6.78

b) 7% Redeemable Cumulative Non-Convertible Preference Shares

Particulars	Number of Shares		%	
	Number of Shares	%	Number of Shares	%
M/s K.P.R Developers Limited	15,00,000	100	15,00,000	100

	As at 31.03.2013	As at 31.03.2012
	(₹ in Lakhs)	
4 RESERVES AND SURPLUS		
Securities Premium Account		
Opening Balance	15,233	15,233
Changes during the year	-	-
Closing Balance	15,233	15,233
General Reserve		
Opening Balance	15,875	15,563
Add: Transfer from Surplus in the Statement of Profit and Loss	1,008	312
Closing Balance	16,883	15,875
Foreign Currency Monetary Item Translation Difference Account		
Opening Balance	(837)	-
Add / (Less): Effect of foreign exchange rate variations during the year	941	(837)
Closing Balance	104	(837)
Surplus in Statement of Profit and Loss		
Opening Balance	23,951	23,451
Add: Profit for the year	10,076	3,123
Less:		
Interim Dividend	1,130	1,130
Dividends proposed to be distributed to equity shareholders (₹ 3 per share)	1,130	754
Dividends proposed to be distributed to preference shareholders (₹ 7 per share)	105	105
Tax on Dividend	393	322
Transferred to:		
General Reserve	1,008	312
Closing Balance	30,261	23,951
	62,481	54,222
5 LONG TERM BORROWINGS		
From Banks Secured		
Term Loans	27,130	35,592
From Others Unsecured		
Interest Free Sales Tax Loan	342	599
	27,472	36,191
5.1) Term Loans from banks are secured by pari-passu first charge on fixed assets of the company and the second charge on current assets has been given on pari-passu basis to Banks.		
5.2) i) Loan amounting to ₹ 23,572 Lakhs (Pr. Yr. ₹ 25,270 Lakhs) is repayable in 20 quarterly instalments. ii) Loan amounting to ₹ 11,451 Lakhs (Pr. Yr. ₹ 16,677 Lakhs) is repayable in 8 quarterly instalments. iii) Loan amounting to ₹ 1,120 Lakhs (Pr. Yr. ₹ 2,368 Lakhs) is repayable in 5 quarterly instalments.		
5.3) Interest rate relating to term loans from banks is in the range of 9.50% to 12.75%		
5.4) The Company has not defaulted in its repayments of the loans and interest.		
6 DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
i) On difference between book balance and tax balance of fixed assets	6,227	5,976
Deferred Tax Assets		
i) Unabsorbed Depreciation Carry Forward	-	(1,225)
ii) Others	-	(17)
Closing Balance	6,227	4,734
Opening Balance	4,734	4,188
Net Deferred Tax Charge / (Credit)	1,493	546

	As at 31.03.2013	As at 31.03.2012
	(₹ in Lakhs)	
7 OTHER LONG TERM LIABILITIES		
Other than Acceptances (Refer Note : 31)		
Trade Payables	-	27
Payables on Purchase of Fixed Assets	14,710	14,369
Liabilities for Expenses	-	2,004
	14,710	16,400
8 SHORT TERM BORROWINGS		
From Banks Secured		
Loans for Working Capital	10,218	23,333
Packing Credit	2,611	-
	12,829	23,333
8.1) The above loans are secured by first charge on inventories and bookdebts and second charge on fixed assets to lending banks on pari-passu basis.		
8.2) The Company has not defaulted in its repayments of the loans and interest.		
9 TRADE PAYABLES		
(Refer Note 31)		
Other than Acceptance	17,226	3,054
	17,226	3,054
10 OTHER CURRENT LIABILITIES		
Current Maturities of		
i) Long Term Loan (Refer Note 5.1 to 5.3)	9,013	8,723
ii) Interest Free Sales Tax Loan	297	269
Interest accrued and not due on borrowings	420	568
Advance from Customers	136	183
Other Liabilities #	870	387
	10,736	10,130
# Includes unclaimed dividend of ₹ 8 Lakhs (Pr. Yr. ₹ 5 Lakhs), Share application money refund ₹ 2 Lakhs (Pr. Yr. ₹ 2 Lakhs) and Statutory dues ₹ 860 Lakhs (Pr. Yr. ₹ 380 Lakhs).		
11 SHORT TERM PROVISIONS		
Provision for Tax (Net of Advance Tax Paid) *	383	73
Provision for Proposed Preference Dividend	105	105
Interim Dividend	-	1,130
Tax on Interim Dividend	-	183
Provision for Proposed Equity Dividend	1,130	754
Provision for Tax on Proposed Dividend	210	139
	1,828	2,384

* Net of Advance Tax Paid ₹ 2,414 Lakhs (Pr. Yr. ₹ 518 Lakhs)

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION AND IMPAIRMENT				NET BLOCK	
	Cost As On 01.04.2012	Additions	Disposals	Cost As On 31.03.2013	Upto 31.03.2012	For the Year	Eliminated on disposal of assets	Upto 31.03.2013	As on 31.03.2013
Land	2,873*	21	-	2,894	-	-	-	-	2,894
	2,250*	623	-	2,873	-	-	-	-	2,873
Factory Building	19,832	2,439	-	22,271	2,546	696	-	3,242	19,029
	14,104	5,728	-	19,832	1,971	575	-	2,546	17,286
Buildings	6,593	262	-	6,855	434	110	-	544	6,311
	5,988	605	-	6,593	329	105	-	434	6,159
Plant & Machinery	80,714	5,246	548	85,412	26,265	9,699	239	35,725	49,687
	53,212	28,293	791	80,714	20,576	6,160	471	26,265	54,449
Wind Mill	35,487	64	2	35,549	14,098	2,971	-	17,069	18,480
	34,955	532	-	35,487	11,160	2,938	-	14,098	21,389
Electrical	5,933	231	12	6,152	1,493	417	7	1,903	4,249
	3,904	2,161	132	5,933	1,252	324	83	1,493	4,440
Furniture & Fixtures	2,634	93	-	2,727	751	171	-	922	1,805
	2,491	144	1	2,634	588	163	-	751	1,883
Computers & Accessories	339	129	2	466	210	64	1	273	193
	309	34	4	339	160	52	2	210	129
Vehicles	545	37	19	563	198	53	10	241	322
	422	142	19	545	163	45	10	198	347
Total	1,54,950	8,522	583	1,62,889	45,995	14,181	257	59,919	1,02,970
Previous Year	1,17,635	38,262	947	1,54,950	36,199	10,362	566	45,995	1,08,955

* Includes Lease hold Land of ₹ 318 Lakhs
Previous year figures are in italics

	As at 31.03.2013	As at 31.03.2012
	(₹ in Lakhs)	
13 NON CURRENT INVESTMENTS		
In Equity Shares of Subsidiary Companies - Trade, Unquoted, fully paid up 1,00,000 Shares of ₹ 10 each in Quantum Knits Pvt. Limited	10	10
In Equity Shares of Subsidiary Companies - Non-Trade, Unquoted, fully paid up 50,000 Shares of ₹ 10 each in Galaxy Knits Limited	5	-
15,10,000 Shares of ₹ 10 each in Jahnvi Motor Private Limited	151	-
10,50,000 (Pr. Yr. 50,000) Equity Shares of ₹ 10 each at a Premium of ₹ 140 in KPR Sugar Mill Limited	1,575	75
37,83,000 7% Redeemable Cumulative Non-Convertible Preference Shares of ₹ 10 each at a Premium of ₹ 140 in K P R Sugar Mill Limited	5,675	-
Share Application Money	-	2,604
	7,416	2,689
14 LONG TERM LOANS AND ADVANCES		
Unsecured and Considered good		
Capital Advances	223	1,563
Security Deposit	774	729
Deposit with Central Excise & Service Tax	31	31
MAT Credit Entitlement	1,295	1,052
	2,323	3,375
15 OTHER NON CURRENT ASSETS		
Unsecured and Considered good		
Long Term Trade Receivables	228	174
	228	174
16 CURRENT INVESTMENTS		
Investment in Mutual Funds		
Reliance Mutual Fund*	2,325	-
HDFC Mutual Fund*	2,812	-
ICICI Prudential Mutual Fund*	1,509	-
* Refer Note 41 for number of units.	6,646	-
17 INVENTORIES		
Raw Materials	9,193	12,812
Stock-in-process **	1,041	1,011
Finished Goods	2,923	2,338
Stores, Spares, Packing & Others	778	665
	13,935	16,826
** Includes Yarn ₹ 1,029 Lakhs (Pr. Yr. ₹ 995 Lakhs) and Fabric ₹ 12 Lakhs (Pr. Yr. ₹ 16 Lakhs)		
18 TRADE RECEIVABLES		
Unsecured and Considered good		
Over six months from the payment due date	574	153
Others	13,206	10,897
	13,780	11,050
19 CASH AND CASH EQUIVALENTS		
Cash on Hand	83	74
Balance with Banks		
i) In Current Accounts	1,106	1,910
ii) In Deposit Accounts #	5,027	3,450
iii) Other Earmarked Accounts	9	7
	6,225	5,441
# Deposits Accounts include deposits with maturity of more than 12 months of ₹ 34 Lakhs (Pr. Yr. ₹ 1,874 Lakhs) and Margin Deposits of ₹ 4,993 Lakhs (Pr. Yr. ₹ 1,355 Lakhs)		

Notes

Notes forming part of the Financial Statements

	As at 31.03.2013	As at 31.03.2012
	(₹ in Lakhs)	
20 SHORT TERM LOANS AND ADVANCES		
Unsecured and Considered good		
Loans and Advances to Related Parties (Refer Note 32.2)	2,508	600
Loans and Advances to Employees	44	93
Balances with Government Authorities		
VAT Credit Receivable	79	86
Advance for Purchase	1,216	503
Others (Primarily prepaid expenses)	448	329
	4,295	1,611
21 OTHER CURRENT ASSETS		
Interest accrued on Deposits	277	58
Income Receivables	682	3,756
	959	3,814
22 REVENUE FROM OPERATIONS		
Sale of Products	1,40,144	1,02,067
Sale of Service	5,949	6,772
Other Operating Income	3,209	9,753
	1,49,302	1,18,592
22.1 Sale of Products		
Garments	8,568	9,211
Yarn	96,003	69,276
Fabric	28,684	18,205
Cotton Waste	6,889	5,375
	1,40,144	1,02,067
22.2 Sale of Service		
Processing & Fabrication Income	5,949	6,772
	5,949	6,772
22.3 Other Operating Income		
Export Incentives	1,411	3,381
Business Development Income	906	5,441
Others (Primarily Scrap)	892	931
	3,209	9,753
23 OTHER INCOME		
Interest from		
Bank Deposits	340	161
Others	133	44
Dividend	140	360
Profit on Sale of Fixed Assets (Net)	-	58
Miscellaneous Income	14	51
	627	674

