



# K.P.R. MILL LIMITED

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

## NOTICE OF THE 9TH ANNUAL GENERAL MEETING

### NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 9th Annual General Meeting of the Members of the Company will be held on **Wednesday, the 29th August , 2012 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 2012 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 Dr.K.Sabapathy who retires by rotation and being eligible, offers himself for appointment.
4. To appoint a Director in the place of Sri.K.N.V.Ramani who retires by rotation and being eligible, offers himself for appointment.
5. To appoint a Director in the place of Sri.G.P.Muniappan who retires by rotation and being eligible, offers himself for appointment.
6. To appoint Auditors and fix their remuneration

### SPECIAL BUSINESS:

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

Resolved that pursuant to the provisions of Section 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 as amended from time to time, the consent of the Company be and is hereby accorded to the re-appointment of Sri.A.Sekar as 'Whole-Time Director' of the Company, designated as "Director (Commercial)" for a further period of Five years from 24.03.2013 to 23.03.2018 at a monthly remuneration of Rs.1,00,000/- (Rupees One Lakh only) in the pay scale of Rs.1,00,000-5,000-1,50,000 being the Remuneration approved by the Remuneration Committee.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT 1956

Item No. 7

Sri.A.Sekar was appointed as a 'Whole-Time Director' of the Company in its 5th Annual General Meeting for a period of five years and the term of his appointment will expire on 24th March 2013. The Board in its Meeting held on 28th June 2012 has, subject to the approval of the Company in General Meeting, re-appointed him for a further term upon a remuneration as recommended by the Remuneration Committee of the Company and as detailed in the Resolution.

A Resume of the Appointee is annexed to this Notice. Your Directors commend the Resolution for the approval of the Members.

The present Resolution along with the above explanatory details may be treated as an abstract u/s 302 of the Companies Act relating to the terms of his re-appointment.

None of the Directors other than Sri.A.Sekar is concerned or interested in this Resolution.

Place: Coimbatore  
Date: 28.06.2012

BY ORDER OF THE BOARD  
K.P. Ramasamy  
Chairman

### Notes:

1. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, setting out the material facts in respect of special business is annexed hereto.
2. **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.**
3. 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.
4. 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.

5. 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.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from 22.08.2012 to 29.08.2012 (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 11th September 2012 to those Shareholders who are entitled for the same.
7. 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.
8. 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.
9. The particulars of Directors appointed / re-appointed at this Annual General Meeting are given as Annexure.
10. 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: 28.06.2012

BY ORDER OF THE BOARD  
K.P. Ramasamy  
Chairman

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

Name of the Director	Dr.K.Sabapathy	Sri. K.N.V.Ramani	Sri.G.P.Muniappan	Sri.A.Sekar
Date of Birth	04.06.1955	05.10.1931	29.05.1941	15.07.1957
Date of appointment	21.02.2007	27.6.2008	24.03.2008	24.03.2008
Expertise in specific functional area	Dr.K.Sabapathy was a faculty of Physics in PSG College of Arts and Science for 5 years from 1977 to 1982 and a faculty of Physics and Computer Science in CBM College from 1982 to 1992. A Member of the Coimbatore Stock Exchange for 20 years since 1992 and was also its Vice President during 2003 to 2005. He was also Director of Inter Connected Stock Exchange of India Limited, Mumbai during 2002 to 2005.	Sri.K.N.V.Ramani is a Corporate Lawyer with more than 48 years of active practice specializing in legislations like the Companies Act, Taxation and Labour Laws. He is the Legal Advisor for many Companies, PSUs, Banks and Financial Institutions etc. He is presently the senior partner of the law firm M/s. Ramani & Shankar, Advocates, Coimbatore.	Sri. G.P.Muniappan, joined R.B.I. during 1965 and became its 'Deputy Governor' in 2001. He also held high positions such as Chairman of Bank of Madurai, R.B.I.'s Nominee on the Boards of SEBI, Indian Overseas Bank, Indian Bank and as a Trustee of U.T.I. He has specialized in the areas of Forex Management, Banking operations, Banking Regulations.	Sri.A.Sekar is a Commerce Graduate and has over 25 years experience in the Apparel Industry. He joined KPR Group as an Employee during 1987 and has been assisting the Management in setting up of various Units and implementation of several projects including expansion programme, right from the inception of the Company. Presently he is looking after the commercial functions of the Company.
Qualification	M.Sc., M.Phil., PhD.	B.L.,M.A.	University Rank Holder in M.A. Economics. C.A.I.I.B., PG Diploma in Bank Management etc	B.Com
Directorship in other Indian Public Companies as on 31.03.2012	Coimbatore Capital Limited	1) Bannari Amman Spinning Mill Ltd 2) Sri Kannapiran Mills Ltd 3) Sri Chamundeswari Sugars Ltd 4) K.G. Denim Limited 5) L.G.B. Forge Limited 6) Shiva Texyam Ltd	1) K.G. Denim Limited 2) Servalakshmi Paper Limited	K.P.R. Sugar Mill Limited
Chairmanship / Membership of Committees in other Indian Public Companies	Coimbatore Capital Limited	1) Bannari Amman Spinning Mill Ltd Audit Committee-Member Remuneration Committee-Member 2) Sri Kannapiran Mills Ltd Audit Committee-Chairman Remuneration Committee-Chairman 3) Sri Chamundeswari Sugars Ltd Remuneration Committee-Chairman 4) K.G. Denim Limited Audit Committee-Member Remuneration Committee-Chairman 5) L.G.B. Forge Limited Remuneration Committee-Chairman 6) Shiva Texyam Ltd Audit Committee - Chairman	1)K.G. Denim Limited Shareholders Grievance Committee -Member 2) Servalakshmi Paper Limited Shareholders Relations Committee -Member	Nil
Shareholding in the Company-No. of shares	Nil	Nil	Nil	Nil

## 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 9th Annual General Meeting at Ball Room, Hotel The Residency, Avinashi Road, Coimbatore - 641 018 on Wednesday the 29th August 2012 at 11.30 am

Signature of the Member or Proxy

Shares held

CUT HERE

## 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 9th Annual General Meeting of the Company to be held on Wednesday the 29th August 2012 at 11.30 am and at any adjournment thereof.

