



16th annual report 2018-19

HIGHLIGHTS 2018-19



Ms. N. Ramalakshmi receiving
CEMCA Award from
Hon'ble Governor of Tamil Nadu.

(₹ in Lakhs)

Total Revenue	3,42,091
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PBDIT	64,865
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PBT	46,858
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PAT	33,487
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Cash Profit	46,600
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Assets	2,60,584
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Net Worth	1,79,017
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EPS	46.12
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Cash EPS	64.18
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The success of KPR is an example of businesses that started from humble beginning and eventually grew into a giant of their respective industries. Success doesn't always come easy; it often takes decades of dedicated and diligent work to grow a small business into a Corporate power house. Originated as a small textile manufacturer, the three ambitious brothers transformed this prestigious KPR Group steadily with their strenuous united efforts and visionary plans. Hailed from an agricultural family, like any other rural populace, they overcame several economic and social ordeals to reach KPR to this prominent level. Now it is one of the renowned Corporate engaged in Textiles, Sugar, Power generation, Automobiles and Education. Their sustained growth is attributable to the determined team efforts with long term perspectives. The urge for quality, commitment coupled with societal development and strive towards excellence in all their activities secured a prominent place for KPR in the Textile Arena. This impeccable drive continuously awards KPR the titles such as 'one of the Top 500 Listed Corporate' and 'Top 100 CEOs in India'.

The iconic Corporate of the Group, 'K.P.R. Mill Limited' has 12 Manufacturing units of advanced technology and over 24,000 dedicated work force. It has a capacity to produce 1,00,000 MT of yarn per annum; 27,000 MT fabrics per annum; 115 million ready-made knitted apparel per annum, one of the largest Garment Producers in India (A new garment facility in Ethiopia); Industry acclaimed ETP embedded Fabric Processing capacity of 22,000 MT per annum equipped with advanced cold processing technology and Sophisticated Printing Division with a capacity to print 7500 MT per annum; 66 Wind mills with a total green power generation capacity of 61.92 MW; Co-gen Cum Sugar Plant with a capacity of 30 MW and 5,000 TCD. Presently it also ventures into Retail Business under its own Brand and Ethanol Production.

Directors' Report	1
Corporate Governance Report	19
Practising Company Secretary's Certificate on Corporate Governance	34
Management Discussion and Analysis report	36
Business Responsibility Report	39
Auditors' Report	45
Balance sheet	54
Statement of Profit and Loss	55
Cash Flow Statement	56
Accounting Policies & Notes	59
Auditors' Report on Consolidated Financials	96
Consolidated Balance sheet	103
Consolidated Statement of Profit and Loss	104
Consolidated Cash Flow Statement	105
Accounting Policies & notes on Consolidated Financials	108



CHAIRMAN'S LETTER

Dear Shareholders

We are happy to report a solid financial and operational result in fiscal 2019. It was a year of opportunities and challenges and KPR emerged more competitive. Our consolidated financial results attest to our successful Corporate strategy of managing the resources.

KEY HIGHLIGHTS OF FY 2018-19 RESULTS

- + Garment Production up by 20.20% - 94.19 Million
- + Revenue up by 12.54% - Rs.3,421 Crores
- + EBITDA up by 10.04% - Rs.649 Crores
- + PBT up by 17.72% - Rs.469 Crores
- + PAT up by 15.32% - Rs.335 Crores

Growth in revenue and profitability enabled better performance for the year as a whole. Though cotton prices were going up during the last quarter of the fiscal, the quality of the cotton was one of the best in the recent years. We have strategically planned and accumulated the inventory much earlier covering best quality cotton at economized cost. Consequent on the increase in cotton prices the yam prices have also moved up. Garment order position is encouraging. The enhanced capacity has started yielding higher garment production. Regarding sugar, due to government regulatory monthly sugar mechanism - releasing certain quantity only every month - the sugar price maintains at better level. The new project 'ethanol' at a cost of ₹ 120 Crores is in progress and may commence its operations in the coming season.