	Year ended 31.03.2013	Year ended 31.03.2012
	(₹ in Lakhs)	
24 COST OF MATERIALS CONSUMED		
a) Opening Stock		
Cotton	12,606	18,570
Dyes & Chemicals	126	137
Yarn, Fabric & Polyester	80	32
	12,812	18,739
b) Add : Purchases		
Cotton	77,049	64,266
Dyes & Chemicals	1,691	1,592
Yarn, Fabric, Polyester & Garments	7,077	8,344
Trims, Packing & Others (Consumption)	862	871
	86,679	75,073
c) Less : Closing Stock		
Cotton	8,886	12,606
Dyes & Chemicals	203	126
Yarn, Fabric & Polyester	104	80
	9,193	12,812
	90,298	81,000
25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE		
a) Opening Stock		
Finished Goods	2,338	6,593
Stock-in-Process	1,011	858
	3,349	7,451
b) Closing Stock		
Finished Goods	2,923	2,338
Stock-in-Process	1,041	1,011
	3,964	3,349
	(615)	4,102
26 EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages & Bonus	7,469	5,342
Contribution to Provident Fund & Other Funds	566	457
Welfare Expenses	603	428
	8,638	6,227
27 FINANCE COSTS		
Term Loans	4,152	3,436
Working Capital Loans	1,598	1,197
Interest on Income Tax	-	19
Bank Charges	366	52
Net (Gain) / Loss on Foreign Currency Transactions & Translation	1,892	-
	8,008	4,704

	Year ended 31.03.2013	Year ended 31.03.2012
	(₹ in Lakhs)	
28 OTHER EXPENSES		
Manufacturing Expenses		
Power & Fuel	6,654	3,326
Consumption of Stores & Packing materials	1,690	1,188
Insurance Charges	152	131
Production Expenses	270	257
Repairs and Maintenance		
Building	220	123
Machinery	2,856	1,934
Others	181	166
Administration Expenses		
Professional Fees	73	89
Rent (Refer Note 38)	43	12
Rates & Taxes	100	111
Payment to Auditor (Refer Note 30)	13	9
Loss on Sale of Fixed Assets (Net)	22	-
Travelling Expenses	202	170
Donation	214	208
General Expenses	154	177
Selling Expenses		
Freight & Forwarding	969	728
Sales Commission	1,343	841
Other Selling expenses	140	91
	15,296	9,561

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

- 29.1) The Company is in receipt of a demand of ₹ 82 Lakhs (Pr. Yr. ₹ 82 Lakhs) from the Indian Bank towards prepayment charges. The same has been contested in writ filed before the High Court of Judicature at Madras which has restrained Indian Bank from applying proceeds of TUF subsidy towards its demand for prepayment charges. The case is pending disposal.
- 29.2) The Company has issued Bank Guarantee amounting to ₹ Nil (Pr. Yr. ₹ 27 Lakhs) in favour of EPCG and Bank Guarantee amounting to ₹ 5 Lakhs (Pr. Yr. ₹ 5 Lakhs) in favour of Tamilnadu Pollution Control Board and Bank Guarantee amounting to ₹ 164 Lakhs (Pr. Yr. Nil) in favour TANGEDCO. The Company issued Corporate Guarantee amounting to ₹ 15,000 Lakhs (Pr Yr. ₹ 11,500 Lakhs) towards working capital facility of the wholly owned subsidiary.
- 29.3) The Company has an Export obligation of ₹ 5,013 Lakhs (Pr. Yr. ₹ 60,180 Lakhs) to be completed upto 2020-21. The duty implication involved is ₹ 627 Lakhs (Pr. Yr. ₹ 7,523 Lakhs).
- 29.4) At the request of the Company the Bankers have established Foreign Letter of Credits ₹ 3,708 Lakhs (Pr. Yr. ₹ 110 Lakhs) in favour of suppliers.
- 29.5) The Company has discounted sale bills amounting to ₹ 7,156 Lakhs (Pr. Yr. ₹ 2,209 Lakhs) with banks.
- 29.6) Income Tax pending appeals, aggregate Tax Disputed ₹ 2,049 Lakhs (Pr. Yr. ₹ 82 Lakhs). Central Excise pending appeals, aggregate Duty Disputed ₹ 6 Lakhs (Pr. Yr. ₹ 6 Lakhs). Service Tax pending appeals, Tax disputed ₹ 28 Lakhs (Pr. Yr. ₹ 28 Lakhs).
- 29.7) Estimated amount of contracts on capital account remaining to be executed (net of advances) aggregate to ₹ 55 Lakhs (Pr. Yr. ₹ 786 Lakhs).

30 PAYMENT TO AUDITORS

Particulars	₹ in Lakhs)	
	2012-13	2011-12
Audit fees	8	5
Tax Audit and Tax Matters	-	-
Other Services	4	3
Cost Audit	-	-
Expenses (incl. Service Tax)	1	1
Total	13	9

31 MICRO, SMALL AND MEDIUM ENTERPRISES

In accordance with the Notification No: GSR 719 (E) dated 16.11.2007 issued by the Ministry of Corporate Affairs, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Development Act, 2006. The Company circulated for the information from 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.

32 RELATED PARTY DISCLOSURES

In accordance with Accounting Standard 18 – “Related Party Disclosure”, the company has compiled the required information as detailed below, as identified and disclosed by the management and relied upon by the Auditors:

32.1 Name of related parties and nature of relationship where control exists are as under

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

32.2 Transactions during the year with related parties / Key Management Personnel are as under

Nature of Transaction	(₹ in Lakhs)				
	Enterprises owned or significantly influenced by key management personnel / Directors or their relatives	Key Managerial Persons	Relatives to Key Managerial Persons	Subsidiary Company	Total as on 31.03.2013
Purchase of Goods / Assets	-	-	-	640	640
	-	-	-	(339)	(339)
Sale of Goods / Assets	-	-	-	7,576	7,576
	(8)	-	-	(6,420)	(6,428)
Lease Rent	-	1	-	-	1
	-	(1)	-	-	(1)
Remuneration / Salary	-	1,125	29	-	1,154
	-	(440)	(34)	-	(474)
Processing / Service Charges income	-	-	-	2,558	2,558
	-	-	-	(2,425)	(2,425)
Processing / Service Charges Expenses	-	-	-	1	1
	-	-	-	-	-
Interest Receipts	-	-	-	69	69
	-	-	-	-	-
Donation	200	-	-	-	200
	(200)	-	-	-	(200)
Investments	-	-	-	7,416	7,416
	-	-	-	(2,689)	(2,689)
Loans & Advances	-	-	-	1,908	1,908
	-	-	-	-	-
Amount Receivable	-	-	-	1,670	1,670
	(8)	-	-	(623)	(631)
Land Advance	-	600	-	-	600
	-	(600)	-	-	(600)
Amount Payable	-	707	1	63	771
	-	(167)	-	-	(167)

(Previous year figures are in Brackets)

Notes

Notes forming part of the Financial Statements

32.3 Details of major transactions with related parties

a) Purchase of Goods / Assets (₹ in Lakhs)		
Name	2012-13	2011-12
M/s.K.P.R.Sugar Mill Limited	639	-
M/s.Quantum Knits Pvt Limited	1	339
Total	640	339

b) Sale of Goods / Assets (₹ in Lakhs)		
Name	2012-13	2011-12
M/s.Quantum Knits Pvt Limited	7,518	6,408
M/s.K.P.R.Charities	-	8
M/s.K.P.R.Sugar Mill Limited	58	12
Total	7,576	6,428

c) Processing / Service Charges Income (₹ in Lakhs)		
Name	2012-13	2011-12
M/s.Quantum Knits Pvt Limited	2,558	2,425
Total	2,558	2,425

d) Processing / Service Charges Expenses (₹ in Lakhs)		
Name	2012-13	2011-12
M/s.Quantum Knits Pvt Limited	1	-
Total	1	-

e) Interest Receipts (₹ in Lakhs)		
Name	2012-13	2011-12
M/s.K.P.R.Sugar Mill Limited	69	-
Total	69	-

f) Donation (₹ in Lakhs)		
Name	2012-13	2011-12
M/s.K.P.R.Charities	200	200
Total	200	200

g) Lease Rent (₹ in Lakhs)		
Name	2012-13	2011-12
Sri K.P.Ramasamy	0.27	0.27
Sri KPD Sigamani	0.27	0.27
Sri P.Nataraj	0.26	0.26
Total	0.80	0.80

h) Remuneration / Salary (₹ in Lakhs)		
Name	2012-13	2011-12
Sri K.P.Ramasamy	367	139
Sri KPD Sigamani	367	139
Sri P.Nataraj	367	138
Sri C.R.Anandakrishnan	24	24
Total	1,125	440

i) Land Advance (₹ in Lakhs)		
Name	2012-13	2011-12
Sri K.P.Ramasamy	200	200
Sri KPD Sigamani	200	200
Sri P.Nataraj	200	200
Total	600	600

j) Amount Payable (₹ in Lakhs)		
Name	2012-13	2011-12
Sri K.P.Ramasamy	235	52
Sri KPD Sigamani	239	52
Sri P.Nataraj	232	61
Sri C.R.Anandakrishnan	2	2
Total	707	167

k) Amount Receivable (₹ in Lakhs)		
Name	2012-13	2011-12
M/s.Quantum Knits Pvt Limited	1,670	623
M/s.K.P.R.Charities	-	8
Total	1,670	631

l) Loans & Advances (₹ in Lakhs)		
Name	2012-13	2011-12
M/s.K.P.R.Sugar Mill Limited	1,764	-
M/s.Jahnvi Motor Private Limited	144	-
Total	1,908	-

m) Investments (₹ in Lakhs)		
Name	2012-13	2011-12
M/s.K.P.R.Sugar Mill Limited	7,250	2,679
M/s.Jahnvi Motor Private Limited	151	-
Total	7,401	2,679

Notes

Notes forming part of the Financial Statements

33 Expenditure in Foreign Currency

Particulars	₹ in Lakhs	
	2012-13	2011-12
Travel, sales commission etc.,	188	214
Interest	1,296	1,201
Professional Fees	5	6
Value of imports on CIF basis		
Raw Material	14,023	289
Stores and Spare parts	309	292
Machinery	183	79
Total	16,003	2,081

34 Earnings in Foreign Currency

Particulars	₹ in Lakhs	
	2012-13	2011-12
Export of Goods at FOB value	27,157	19,493
Total	27,157	19,493

35 Amount remitted during the year in Foreign Currency

Particulars	2012-13	2011-12
1. On account of Dividend (₹ in Lakhs)	55	33
2. Number of Non-Resident Share Holders	1	1
3. Number of Shares held by Non-Resident Share Holders on which Dividend are due	11,06,784	11,06,784
4. The year to which dividend relate	2011-12 & 2012-13	2010-11

36 Earnings Per Share (EPS)

Particulars	₹ in Lakhs	
	2012-13	2011-12
1. Profit / (loss) for the year	10,076	3,123
2. Less: Preference Dividend and Tax thereon	123	122
3. Profit / (loss) for the year attributable to the equity shareholders	9,953	3,001
4. Weighted average number of Shares	3,76,82,892	3,76,82,892
5. Face Value Per Share (₹)	10	10
6. Earnings Per Share (₹) Basic & Diluted	26.41	7.96

37 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 has only one business segment viz; textile as reportable segment. The Company operates in Domestic and Export segments geographically. The disclosure relating to secondary segment is as given below:

37.1 Geographic Segment	₹ in Lakhs	
	2012-13	2011-12
Export	27,157	19,493
Domestic	1,12,987	82,574
Total	1,40,144	1,02,067

37.2 Segment Assets	₹ in Lakhs	
	2012-13	2011-12
Export	3,417	1,346
Domestic	1,55,360	1,54,370
Total	1,58,777	1,55,716

37.3 Capital Expenditure	₹ in Lakhs	
	2012-13	2011-12
Domestic	8,522	38,262
Total	8,522	38,262

38 Operating Lease Commitments

During the year, 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, 2013, amounted to ₹ 32 Lakhs.