Signed this ..... day of ..... 2012

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 27th August 2012.
- 2.The Proxy should be executed on Re. 1 Revenue Stamp

# KPR

MILL LIMITED



fashion to cogen  
growing greener

**9th annual report 2011 -12**





## HIGH LIGHTS 2011-12

(Rs. in Lakhs)

Total Revenue	<b>1,27,551</b>
PBDIT	<b>18,676</b>
PBT	<b>3,497</b>
PAT	<b>3,279</b>
Cash Profit	<b>13,641</b>
Assets	<b>1,71,903</b>
Net Worth	<b>63,087</b>
EPS	<b>Rs. 8.38</b>
Cash EPS	<b>Rs. 36.20</b>

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. KPR Mill has a cumulative capacity of 3,36,960 spindles to produce 86,000 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 and 'State of the Art' processing facility to process 9,000 MT per annum; 66 Wind mills with total power generation capacity of 61.92 MW. Besides, participating in Cogen Cum Sugar Project with a capacity of 30 MW and 5,000 TCD established through Subsidiary Company







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## CHAIRMAN'S LETTER

Dear Shareholders,

I am pleased to present the Ninth Annual Report of our Company K.P.R. Mill Limited for the Financial year 2011 – 12.

The initiatives taken by the Board and Management in improving operations and market presence with introduction of new value added products Compact Yarn, Melange Yarn was well accepted by the customers.

Despite a challenging year, our Company could achieve profits because of the strategy, to address the customer needs and improve competitiveness by increasing captive generation capacity by Windmills.

The Indian Economy in 2011 – 12, indicates a slowdown compared to the previous year. India's slowdown can be attributed to weakening industrial growth and agricultural production. Monetary policy was tightened by the Reserve Bank of India (RBI) during the year to control inflation and curb inflationary expectations. The global economic environment, which was volatile throughout the year, turned adverse from September 2011 owing to the turmoil in the eurozone, and concern on the outlook of Global economy and frequent changes in sovereign ratings. However Indian rural consumption remains intact and the demographics will help India to weather the storm and revive to growth path again.

As regards textiles, India is ranked as the third largest global Exporter of textiles, as per the World Trade Organization (WTO release), trailing EU-27 and China. To mitigate the recessionary trend in the textiles sector, the Government has been supporting it through various policy initiatives to enable the sector to increase market share in the global textiles markets. India is projected to be the second fastest growing major economy (7%) after China (8.2%) as per the IMF. In the medium term, challenges for the global economy continue to emanate from the way the eurozone crisis is addressed. Manufacturing competitiveness has been the key factor which caused countries like China, India and Bangladesh to rise as the global suppliers of textiles and clothing. India because of its strong raw material base and other factors is well positioned to compete globally. Today's competitive world demands trained and certified skilled manpower to address the challenges of growth and converting them into opportunities.

During the year, the exports of our Company increased by 32% to Rs. 395 Crores from Rs. 300 Crores of previous year. Yarn sales have gone up by 19% to Rs. 689 Crores from Rs. 579 Crores. However the deterrents such as severe power cut, increase in Cotton Price, steep decline in yarn prices, increased finance cost enabled an EBITDA of Rs. 187 Crores as against Rs. 251 Crores of previous year and the Net Profit of Rs. 33 Crores as against Rs. 72 Crores. Generated a Cash profit of Rs. 136 Crores with a Cash EPS Rs. 36.20. Exports contributed to 36% of net sales and Domestic sales 64%.

Though acute power cut persisted throughout the year, the capacity utilization could be maintained at 85% through open market power purchase, running Gensets besides energy saving measures. TamilNadu continues to pass through acute power crisis leading to severe power cuts with high and frequent tripping during day time. Many new power projects, including the Kudankulam Nuclear Power Project are expected to ease the situation. The 33% steep hike in power cost since April 2012 is a cause of concern for the Industry. However, while KPR meets 75% of its power requirements through Wind-Mills: the Co-gen cum Sugar Mill under implementation may entail its 100% power self-sufficiency in FY13 facilitating increased utilization levels and saving on power costs. The Unit is set up at one of the high sugar recovery area at Karnataka through its Subsidiary. The project supported by various key factors is expected to be commissioned by October 2012.

As per USDA Cotton outlook during 2011-12, the world's cotton production will rise from 115.3 mn bales to 127.5 mn bales increase of 11%. This will surpass its consumption of 120 mn bales. It has led the significant correction of cotton prices and the trend is expected to sustain subject to change in Government Policy. However the uncertainties of monsoon and price volatility continue to be a challenge.

The current uncertain conditions pose a strong and serious challenge for the Industry to sustain growth. But the Board and Management of our Company is confident of managing the uncertain and volatile times by continuous monitoring and quick change of strategies. This is possible because of the inherent strengths of customer base and the infrastructure, the Company has built over the years.

We thank our esteemed stakeholders for being a part of KPR's growth journey, including all shareholders and especially our employees for their commitment and contribution in making KPR a globally recognized integrated textile player.

With best wishes

**K.P. Ramasamy**  
Chairman