Ethiopia Garment Factory

At KPR Exports PLC, Ethiopia, the production is going on as per the plan and ramping up will happen in phases. Our Strategic foray into Ethiopia is expected to provide multiple scale and economical advantages such as better realization, margin and improved return ratios. Also it is feasible to scale up in Ethiopia with a trainable semi-skilled work force and cost benefits.

Wholly owned Subsidiary Company at Singapore

Promoted a Wholly owned Subsidiary Company at Singapore under the name and Style 'KPR Mill Pte Ltd' for the purpose of strengthening International business.

MOMENT OF PRIDE- OUR EMPLOYEES WHO HAVE SECURED RANKS IN TAMIL NADU OPEN UNIVERSITY.



Retail Business under the Brand 'FASO'

We are delighted to inform you that KPR has embarked into Retail business by launching of new inner wear and athleisure brand '**FASO – Italian at Heart**' (Fashion Adapted Sustainable and Organic).

It is planned to launch the brand initially in three main cities in Tamilnadu viz., Chennai, Coimbatore and Madurai and the product supply would be planned through distribution network. FASO products are segmented in three different premium ranges viz., comfort, style and supreme. The FASO collections are stylish & skin-friendly and would be available with bright trendy colours. They are made of 100% superfine cotton that would give ultra soft comfort.

The product categories would include Brief, Trunk, Boxer Shorts, Vest, Gym Vest and Muscle Tee. Moreover the Products are manufactured by using combed organic cotton, micro nylon elastic and due care is taken from fibre to finished products using in-house state of the art Technology and process facilities across the value chain. This would enable a highly sustainable manufacturing facility with social and environmental compliance. FASO would have its footprints across South India by August 2019 and the Country by 2020.

Prime factors of Production

As per USDA Report, the rise in India's cotton area due to favorable price trend and increased yield are expected to regain the top-producer status to India in 2019-20 season.

While India has abundant supply of labour, flexibility in labour laws and adequate skilling will give a big boost to the textile industry. Textile exports will continue to be a bright spot in India's international trade for the current financial year with industry projections pegging knitwear exports from Tirupur at a record Rs 30,000 crore. Since some of the competing countries have the GSP advantage, the Indian Government's support is crucial for the garment industry. Exporters must look to new and emerging markets. The focus should be on expanding schemes for technology upgrades and introducing more policies that incentivize apparel exporters to upgrade technology.

Compared to last year Wind Power generation has come down. However power availability from the Grid continues to be comfortable.

Human Resources

Company's most important asset - Human Capital-is being nurtured and supported through the continuous best HR policies & practices with the positive and value added work environment ensuring effective employee-employer relations.

RECEIVED MEDALS FROM THE HONORABLE GOVERNOR OF TAMIL NADU



The Company continues to participate in the Central Government's skill development initiatives. Migrant work force from far of States is steadily increasing. Economic growth in India today hinges on mobility of Labour. By extending star studded HR Practices and taking care of their special needs their migration is transformed into more dignified and rewarding opportunity.

Our unique societal concept 'learn while you earn' has so far benefitted over 24,000 employees (mostly women) of our Company who availed the opportunity to pursue their education in the evening hours, post-work. Educational courses in various disciplines are offered under Open University system at the Company's campus. Unable to make ends meet the young woman from rural areas are opting for employment with us striking the balance between chasing her dream to continue her studies and financially support her family. As in every year, with the best coaching and educational infrastructures extended by us, they pass the Government examination with flying colors.