Particulars	₹ in Lakhs
Minimum lease payments not later than one year	50
Later than one year but not later than five years	224
More than five years	206

39 The Promoters had leased out the land to the Company. During March 2009 the Company has entered into an agreement with the Promoters, whereby the Company has an option to purchase those Lands as and when required, within the period of ten years from the date of the lease agreement.

		(₹ in Lakhs)	
		2012-13	2011-12
40	Defined Contribution Plan		
	Provident Fund	526.06	451.04
	ESI Contribution	205.08	160.70
40.1	Defined Benefit Plan		
	Gratuity		
A	Changes in Present value of obligation		
	PV of obligation as at beginning of the year	89.19	64.62
	Current Service Cost	21.74	14.50
	Interest Cost	7.14	4.85
	Actuarial (gain) / Loss on obligation	(18.03)	5.22
	PV of obligation as at end of the year	100.04	89.19
B	Change in Assets during the year ended 31st March		
	FV of Plan Asset as at beginning of the year	86.51	75.77
	Expected return on Plan Assets	8.10	7.00
	Actuarial gain / (loss)	-	-
	Contributions by the employer	22.03	3.74
	FV of Plan Asset as at end of the year	116.64	86.51
C	Net Asset/(Liability) recognized in the Balance Sheet		
	PV of obligation as at end of the year	100.04	89.19
	FV of Plan Asset as at end of the year	116.64	86.51
	Funded Status [Surplus/(Deficit)]	16.60	(2.68)
D	Expenses recognized during the period ended 31st March		
	Current Service Cost	21.74	14.50
	Interest Cost	7.14	4.85
	Expected return on Plan Assets	(8.10)	(7.00)
	Actuarial (gains) / Losses	(18.03)	5.22
	Net amount recognised in the year	2.75	17.57
E	Categories of plan assets as a percentage of total plan assets		
	Equity instruments	-	-
	Debt instruments	-	-
	Property	-	-
	Insurer managed asset	100%	100%
Assumptions used in accounting for the gratuity Plan			
	Discount Rate (per annum)	8.05%	8.00%
	Rate of increase in compensation levels (per annum)	7.00%	7.00%
	Rate of return on plan assets (per annum)	8.00%	9.15%
	Expected average remaining working lives of employees (years)	29.76	30.03

In the absence of detailed information regarding plan assets which is funded with Life Insurance Corporation of India, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed. The details of experience adjustments arising on account of plan assets and liabilities as required by paragraph 120(n)(ii) of AS 15 (Revised) on "Employee Benefits" are not readily available in the valuation report and hence, are not furnished.

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

41 Details of Investments

(₹ in Lakhs)

Particulars	2012-13		2011-12
	Units	Amount	Amount
Reliance Mutual Fund	1,51,955	2,325	-
HDFC Mutual Fund	2,64,40,953	2,812	-
ICICI Mutual Fund	15,07,156	1,509	-
Total		6,646	-

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

43 The Company exercised the option provided by The Government of India, Ministry of Corporate Affairs vide Notification No.G.S.R.913 (E) dated December 29, 2011, amending the Companies (Accounting Standard) Rules, 2006 in respect of the exchange differences arising on long-term foreign currency monetary items. The unamortized net exchange difference on account of the above is a Net gain of ₹ 104 Lakhs as at 31st March, 2013. (Previous Year Ended 31st March, 2012. Net loss ₹ 837 Lakhs).

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

Name of the Company	(₹ in Lakhs)	
	2012-13	2011-12
M/s.Quantum Knits Pvt Limited	10	10
M/s.K.P.R.Sugar Mill Limited	7,250	2,679
M/s.Jahnvi Motor Private Limited	151	-
M/s.Galaxy Knits Limited	5	-
	7,416	2,689

45 Disclosure as per Clause 32 of the Listing Agreements - Loans & Advance

(₹ in Lakhs)

Name of the Company	2012-13	Maximum outstanding during the year 2012-13	2011-12	Maximum outstanding during the year 2011-12
M/s.K.P.R.Sugar Mill Limited	1,764	1,764	-	-
M/s.Jahnvi Motor Private Limited	144	144	-	-
	1,908	1,908	-	-

46 Details of hedged and unhedged foreign currency exposures

(i) Outstanding forward exchange contracts entered into by the Company as on 31st March, 2013

Currency	Cross Currency	Amount (₹ in Lakhs)	Buy / Sell
\$	Rupees	Nil (10.00)	- Buy
\$	Rupees	90.65 (0.67)	Sell Sell
€	Rupees	42.86 (Nil)	Sell -
£	Rupees	30.56 (Nil)	Sell -

(ii) Outstanding option contracts entered into by the Company as on 31st March, 2013

Currency	Cross Currency	Amount (₹ in Lakhs)	Buy / Sell
\$	Rupees	Nil (20.00)	- Buy

Note : Figures in brackets relate to the previous year

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

As at 31st March, 2013		As at 31st March, 2012	
Receivables / (Payables)		Receivables / (Payables)	
(₹ in Lakhs)	FC in Lakhs	(₹ in Lakhs)	FC in Lakhs
(10,437.90)	(\$191.91)	294.94	\$5.80
(8,238.74)	(€ 118.47)	530.21	€ 7.81
(5,495.78)	(CHF 96.30)	768.62	£9.43
		(734.64)	(\$14.44)
		(8044.53)	(€ 118.46)
		(5435.22)	(CHF 96.43)

47 Particulars of raw material Consumed - Cotton

Particulars	2012-2013			2011-2012		
	Quantity in Kgs	₹ in Lakhs	%	Quantity in Kgs	₹ in Lakhs	%
Import	21618989	21919	27	-	-	-
Domestic	55911668	58850	73	56614737	70230	100
Total	77530657	80769	100	56614737	70230	100

48 Previous Year's Figures

The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **K.P.R. MILL LIMITED** (the "Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Auditors' Report

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 the reports of the other auditors on the financial statements of the subsidiaries referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date

Other Matter

We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets (net) of ₹ 52,796 lakhs as at 31st March, 2013, total revenues of ₹ 9,738 lakhs and net cash flows amounting to ₹ 389 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For Deloitte Haskins & Sells
Chartered Accountants
Registration No. 008072S

C R Rajagopal
Partner
Membership No.23418

Coimbatore, May 21, 2013.

Consolidated Balance Sheet

Consolidated Balance Sheet as at 31.03.2013

	Note	As at 31.03.2013	As at 31.03.2012
(₹ in Lakhs)			
A EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	5,268	5,561
(b) Reserves and Surplus	4	65,358	56,689
		70,626	62,250
2 Non-Current Liabilities			
(a) Long-Term Borrowings	5	47,994	42,620
(b) Deferred Tax Liabilities (Net)	6	6,238	4,734
(c) Other Long - Term Liabilities	7	14,710	16,519
		68,942	63,873
3 Current Liabilities			
(a) Short-Term Borrowings	8	31,596	28,577
(b) Trade Payables	9	21,006	3,750
(c) Other Current Liabilities	10	14,995	10,227
(d) Short-Term Provisions	11	1,837	2,389
		69,434	44,943
		2,09,002	1,71,066
B ASSETS			
1 Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	12	1,33,848	1,09,078
(ii) Capital Work-in-Progress		-	7,483
		1,33,848	1,16,561
(b) Goodwill on Consolidation		70	70
(c) Long-Term Loans and Advances	13	2,383	8,918
(d) Other Non-Current Assets	14	229	174
		1,36,530	1,25,723
2 Current Assets			
(a) Current Investments	15	6,646	-
(b) Inventories	16	35,757	18,653
(c) Trade Receivables	17	15,879	13,699
(d) Cash and Cash Equivalents	18	7,605	5,926
(e) Short-Term Loans and Advances	19	4,659	1,973
(f) Other Current Assets	20	1,926	5,092
		72,472	45,343
		2,09,002	1,71,066

Accompanying notes form part of the consolidated financial statements

For and on behalf of the Board

K.P. Ramasamy
Chairman

KPD Sigamani
Managing Director

PL Murugappan
Chief Financial Officer

P. Kandaswamy
Company Secretary

Coimbatore
21.05.2013

"In terms of our report of even date"

P. Nataraj
Managing Director

For Deloitte Haskins & Sells
Chartered Accountants

C R Rajagopal
Partner

Coimbatore
21.05.2013

Consolidated Profit and Loss

Consolidated Statement of Profit and Loss for the Year Ended 31.03.2013

	Note	Year ended 31.03.2013	Year ended 31.03.2012
(₹ in Lakhs)			
I. Revenue from Operations	21	1,66,761	1,26,541
Less: Excise Duty		294	-
Revenue from Operations (Net)		1,66,467	1,26,541
II. Other Income	22	573	697
III. Total Revenue		1,67,040	1,27,238
IV. Expenses			
Cost of Materials Consumed	23	1,13,381	84,182
Purchase of Stock-in-Trade		3,542	-
Changes in Inventories of Finished Goods, Work- in-Progress and Stock in Trade	24	(18,770)	5,092
Employee Benefits Expenses	25	11,665	8,291
Finance Costs	26	9,803	4,817
Depreciation and Amortization Expenses	12	15,093	10,362
Other Expenses	27	17,919	10,997
Total Expenses		1,52,633	1,23,741
V. Profit Before Tax		14,407	3,497
Tax Expense			
1. Current Tax Expense for Current Year		2,877	648
2. Less: MAT Credit Entitlement		263	598
3. Current Tax Expense relating to Prior Years		(12)	(378)
4. Deferred Tax		1,504	546
Net Tax Expenses		4,106	218
VI. Profit for the year		10,301	3,279
VII. Earnings per equity share of ₹ 10 each			
1. Basic & Diluted (in ₹)		2701	8.38

Accompanying notes form part of the consolidated financial statements

For and on behalf of the Board

K.P. Ramasamy
Chairman

KPD Sigamani
Managing Director

PL Murugappan
Chief Financial Officer

P. Kandaswamy
Company Secretary

Coimbatore
21.05.2013

"In terms of our report of even date"

P. Nataraj
Managing Director

For Deloitte Haskins & Sells
Chartered Accountants

C R Rajagopal
Partner

Coimbatore
21.05.2013

Consolidated Cash Flow Statement

Consolidated Cash Flow Statement for the Year Ended 31.03.2013

PARTICULARS	Year ended	Year ended
	31.03.2013	31.03.2012
	(₹ in Lakhs)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	14,407	3,497
Depreciation	15,093	10,362
(Profit) / Loss on Sale of Assets	22	(58)
Finance Costs	9,803	4,817
Interest Income	(415)	(205)
Dividend from Mutual Funds	(140)	(360)
Operating profit before Working Capital Changes	38,770	18,053
(Increase) / Decrease in Sundry Debtors	(2,234)	(1,351)
(Increase) / Decrease in Loans and Advances	3,849	2,792
(Increase) / Decrease in Inventories	(17,104)	10,787
(Increase) / Decrease in Other Current Assets	4,003	(4,379)
Increase / (Decrease) in Current Liabilities	19,546	3,996
Bank Balance not considered as Cash and Cash Equivalents		
(i) Margin deposit account	(3,691)	(1,456)
Cash Generated from Operations	43,139	28,442
Net Income Tax (Paid) / Refunds	(2,560)	(2,328)
Net Cash from Operating Activities	(A) 40,579	26,114
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(32,263)	(25,092)
Proceeds from Sale of Fixed Assets	303	438
Purchase of KPR Sugar Mill Limited Shares	-	(70)
Purchase of Investment	(71,100)	(55,450)
Proceeds from the sale of investment	71,100	55,450
Dividend income	140	360
Interest Receipts	205	186
Net Cash flow used in Investing Activities	(B) (31,615)	(24,178)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-Term Borrowings	16,758	12,777
Repayment of Long-Term Borrowings	(8,854)	(7,773)
Proceeds from Other Short-Term Borrowings	1,289	-
Repayment of Other Short-Term Borrowings	(229)	(347)
Finance Costs	(9,667)	(4,708)
Dividend Paid	(3,119)	(1,192)
Tax on Dividend	(506)	(194)
Bank balance not considered as Cash and Cash equivalents		
(i) Unpaid Dividend account	(3)	(5)
(ii) Share Application money	-	(2)
Net Cash used in Financing Activities	(C) (4,331)	(1,444)
Net Increase in Cash and Cash Equivalents	(A+B+C) 4,633	491
Opening Balance of Cash and Cash Equivalents	4,462	3,971
Cash and cash equivalents at the end of the year	9,095	4,462

Consolidated Cash Flow Statement

Consolidated Cash Flow Statement for the Year Ended 31.03.2013

	Year ended 31.03.2013	Year ended 31.03.2012
	(₹ in Lakhs)	
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents (Refer Note 18)	7,605	5,926
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements		
(i) In earmarked accounts		
- Unpaid dividend accounts	8	5
- Share application money received for allotment of securities and due for refund	2	2
- Balances held as margin money or security against borrowings, guarantees and other commitments	5,147	1,456
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 18	2,449	4,462
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) (Refer Note 15 Current investments)	6,646	-
Cash and cash equivalents at the end of the year	9,095	4,462

Accompanying notes form part of the consolidated financial statements

For and on behalf of the Board

K.P. Ramasamy
Chairman

KPD Sigamani
Managing Director

PL Murugappan
Chief Financial Officer

P. Kandaswamy
Company Secretary

Coimbatore
21.05.2013

"In terms of our report of even date"

P. Nataraj
Managing Director

For Deloitte Haskins & Sells
Chartered Accountants

C R Rajagopal
Partner

Coimbatore
21.05.2013

1. COMPANY OVERVIEW

- a) K.P.R. Mill Limited along with its wholly-owned subsidiary Quantum Knits Pvt. Limited is one of the largest vertically integrated apparel manufacturing Companies in India. The Company produces Yarn, Knitted Fabric, Readymade Garments and Windpower. It has state-of-the-art production facilities in the State of Tamil Nadu, India.
- b) K.P.R.Sugar Mill Limited is the Wholly owned Subsidiary Company of K.P.R.Mill Limited. The Company commenced its operations on 23rd November 2012. Plant Located at Bijapur District, Karnataka State. It produces Sugar along with Green Energy viz., Co-Gen Power.
- c) Jahnvi Motor Private Limited is the Wholly owned Subsidiary Company of K.P.R.Mill Limited. The Company is appointed as authorised dealers for AUDI cars of M/s VOLKS WAGEN GROUP SALES INDIA PVT. LTD., Coimbatore.

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

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

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

B) BASIS OF ACCOUNTING

- i) The financial statements of the subsidiary Companies used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended 31 March, 2013.
- ii) The financial statements of the Group have been prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India, which are notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 to the extent applicable.
- iii) The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

C) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements have been prepared on the following basis

- i) The financial statements of the Company and its subsidiary Company have been combined on a line- by-line basis in accordance with the principles laid down in Accounting Standard (AS)-21 on "Consolidated Financial Statements" by adding together the value of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profit or loss.
- ii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances are presented to the extent possible, in the same manner as the company's separate financial statements.
- iii) The following subsidiary companies are considered in the consolidated financial statements

Sl No	Name of Subsidiary Company	Country of Incorporation	% of holding as at 31st March,2013	% of holding as at 31st March,2012	Date of Incorporation / Acquisition
1	M/s QUANTUM KNITS PVT. LIMITED	India	100 %	100 %	03.06.2009
2	M/s K.P.R.SUGAR MILL LIMITED	India	100 %	100 %	27.06.2011
3	M/s GALAXY KNITS LIMITED	India	100 %	-	24.07.2012
4	M/s JAHNVI MOTOR PRIVATE LIMITED	India	100 %	-	30.10.2012

- iv) The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements.

D) USE OF ESTIMATES

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Actual results could differ from those estimates.

E) 1) INVENTORIES - TEXTILE

Items of Inventories are valued at lower of cost or net realizable value. Cost is ascertained on Specific identification method/FIFO method as appropriate. Cost includes all direct costs and applicable production overheads, to bring the goods to the present location and condition.

2) INVENTORIES - SUGAR

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

F) CASH FLOW STATEMENT

Cash Flow statement has been prepared in accordance with the indirect method prescribed in Accounting Standard 3 Cash Flow Statement.

Cash and cash equivalents (for the purposes of Cash Flow Statement)

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

G) DEPRECIATION

Depreciation on Fixed Assets is provided on Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956, except in respect of windmill which is depreciated at 8.33% based on the management's estimate of useful life of such assets.

H) REVENUE RECOGNITION

Revenue from sale of products are recognized when the property in goods are transferred to buyer. Job work income and Revenue from sale of wind mill power is recognized when invoiced. Dividend Income is recognised when right to receive is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable. Export incentives are accounted for in the year of exports based on eligibility and expected amount on realisation.

I) OTHER INCOME

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

J) FIXED ASSETS

- i) Fixed assets and intangibles are stated at cost less accumulated depreciation. Cost includes all costs relating to acquisition and installation of fixed assets including any incidental costs of bringing the assets to their working condition for their intended use.
- ii) Expenditure during construction period in respect of new projects is included under capital work-in-progress and the same is allocated to the fixed assets on the commissioning of the respective projects.

K) FOREIGN EXCHANGE TRANSACTIONS

Foreign Currency Transactions are accounted at the exchange rates ruling on the date of the transactions. Foreign currency monetary items as at the Balance Sheet date are restated at the closing exchange rates. Non-monetary foreign currency items are carried at cost. Exchange differences arising on actual payments/realizations and year end restatements are recognized in the Statement of Profit and Loss.

Exchange differences on translation or settlement of long term foreign currency monetary items (i.e. whose term of settlement is twelve months or above from date of its origination) at rates different from those at which they were initially recorded or reported in the previous financial statements, insofar as it relates to acquisition of depreciable assets are adjusted to the cost of the assets. In other cases, these are accumulated in "Foreign currency monetary item translation difference account" and amortised by recognition as income or expense in each period over the balance term of such items till settlement occurs but not beyond March 31, 2020.

The Company enters into forward exchange contracts and other instruments that are in substance a forward exchange contract to hedge its risks associated with foreign currency fluctuations. The premium or discount arising at the inception of a forward exchanges contract or similar instrument is amortized as expense or income over the life of the contract. In case of monetary items which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of the contract is recognized as exchange difference. Any profit or loss arising on cancellation of a forward exchange contract or similar instrument is recognized as income or expense for the year.

The Company as enters into forward contracts which are designated as hedge of highly probable forecast transaction. The Gain/Losses of forward contracts designated as highly probable forecast transactions are recognized in the Statement of Profit and Loss in the period in which the forecasted transaction are expected to occur.

L) GRANTS

Grants/Subsidy will be accounted on receipt basis.

M) INVESTMENTS

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

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

N) RETIREMENT BENEFITS**(a) Short Term**

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

(b) Long Term Post Retirement

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

1. Provident Fund

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

2. Gratuity Fund

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

3. Leave encashment

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

O) BORROWING COSTS

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Consolidated Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of

activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Consolidated Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

Consequent to the General Circular 25 / 2012 dated 9th August 2012 of the MCA, para 4(e) of AS 16 Borrowing Costs and para 6 of AS 11 The Effects of Changes in Foreign Exchange Rates shall not apply to a Company which is applying para 46A of AS 11. Accordingly, for the purposes of accounting as per para 46A of AS 11 all exchange differences arising out of long-term monetary assets and liabilities should be considered and there is no need to apply the provisions of para 4(e) of AS 16 on such exchange differences.

P) SEGMENT REPORTING

The Group 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 Group. 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 Group as a whole and are not allocable to segments on reasonable basis have been included under 'Others revenue / expenses / assets / liabilities'.

Q) LEASE

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

R) EARNINGS PER SHARE (EPS)

Basic earnings per share is computed by dividing the profit / (loss) for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) for the year 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.

S) TAXATION

Provision for current tax is made on the basis of taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

The deferred tax for timing difference between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

Deferred tax assets in case of unabsorbed losses are recognized only if there is virtual certainty that such deferred tax asset can be realized against future taxable profits.

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

T) IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

U) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes on accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

V) i) EXCISE DUTY - TEXTILE

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

ii) EXCISE DUTY - SUGAR

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

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.

	As at 31.03.2013	As at 31.03.2012
	(₹ in Lakhs)	
3 SHARE CAPITAL		
Authorised Share Capital		
4,00,00,000 (Pr.Yr. 4,00,00,000) Equity Shares of ₹ 10 each	4,000	4,000
15,00,00,000 (Pr.Yr. 15,00,00,000) 7% Redeemable Cumulative Non-Convertible Preference Shares of ₹ 100 each	1,500	1,500
	5,500	5,500
Issued, Subscribed & Paid up Capital		
3,76,82,892 (Pr.Yr. 3,76,82,892) Equity Shares of ₹ 10 each fully paid-up	3,768	3,768
15,00,00,000 (Pr.Yr. 15,00,00,000) 7% Redeemable Cumulative Non-Convertible Preference Shares of ₹ 100 each	1,500	1,500
Share Forfeiture *	-	293
	5,268	5,561

* Details to Share Forfeiture	As at 31 March, 2013		As at 31 March, 2012	
Particulars	Number of Shares	(₹ in Lakhs)	Number of Shares	(₹ in Lakhs)
At the beginning of the period	39,87,000	293	-	-
Changes during the year	-39,87,000	-293	39,87,000	293
Outstanding at the end of the period	-	-	39,87,000	293

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

3.2) Term / Rights to Shares

Equity Shares : As per the provisions of the Companies Act,1956 and Articles of Association of the Company.

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

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

Equity Shares	As at 31 March, 2013		As at 31 March, 2012	
Particulars	Number of Shares	(₹ in Lakhs)	Number of Shares	(₹ in Lakhs)
At the beginning of the period	3,76,82,892	3,768	3,76,82,892	3,768
Changes during the year	-	-	-	-
Outstanding at the end of the period	3,76,82,892	3,768	3,76,82,892	3,768

3.4) 7% Redeemable Cumulative Non-Convertible Preference Shares

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

3.5) Details of Shareholders holding more than 5% of Shares in the Company

a. Equity Shares

Particulars	Number of Shares	%	Number of Shares	%
Sri K.P.Ramasamy	81,27,684	21.57	80,68,109	21.41
Sri KPD Sigamani	81,28,634	21.57	80,69,059	21.41
Sri P.Nataraj	81,27,733	21.57	80,68,158	21.41
M/s Ares Investments	25,54,994	6.78	25,54,994	6.78

b) 7% Redeemable Cumulative Non-Convertible Preference Shares

Particulars	Number of Shares	%	Number of Shares	%
M/s K.P.R. Developers Limited	15,00,000	100	15,00,000	100

4 RESERVES AND SURPLUS

	As at 31.03.2013	As at 31.03.2012
	(₹ in Lakhs)	
Capital Reserve		
Opening Balance	-	-
Add: Additions during the year	293	-
Closing Balance	293	-
Securities Premium Account		
Opening Balance	19,096	15,233
Changes during the year	-	3,863
Closing Balance	19,096	19,096
General Reserve		
Opening Balance	15,877	15,565
Add: Transfer from Surplus in the Statement of Profit and Loss	1,008	312
Closing Balance	16,885	15,877
Foreign Currency Monetary Item Translation Difference Account		
Opening Balance	(837)	-
Add / (Less): Effect of foreign exchange rate variations during the year	941	(837)
Closing Balance	104	(837)
Surplus in Statement of Profit and Loss		
Opening Balance	22,553	23,569
Add: Profit for the year	10,301	3,279
Loss Transfer from KPR Sugar Mill Limited *	-	(1,672)
Loss Transfer from Jahnvi Motor Private Limited #	(108)	-
Less:		
Interim Dividend	1,130	1,130
Dividends proposed to be distributed to equity shareholders (₹ 3 per share)	1,130	754
Dividends proposed to be distributed to preference shareholders (₹ 7 per share)	105	105
Tax on Dividend	393	322
Transferred to:		
General Reserve	1,008	312
Closing Balance	28,980	22,553
	65,358	56,689

* Loss of M/s K.P.R. Sugar Mill Limited prior to acquisition

Loss of M/s Jahnvi Motor Private Limited prior to acquisition

5 LONG TERM BORROWINGS

From Banks Secured		
Term Loans	47,320	42,021
From Others Unsecured		
Interest Free Sales Tax Loan	674	599
	47,994	42,620

- 5.1) Term Loans from banks are secured by pari-passu first charge on fixed assets of the company and the second charge on current assets has been given on pari-passu basis to Banks.
- 5.2) The secured loans guaranteed by the Director and his spouse aggregate to ₹ 515 Lakhs.
- 5.3) i) Loan amounting to ₹ 20,995 Lakhs (Pr. Yr. ₹ 6,429 Lakhs) is repayable in 34 quarterly instalments commencing from June 2013.
 ii) Loan amounting to ₹ 999 Lakhs (Pr. Yr. Nil) is repayable before September 2014.
 iii) Loan amounting to ₹ 24,087 Lakhs (Pr. Yr. ₹ 25,780 Lakhs) is repayable in 20 quarterly instalments.
 iv) Loan amounting to ₹ 11,451 Lakhs (Pr. Yr. ₹ 16,677 Lakhs) is repayable in 8 quarterly instalments.
 v) Loan amounting to ₹ 1,120 Lakhs (Pr. Yr. ₹ 1,858 Lakhs) is repayable in 5 quarterly instalments.
- 5.4) Interest rate relating to term loans from banks is in the range of 9.50% to 13.50%
- 5.5) The Company has not defaulted in its repayments of the loans and interest.

6 DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liabilities

- i) On difference between book balance and tax balance of fixed assets

Deferred Tax Assets

- i) Unabsorbed Depreciation Carry Forward
 ii) Others

Closing Balance

Opening Balance

Net Deferred Tax Charge / (Credit)

As at
31.03.2013

As at
31.03.2012

(₹ in Lakhs)

7 OTHER LONG TERM LIABILITIES

Other than Acceptances

Trade Payables

Payables on Purchase of Fixed Assets

Liabilities for Expenses

8 SHORT TERM BORROWINGS

From Banks Secured

Loans for Working Capital

Packing Credit

Unsecured

Loans repayable on Demand from Other Parties

- 8.1) Working capital loans are secured by first charge on inventories and bookdebts and second charge on fixed assets to lending banks on pari-passu basis.
- 8.2) The Company has not defaulted in its repayments of the loans and interest.

9 TRADE PAYABLES

Other than Acceptance

	As at 31.03.2013	As at 31.03.2012
	(₹ in Lakhs)	
Deferred Tax Liabilities		
i) On difference between book balance and tax balance of fixed assets	6,238	5,976
Deferred Tax Assets		
i) Unabsorbed Depreciation Carry Forward	-	(1,225)
ii) Others	-	(17)
Closing Balance	6,238	4,734
Opening Balance	4,734	4,188
Net Deferred Tax Charge / (Credit)	1,504	546
7 OTHER LONG TERM LIABILITIES		
Other than Acceptances		
Trade Payables	-	27
Payables on Purchase of Fixed Assets	14,710	14,488
Liabilities for Expenses	-	2,004
	14,710	16,519
8 SHORT TERM BORROWINGS		
From Banks Secured		
Loans for Working Capital	22,508	23,333
Packing Credit	8,130	5,244
Unsecured		
Loans repayable on Demand from Other Parties	958	-
	31,596	28,577
9 TRADE PAYABLES		
Other than Acceptance	21,006	3,750
	21,006	3,750

	As at 31.03.2013	As at 31.03.2012
	(₹ in Lakhs)	
10 OTHER CURRENT LIABILITIES		
Current Maturities of		
i) Long Term Loan (Refer Note 5.1 to 5.5)	11,332	8,723
ii) Interest Free Sales Tax Loan	297	269
Interest accrued and not due on borrowings	765	629
Advance from Customers	477	183
Advance from Related Parties	81	-
Other Liabilities #	2,043	423
	14,995	10,227

Includes unclaimed dividend of ₹ 8 Lakhs (Pr. Yr. ₹ 5 Lakhs), Share application money refund ₹ 2 Lakhs (Pr. Yr. ₹ 2 Lakhs), Statutory dues ₹ 1,954 Lakhs (Pr. Yr. ₹ 416 Lakhs) and Others ₹ 79 Lakhs (Pr. Yr. Nil).

11 SHORT TERM PROVISIONS

Provision for Tax (Net of Advance Tax Paid) *	392	78
Provision for Proposed Preference Dividend	105	105
Interim Dividend	-	1,130
Tax on Interim Dividend	-	183
Provision for Proposed Equity Dividend	1,130	754
Provision for Tax on Proposed Dividend	210	139
	1,837	2,389

* Net of Advance Tax Paid ₹ 2,482 Lakhs (Pr. Yr. ₹ 572 Lakhs)

Notes

Notes forming part of the Consolidated Financial Statements

12. TANGIBLE ASSETS	(₹ in Lakhs)										
	Particulars	Gross Block			ACCUMULATED DEPRECIATION AND IMPAIRMENT				Net Block		
		Cost As on 01.04.2012	Additions	Disposals	Cost As on 31.03.2013	Upto 31.03.2012	For the Year	Eliminated on disposal of assets	Upto 31.03.2013	As on 31.03.2013	
Land	2,996*	75	-	3,071	-	-	-	-	3,071		
Factory Building	2,250*	746	-	2,996	-	-	-	-	2,996		
Buildings	19,832	9,401	-	29,233	2,546	767	-	3,313	25,920		
	14,104	5,728	-	19,832	1,971	575	-	2,546	17,286		
	6,593	2,542#	-	9,135	434	149	-	583	8,552		
	5,988	605	-	6,593	329	105	-	434	6,159		
Plant & Machinery	80,714	26,804	548	1,06,970	26,265	10,852	239	36,878	70,092		
	53,212	28,293	791	80,714	20,576	6,160	471	26,265	54,449		
Wind Mill	35,487	64	2	35,549	14,098	2,971	-	17,069	18,480		
	34,955	532	-	35,487	11,160	2,938	-	14,098	21,389		
Electrical	5,933	867	12	6,788	1,493	439	7	1,925	4,863		
	3,904	2,161	132	5,933	1,252	324	83	1,493	4,440		
Furniture & Fixtures	2,634	369	-	3,003	751	178	-	929	2,074		
	2,491	144	1	2,634	588	163	-	751	1,883		
Computers & Accessories	339	153	2	490	210	66	1	275	215		
	309	34	4	339	160	52	2	210	129		
Vehicles	545	313	19	839	198	70	10	258	581		
	422	142	19	545	163	45	10	198	347		
TOTAL	1,55,073	40,588	583	1,95,078	45,995	15,492	257	61,230	1,33,848		
Previous Year	1,17,635	38,385	947	1,55,073	36,199	10,362	566	45,995	1,09,078		

* Includes Lease hold Land of ₹ 318 Lakhs

Includes ₹ 115 Lakhs due to consolidation of Subsidiary Company

Includes Lease hold property ₹ 111 Lakhs

Previous year figures are in italics

	As at 31.03.2013	As at 31.03.2012
	(₹ in Lakhs)	
13 LONG TERM LOANS AND ADVANCES		
Capital Advances	264	7,098
Security Deposit	778	737
Deposit with Central Excise & Service Tax	31	31
MAT Credit Entitlement	1,310	1,052
	2,383	8,918
14 OTHER NON CURRENT ASSETS		
Unsecured and Considered good		
Long Term Trade Receivables	229	174
	229	174
15 CURRENT INVESTMENTS		
Investment in Mutual Funds		
Reliance Mutual Fund*	2,325	-
HDFC Mutual Fund*	2,812	-
ICICI Prudential Mutual Fund*	1,509	-
	6,646	-
* Refer Note 41 for number of units.		
16 INVENTORIES		
Raw Materials	10,595	13,637
Stock-in-process **	1,340	1,048
Finished Goods	21,303	3,137
Stock-in-trade	1,348	-
Stores, Spares, Packing & Others	1,171	831
	35,757	18,653
** Includes Yarn ₹ 1,029 Lakhs (Pr. Yr. ₹ 995 Lakhs), Fabric ₹ 12 Lakhs (Pr. Yr. ₹ 16 Lakhs), Sugar ₹ 152 Lakhs (Pr. Yr. ₹ Nil) and Garments ₹ 147 Lakhs (Pr. Yr. ₹ 37 Lakhs).		
17 TRADE RECEIVABLES		
Unsecured and Considered good		
Over six months from the payment due date	574	153
Others	15,305	13,546
	15,879	13,699
18 CASH AND CASH EQUIVALENTS		
(a) Cash on Hand	277	140
(b) Balance with Banks		
i) In Current Accounts	2,138	2,228
ii) In Deposit Accounts #	5,181	3,551
iii) Other Earmarked Accounts	9	7
	7,605	5,926

Deposits Accounts include deposits with maturity of more than 12 months of ₹ 34 Lakhs (Pr. Yr. ₹ 1,874 Lakhs) and Margin Deposits of ₹ 5,147 Lakhs (Pr. Yr. ₹ 1,456 Lakhs)

	As at 31.03.2013	As at 31.03.2012
	(₹ in Lakhs)	
19 SHORT TERM LOANS AND ADVANCES		
Unsecured and Considered good		
Loans and Advances to Related Parties (Refer Note 30.3 (d))	600	600
Loans and Advances Others	1,686	161
Loans and Advances to Employees	65	154
Balances with Government Authorities		
VAT Credit Receivable	266	358
Advance for Purchase	1,499	370
Others (Primarily prepaid expenses)	543	330
	4,659	1,973
20 OTHER CURRENT ASSETS		
Interest accrued on Deposits	278	68
Income Receivables	1,648	5,024
	1,926	5,092
21 REVENUE FROM OPERATIONS		
Sale of Products	1,59,205	1,15,880
Sale of Service	3,682	4,490
Other Operating Income	3,874	6,171
	1,66,761	1,26,541
21.1 Sale of Products		
Garments	25,337	29,177
Yarn	95,724	68,854
Fabric	21,679	12,473
Sugar	2,655	-
Molasses	1,501	-
Co-Gen Power	2,056	-
Car	3,364	-
Cotton Waste	6,889	5,376
	1,59,205	1,15,880
21.2 Sale of Service		
Processing, Fabrication & Service Income	3,682	4,490
	3,682	4,490
21.3 Other Operating Income		
Export Incentives	2,927	5,252
Others (Primarily Scrap)	947	919
	3,874	6,171
22 OTHER INCOME		
Interest from		
Bank Deposits	351	162
Others	64	44
Dividend	140	360
Profit on Sale of Fixed Assets (Net)	-	58
Miscellaneous Income	18	73
	573	697

	As at 31.03.2013	As at 31.03.2012
	(₹ in Lakhs)	
23 COST OF MATERIALS CONSUMED		
a) Opening Stock		
Cotton	12,606	18,570
Dyes & Chemicals	126	137
Yarn, Fabric & Polyester	905	828
	13,637	19,535
b) Add: Purchases		
Cotton	77,049	64,266
Dyes & Chemicals	1,691	1,592
Yarn, Fabric, Polyester & Garments	9,381	10,269
Trims, Packing & Others (Consumption)	2,332	2,157
Parts Purchase & Others (Consumption)	253	-
Sugar Cane	19,633	-
	1,10,339	78,284
c) Less : Closing Stock		
Cotton	8,887	12,606
Dyes & Chemicals	203	126
Yarn, Fabric & Polyester	1,505	905
	10,595	13,637
	1,13,381	84,182
24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE		
a) Opening Stock		
Finished Goods	4,173	8,419
Stock-in-Process	1,048	858
	5,221	9,277
b) Closing Stock		
Finished Goods	22,651	3,137
Stock-in-Process	1,340	1,048
	23,991	4,185
	(18,770)	5,092
25 EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages & Bonus	9,635	6,958
Contribution to Provident Fund & Other Funds	766	634
Welfare Expenses	1,264	699
	11,665	8,291
26 FINANCE COSTS		
Term Loans	5,114	3,436
Working Capital Loans	2,268	1,281
Interest on Income Tax	-	19
Bank Charges	529	81
Net (Gain) / Loss on Foreign Currency Transactions & Translation	1,892	-
	9,803	4,817

	As at 31.03.2013	As at 31.03.2012
	(₹ in Lakhs)	
27 OTHER EXPENSES		
Manufacturing Expenses		
Power & Fuel	6,496	3,556
Consumption of Stores & Packing materials	2,037	1,221
Insurance Charges	184	148
Production Expenses	893	742
Repairs and Maintenance		
Building	241	136
Machinery	3,076	2,012
Others	252	191
Administration Expenses		
Professional Fees	148	140
Rent (Refer Note 37)	85	13
Duties, Rates & Taxes	728	112
Payment to Auditor (Refer Note 29)	16	11
Loss on Sale of Fixed Assets (Net)	22	-
Travelling Expenses	323	224
Donation	215	209
General Expenses	241	234
Selling Expenses		
Freight & Forwarding	1,342	1,038
Sales Commission	1,366	868
Other Selling expenses	254	142
	17,919	10,997

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

- 28.1) The Group is in receipt of a demand of ₹ 82 Lakhs (Pr.Yr. ₹ 82 Lakhs) from the Indian Bank towards prepayment charges. The same has been contested in writ filed before the High Court of Judicature at Madras which has restrained Indian Bank from applying proceeds of TUF subsidy towards its demand for prepayment charges. The case is pending disposal.
- 28.2) The Group has issued Bank Guarantee amounting to ₹ Nil (Pr. Yr. ₹ 27 Lakhs) in favour of EPCG and Bank Guarantee amounting to ₹ 5 Lakhs (Pr.Yr. ₹ 5 Lakhs) in favour of Tamilnadu Pollution Control Board and Bank Guarantee amounting to ₹ 164 Lakhs (Pr. Yr. ₹ Nil) in favour TANGEDCO. The Group issued Corporate Guarantee amounting to ₹ 15,000 Lakhs (Pr. Yr. ₹ 11,500 Lakhs) towards working capital facility of the wholly owned subsidiary.
- 28.3) The Group has an Export obligation of ₹ 5,013 Lakhs (Pr. Yr. ₹ 60,180 Lakhs) to be completed upto 2020-21. The duty implication involved is ₹ 627 Lakhs (Pr.Yr. ₹ 7,523 Lakhs).
- 28.4) At the request of the Group the Bankers have established Letter of credit in favour of the suppliers of the Group as under :
- i) Foreign letter of Credit ₹ 5,100 Lakhs (Pr. Yr. ₹ 110 Lakhs)
 - ii) Inland Letter of Credit ₹ Nil (Pr.Yr. ₹ 11,929 Lakhs)
- 28.5) The Group has discounted sale bills amounting to ₹ 7,156 Lakhs (Pr. Yr. ₹ 2,209 Lakhs) with banks.
- 28.6) Income Tax pending appeals, aggregate Tax Disputed ₹ 2,291 Lakhs (Pr. Yr. ₹ 82 Lakhs). Central Excise pending appeals, aggregate Duty Disputed ₹ 6 Lakhs (Pr. Yr. ₹ 6 Lakhs). Service Tax pending appeals, Tax disputed ₹ 28 Lakhs (Pr. Yr. ₹ 28 Lakhs).
- 28.7) Estimated amount of contracts on capital account remaining to be executed (net of advances) aggregate to ₹ 181 Lakhs (Pr. Yr. ₹ 12,203 Lakhs).

29 PAYMENT TO AUDITORS

(₹ in Lakhs)

Particulars	2012-13	2011-12
Audit Fees	10	7
Tax Audit and Tax Matters	-	-
Other Services	5	3
Cost Audit	-	-
Expenses (incl. Service Tax)	1	1
Total	16	11

30 Related Party disclosures

In accordance with Accounting Standard 18 – “Related Party Disclosure”, the Group has compiled the required information as detailed below, as identified and disclosed by the management and relied upon by the Auditors:

30.1 Name of related parties and nature of relationship where control exists are as under

Key Management Personnel	Sri K.P.Ramasamy Sri KPD Sigamani Sri P.Nataraj Sri C.R.Anandakrishnan
Relatives of Key Managerial Personnel	Sri E.K.Sakthivel (Daughter's Husband of Sri.KPD Sigamani) Smt D.Geetha (Daughter of Sri.KPD Sigamani) Smt Kalpana Anand (Daughter of Sri K.P.Ramasamy)
Enterprises owned or significantly influenced 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

30.2 Transactions during the year with related parties / Key Management Personnel are as under

(₹ in Lakhs)

Nature of Transaction	Enterprises owned or significantly influenced by key management personnel / Directors or their relatives	Key Managerial Persons	Relatives to Key Managerial Persons	Total as on 31.03.2013
Sale of Goods	- (8)	-	44	44 (8)
Lease Rent	-	1 (1)	-	1 (1)
Remuneration / Salary	-	1,125 (440)	29 (34)	1,154 (474)
Donation	200 (200)	-	-	200 (200)
Amount Receivable	- (8)	-	-	- (8)
Land Advance	-	600 (600)	-	600 (600)
Amount Payable	-	788 (167)	1	789 (167)

(Previous year figures are in Brackets)

30.3 Details of major transactions with related parties

a) Sale of Goods (₹ in Lakhs)		
Name	2012-13	2011-12
Smt.Kalpana Anand	44	-
M/s.K.P.R.Charities	-	8
Total	44	8

b) Lease Rent (₹ in Lakhs)		
Name	2012-13	2011-12
Sri K.P.Ramasamy	0.27	0.27
Sri KPD Sigamani	0.27	0.27
Sri P.Nataraj	0.26	0.26
Total	0.80	0.80

c) Remuneration / Salary (₹ in Lakhs)		
Name	2012-13	2011-12
Sri K.P.Ramasamy	367	139
Sri KPD Sigamani	367	139
Sri P.Nataraj	367	138
Sri C.R.Ananda Krishnan	24	24
Total	1,125	440

d) Land Advance (₹ in Lakhs)		
Name	2012-13	2011-12
Sri K.P.Ramasamy	200	200
Sri KPD Sigamani	200	200
Sri P.Nataraj	200	200
Total	600	600

e) Amount Receivable (₹ in Lakhs)		
Name	2012-13	2011-12
M/s.K.P.R.Charities	-	8
Total	-	8

f) Amount Payable (₹ in Lakhs)		
Name	2012-13	2011-12
Sri K.P.Ramasamy	316	52
Sri KPD Sigamani	239	52
Sri P.Nataraj	231	61
Sri C.R.Ananda Krishnan	2	2
Total	788	167

31 Expenditure in Foreign Currency

(₹ in Lakhs)		
Particulars	2012-13	2011-12
Travel, sales commission etc.,	228	214
Interest	1,296	1,201
Professional Fees	5	6
Value of imports on CIF basis		
Raw Material	14,170	289
Stores and Spare parts	677	292
Machinery	183	79
Total	16,559	2,081

32 Earnings in Foreign Currency

(₹ in Lakhs)		
Particulars	2012-13	2011-12
Export of Goods at FOB value	43,368	39,130
Total	43,368	39,130

33 Amount remitted during the year in Foreign Currency

(₹ in Lakhs)		
Particulars	2012-13	2011-12
1.On account of Dividend (₹ in Lakhs)	55	33
2.Number of Non-Resident Share Holders	1	1
3.Number of Shares held by Non-Resident Share Holders on which Dividend are due	11,06,784	11,06,784
4.The year to which dividend relates	2011-12 & 2012-13	2010-11

34 Earnings Per Share (EPS)

Particulars	₹ in Lakhs	
	2012-13	2011-12
Profit / (loss) for the year	10,301	3,279
Less: Dividend on preference shares issued by subsidiary companies outside the Group (including tax thereon)	-	-
Less: Preference Dividend and Tax thereon	123	122
Profit / (loss) for the year attributable to the equity shareholders	10,178	3,157
Weighted average number of Shares	3,76,82,892	3,76,82,892
Face Value Per Share (₹)	10	10
Earnings Per Share (₹) Basic & Diluted	2701	8.38

35 i) Goodwill on Consolidation

Particulars	₹ in Lakhs	
	2012-13	2011-12
Opening Balance	70	-
Add: On acquisition of subsidiaries during the year	-	70
Add/Less : Exchange difference during the year translation of Goodwill of foreign subsidiaries	-	-
	70	70
Less: On disposal of subsidiaries during the year	-	-
Less: Accumulated Impairment	-	-
Total	70	70

ii) The effect of acquisition and disposal of subsidiaries

The effect of acquisition and disposal of subsidiaries on the financial position and results as included in the CFS is given below:

Particulars	2012-13		2011-12	
	Acquisition	Disposal	Acquisition	Disposal
Liabilities as on date of acquisition				
Non-current liabilities	575	-	1	-
Current liabilities	870	-	2	-
Assets as on date of acquisition				
Non-current assets	514	-	1,104	-
Current assets	1,084	-	1,386	-
Revenue for the period ended	2,970	-	95	-
Expenses for the period ended	3,042	-	1,803	-
Profit / (Loss) before tax for the period ended	(72)	-	(1,708)	-
Profit / (Loss) after tax for the period ended	(72)	-	(1,711)	-

36 Segment Reporting

During the second half year, the group has classified its operations into three segments viz., Textile, Sugar and Others and prior to that the Group was primarily operating in one business segment viz., Textiles.

36.1 Particulars	Textiles	Sugar	Others	Total
Revenue				
Gross Sales	1,53,050	6,851	3,625	1,63,526
Less: Inter Segment Sales	-	639	-	639
External Sales	1,53,050	6,212	3,625	1,62,887
Less: Excise duty & cess on External Sales	-	294	-	294
Net Sales	1,53,050	5,918	3,625	1,62,593
Add: Other Operating Revenue	3,694	49	131	3,874
Add: Allocable Other Income	627	11	4	642
	1,57,371	5,978	3,760	1,67,109
Less: Inter Segment Income	69	-	-	69
Total Revenue	1,57,302	5,978	3,760	1,67,040
Segment Results				
Finance Cost	8,493	1,343	36	9,872
Less: Inter Segment Expenses	-	69	-	69
	8,493	1,274	36	9,803
Profit Before Tax	14,323	75	9	14,407
Tax				
Current Tax				2,877
MAT Credit Availment				263
Current Tax Expense relating to Prior Years				(12)
Deferred Tax Charge / (Write back)				1,504
Profit After Tax				10,301
Other Information				
Segment Assets	1,53,453	50,489	2,290	2,06,232
Segment Liabilities	48,709	18,922	1,843	69,475
Depreciation and Amortisation	14,181	897	14	15,093
Non Cash Expenses other than Depreciation and Amortisation	-	-	-	-

36.2 Geographic Segment (₹ in Lakhs)

Name	2012-13	2011-12
Export	43,368	39,130
Domestic	1,15,837	76,750
Total	1,59,205	1,15,880

36.3 Segment Assets (₹ in Lakhs)

Name	2012-13	2011-12
Export	6,631	4,491
Domestic	2,02,371	1,66,575
Total	2,09,002	1,71,066

36.4 Capital Expenditure (₹ in Lakhs)

Name	2012-13	2011-12
Domestic	40,588	38,385
Total	40,588	38,385

37 Operating Lease Commitments

During the year, 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 2013 amounted to ₹ 66 Lakhs.

Particulars	(₹ in Lakhs)
Minimum lease payments not later than one year	125
Later than one year but not later than five years	379
More than five years	206

- 38 The Promoters had leased out the land to the Group. During March 2009 the Group has entered into an agreement with the Promoters, whereby the Group has an option to purchase those Lands as and when required, within the period of ten years from the date of the lease agreement.

		(₹ in Lakhs)	
		2012-13	2011-12
39	Defined Contribution Plan		
	Provident Fund	71731	631.22
	ESI Contribution	275.48	22794
40	Defined Benefit Plan		
	Gratuity		
A	Changes in Present value of obligation		
	PV of obligation as at beginning of the year	106.16	76.51
	Current Service Cost	24.61	19.17
	Interest Cost	7.14	5.95
	Actuarial (gain) / Loss on obligation	(17.42)	4.53
	PV of obligation as at end of the year	120.48	106.16
B	Change in Assets during the year ended 31st March		
	FV of Plan Asset as at beginning of the year	102.74	88.54
	Expected return on Plan Assets	8.10	8.24
	Actuarial gain / (loss)	-	0.88
	Contributions by the employer	22.03	5.08
	FV of Plan Asset as at end of the year	132.87	102.74
C	Net Asset/(Liability) recognized in the Balance Sheet		
	PV of obligation as at end of the year	120.48	106.16
	FV of Plan Asset as at end of the year	132.87	102.74
	Funded Status [Surplus/(Deficit)]	12.39	(3.42)
D	Expenses recognized during the period ended 31st March		
	Current Service Cost	24.61	19.17
	Interest Cost	7.14	5.95
	Expected return on Plan Assets	(8.10)	(8.24)
	Actuarial (gains) / Losses	(17.42)	3.65
	Net amount recognised in the year	6.22	20.53

		(₹ in Lakhs)	
		2012-13	2011-12
E	Categories of plan assets as a percentage of total plan assets		
	Equity instruments	-	-
	Debt instruments	-	-
	Property	-	-
	Insurer managed asset	100%	100%
Assumptions used in accounting for the gratuity Plan			
	Discount Rate (per annum)	8.05%	8.00%
	Rate of increase in compensation levels (per annum)	7.00%	7.20%
	Rate of return on plan assets (per annum)	8.00%	9.15%
	Expected average remaining working lives of employees (years)	29.76	29.85

In the absence of detailed information regarding Plan assets which is funded with Life Insurance Corporation of India, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed. The details of experience adjustments arising on account of plan assets and liabilities as required by paragraph 120(n)(ii) of AS 15 (Revised) on "Employee Benefits" are not readily available in the valuation report and hence, are not furnished.

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

41 Details of Investments

(₹ in Lakhs)

Particulars	2012-13		2011-12
	Units	Amount	
Reliance Mutual Fund	1,51,955	2,325	-
HDFC Mutual Fund	2,64,40,953	2,812	-
ICICI Mutual Fund	15,07,156	1,509	-
Total		6,646	-

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

43 The Group exercised the option provided by The Government of India, Ministry of Corporate Affairs vide Notification No.G.S.R.913 (E) dated December 29, 2011, amending the Companies (Accounting Standard) Rules, 2006 in respect of the exchange differences arising on long-term foreign currency monetary items. The unamortized net exchange difference on account of the above is a Net gain of ₹ 104 Lakhs as at 31st March, 2013. (Previous Year Ended 31st March, 2012. Net loss ₹ 837 Lakhs).

44 Details of hedged and unhedged foreign currency exposures

(i) Outstanding forward exchange contracts entered into by the Group as on 31st March, 2013

Currency	Cross Currency	Amount (₹ in Lakhs)	Buy / Sell
\$	Rupees	Nil (10.00)	- Buy
\$	Rupees	174.38 (0.67)	Sell Sell
€	Rupees	71.59 (Nil)	Sell -
£	Rupees	7708 (Nil)	Sell -

(ii) Outstanding option contracts entered into by the Group as on 31st March, 2013

Currency	Cross Currency	Amount (₹ in Lakhs)	Buy / Sell
\$	Rupees	Nil (20.00)	- Buy

Note :Figures in brackets relate to the previous year

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

As at 31st March, 2013		As at 31st March, 2012	
Receivables / (Payables)		Receivables / (Payables)	
₹ in Lakhs	FC in Lakhs	₹ in Lakhs	FC in Lakhs
(10437.90)	(\$191.91)	1245.79	\$24.49
(8238.74)	(€ 118.47)	1654.29	€ 24.37
(5495.78)	(CHF 96.30)	1838.59	£ 22.55
		(734.64)	(\$14.44)
		(8044.53)	(€ 118.46)
		(5435.22)	(CHF 96.43)

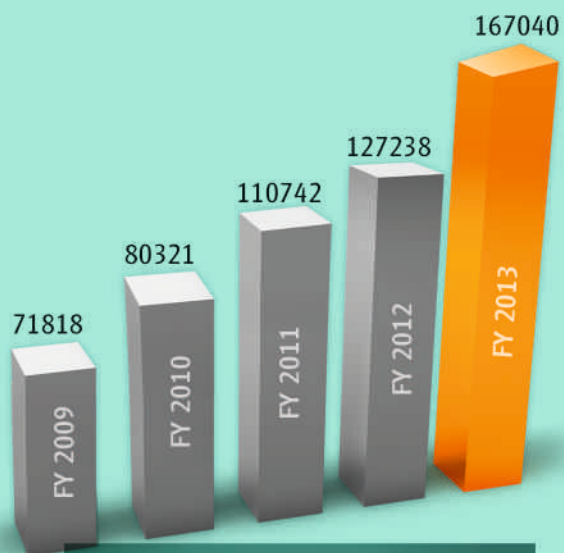
45 Previous Year's Figures

The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

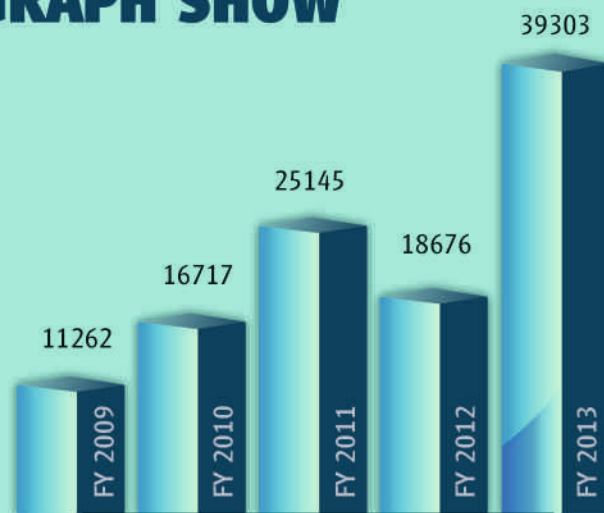
Statement pursuant to general exemption received under Section 212(8) of the Companies Act, 1956 relating to subsidiary companies FY 2012-13

Particulars	Quantum Knits Pvt Limited	K.P.R.Sugar Mill Limited	Galaxy Knits Limited	Jahnvi Motor Pvt Limited
Capital	10	483	5	151
Reserves	428	9,245	0	-99
Total assets	8,355	50,565	5	2,289
Total liabilities	7,917	40,837	-	2,237
Investment other than investment in subsidiary	-	-	-	-
Turnover (Net of Excise Duty)	18,426	6,606	-	3,756
Profit before taxation	201	75	-	9
Provision for taxation	50	10	-	-
Profit after taxation	151	65	-	9
Proposed dividend	-	-	-	-

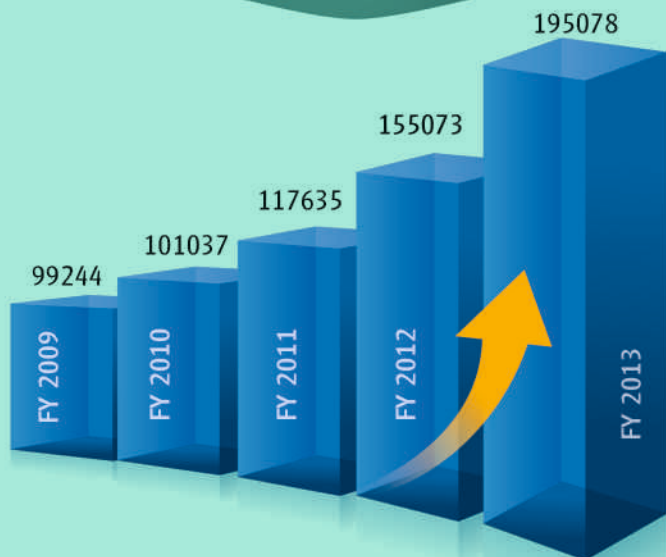
GRAPH SHOW



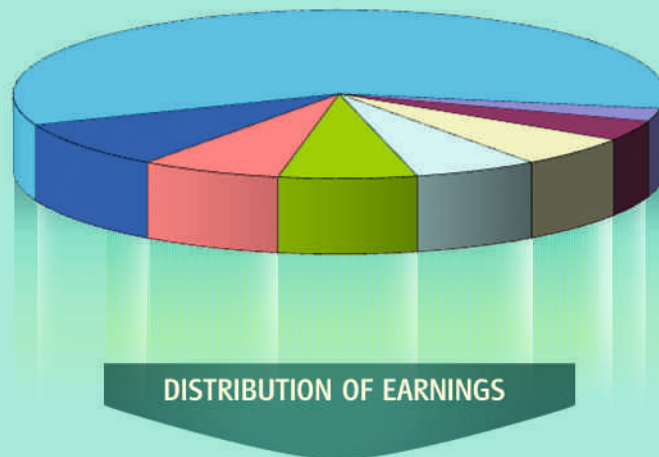
Turnover (₹ in Lakhs)



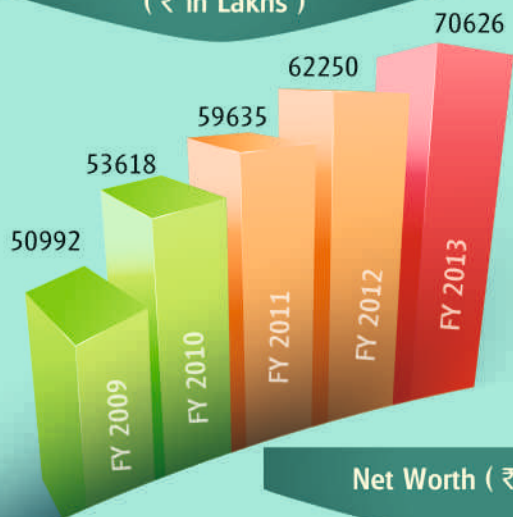
EBITDA (₹ in Lakhs)



Investment in Fixed Assets (₹ in Lakhs)



DISTRIBUTION OF EARNINGS



Net Worth (₹ in Lakhs)

Raw Material	58.7%	Employee Cost	7.0%
PAT	6.2%	Power	3.9%
Depreciation	9.1%	Finance charges	5.9%
Other Exp	6.8%	Tax Exp	2.4%



K.P.R. MILL LIMITED

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

NOTICE OF 10th ANNUAL GENERAL MEETING

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 10th Annual General Meeting of the Members of the Company will be held on **Saturday, the 31st August 2013 at 11.30 A.M. at Ball Room, Hotel The Residency, 1076, Avinashi Road, Coimbatore - 641 018** to transact the following business:

ORDINARY BUSINESS:

1. To receive and adopt the Balance Sheet as at 31st March 2013 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Directors' and the Auditors' thereon.
2. To declare a Dividend.
3. To appoint a Director in the place of Sri. M.J. Vijayaraaghavan who retires by rotation and being eligible, offers himself for appointment.
4. To appoint a Director in the place of Sri.A.M.Palanisamy who retires by rotation and being eligible, offers himself for appointment.
5. To appoint a Director in the place of Sri.C.Thirumurthy who retires by rotation and being eligible, offers himself for appointment.
6. To appoint Auditors and fix their remuneration.

Place: Coimbatore
Date: 21.05.2013

By Order of the Board
K.P.Ramasamy
Chairman

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY (IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Members / Shareholders are requested to bring the duly filled-in attendance slip sent herewith and produce at the registration counters for admission to the Meeting Hall.
3. As a measure of economy, copies of Annual Reports will not be distributed at the venue of the Annual General Meeting. Members are, therefore, requested to bring their copies of the Annual Report to the Meeting.
4. In case you have any query relating to the enclosed Annual Accounts, you are requested to send the same to the Company Secretary at the Registered Office of the Company atleast 10 days before the date of the Annual General Meeting so as to enable the Management to keep the information ready.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 23.08.2013 to 31.08.2013 (both days inclusive) for the purpose of Annual General Meeting and payment of Dividend. The Dividend, if declared, at the Annual General Meeting, will be paid on 16th September 2013 to those Shareholders who are entitled for the same.
6. Members are requested to intimate, indicating their DP ID/Client ID, the changes, if any, in their registered addresses, Bank particulars, to their respective Depository Participant (DP) in case the shares are held in demat form.
7. To facilitate implementing SEBI's mandate to remit Dividend etc., by Electronic mode to the investors, please UPDATE your Bank particulars indicating 9 Digit MICR Numbers with your Depository Participant immediately, failing which the Dividend will have to be sent by physical mode only.
8. The particulars of Directors re-appointed at this Annual General Meeting are given as Annexure.
9. To support the Green Initiative of the Government, the Shareholders are requested to convey / update their e-mail address with their respective Depository Participant as well as register the same for the purpose of forwarding documents to the Shareholders by e-mail.

Place: Coimbatore
Date: 21.05.2013

By Order of the Board
K.P.Ramasamy
Chairman

ANNEXURE TO NOTICE

Details of Directors seeking re-appointment at the Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	Sri.M.J.Vijayaaraghavan	Sri. A.M.Palanisamy	Sri.C.Thirumurthy
Date of Birth	03.08.1932	15.08.1950	16.04.1959
Date of appointment	21.02.2007	22.02.2010	31.01.2011
Expertise in specific functional area	Sri. M.J. Vijayaaraghavan, an Independent Director, is a Chartered Accountant with over four decades of experience. He is a senior partner of M.S. Jagannathan & Visvanathan, Chartered Accountants, who are the Statutory Auditors of Leading Companies located in Coimbatore, Bangalore and in the State of Kerala. He is also a partner in S.V. Visvanathan & Co., Chartered Accountants since 1992 and in M.S. Jagannathan & Co.,	He practised as a Chartered Accountant for about 16 years with specialization in production planning, financial management and taxation. Looking after production as well as administration of Aerospace Materials Private Limited, the Manufacturers of Carbon Cloth used in Space Vehicles (Rockets), and Suppliers to ISRO	C.Thirumurthy, B.Com, B.L, F.C.S is a Fellow Member of The Institute of Company Secretaries of India and is Practicing as Company Secretary since 2003 at Coimbatore. He served as 'Company Secretary' in various Companies mostly related to Spinning Industry. During his career handled Public Issue, liased with Banks and Financial Institutions for financial assistance, besides, attending matters related to Income tax, Sales Tax and Central Excise.
Qualification	F.C.A	F.C.A	F.C.S
Directorship in other Indian Public Companies as on 31.03.2013	K.G. Denim Limited	Kovai Medical Centre and Hospital Limited	Salona Cotspinn Limited
Chairmanship / Membership of Committees in other Indian Public Companies	NIL	Kovai Medical Center and Hospital Limited: Chairman - Audit Committee	Salona Cotspinn Limited: Member - Audit Committee
Shareholding in the Company- No. of shares	100	NIL	175

K.P.R. MILL LIMITED

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

ATTENDANCE SLIP

★ Please bring the Attendance Slip and hand it over at the entrance of ★
★ Ball Room, Hotel The Residency, Avinashi Road, Coimbatore - 641 018. ★

Name & Address of the Shareholder

.....
.....
.....
.....

Folio No.

DP. ID*

Client ID*

*Applicable to investors holding shares in electronic form

Please tick in the box

Member Proxy

I hereby record my presence at the 10th Annual General Meeting at Ball Room, Hotel The Residency, Avinashi Road, Coimbatore - 641 018 on Saturday the 31st August 2013 at 11.30 am

Signature of the Member or Proxy

Shares held

K.P.R. MILL LIMITED

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

PROXY

I/We of in the district of

being a member(s) of the above named Company hereby appoint Sri. of

..... in the district of or failing him Sri. of

..... in the district of as my/our proxy to vote for

me/us on my/our behalf at the 10th Annual General Meeting of the Company to be held on Saturday the 31st August 2013 at 11.30 am and at any adjournment thereof.

Signed this day of 2013

Folio No.

DP. ID*

Client ID*

*Applicable to investors holding shares in electronic form

No. of Shares held

Signature

Affix
Re. 1
Revenue
Stamp

Notes

1. The Proxy to be valid should be deposited at the Registered Office of the Company not later than 11.30 am on 29th August 2013.

2. The Proxy should be executed on Re. 1 Revenue Stamp

Corporate Office:

KPR MILL LIMITED

1st Floor, Srivari Shrimat,

1045, Avinashi Road, Coimbatore – 641 018, India.

Phone: + 91 – 422 – 2207777, | Fax: + 91 – 422 – 2207778

Email : corporate@kprmill.com

www.kprmilllimited.com