Credentials

We are glad to share with you that:

1. **Six Candidates** of the **KPR IAS ACADEMY** have cleared the UPSC All India Civil Services Examination in **2017-18** and **Nine candidates in 2018-19**
2. In the **7th Convocation of Tamilnadu Open University** held at Arasur, Degree Certificates were awarded to **321** employees of the Company, who were graduated and of them **38** Employees were rank holders and one employee secured CEMCA Award. As a felicitation, the Company took them to Chennai by Flight for sightseeing.
3. Honorable Vice - President of India Sri. Venkiah Naidu has honored **K.P.R. Mill Limited** with an award for 'Pioneering work' in Indian Textile Industry in 2018. Mr. P. Nataraj, Managing Director received the award from the hands of Honourable Vice President of India on 27th November 2018.
4. The **4th Edition of KPR Mini Marathon** to promote greenery was conducted by KPR Institute of Engineering & Technology on 22nd December 2018. In that event 6000 People had participated. The Athletic and Sports clubs and associations of Coimbatore conferred the title of "Father of Coimbatore Sports Association" on Mr. K.P. Ramasamy, Chairman.
5. Fortune India Magazine in its December 2018 Issue has also selected **KPR** as one of the Largest 500 Corporations in

India in 2018; Maximum Wealth Creators; **9th** Revenue Earning Textile Companies in India.

6. The Union Minister of Labour has awarded the Region's 'Model Employer' award to K.P.R Mill Limited on Provident Fund related matters.

Future Ahead

In a bid to boost the textile sector and make it globally competitive, the Central Government has introduced a scheme to rebate all state and central embedded taxes on apparel and made-up textile segments. Overall performance is steadily increasing due to an improved industrial business environment and a better balance of volume, pricing and capacity. KPR possessing the high levels of scale, quality, technology, expertise, committed work force and above all strategic vision & plans continue to shape its future building sustainable competence. Its new initiatives unleashed shall strengthen the growth opportunities in both International and Domestic Markets.

I thank the entire Management, for their invaluable team work focusing on progress.

I am thankful to the Board of Directors for their guidance towards the growth of the Company.

I would like to thank our Bankers, Shareholders and all Stakeholders for their unstinted support and confidence.

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



E.K. Sakthivel
Executive Director



Dr. K. Sabapathy
Director



K.N.V. Ramani
Director



G.P. Muniappan
Director



A.M. Palanisamy
Director



C. Thirumurthy
Director



S. Ranganayaki
Director

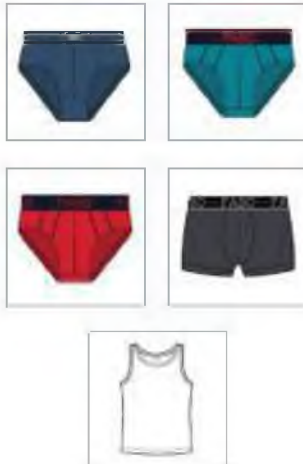


P. Selvakumar
Director

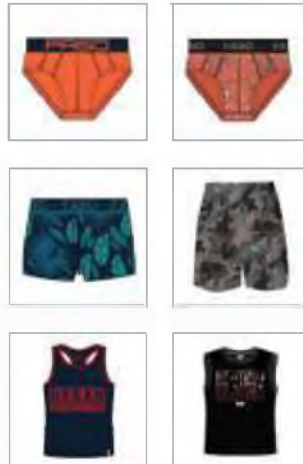
EXISTING PRODUCTS



COMFORT



STYLE



SUPREME



15
Products

UPCOMING PRODUCTS

COMFORT



STYLE



SUPREME



ATHLEISURE



33
Products



Wear your
Style.

THE
STYLE
RANGE

Premium Innerwear.

 **FASO**TM
ITALIAN AT HEART 

REGISTERED OFFICE

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

CORPORATE OFFICE

1st Floor, Srivari Shrimat,
1045, Avinashi Road,
Coimbatore-641018
Ph : 0422-2207777
Fax: 0422-2207778
E-mail : corporate@kprmill.com
Web : www.kprmilllimited.com

CHIEF FINANCIAL OFFICER

PL Murugappan

COMPANY SECRETARY & COMPLIANCE OFFICER

P. Kandaswamy

STATUTORY AUDITORS

B S R & Co. LLP,
Chartered Accountants,
KRM Tower, 1st and 2nd Floor,
No.1, Harrington Road, Chetpet,
Chennai-600031

BANKERS

Bank of Baroda
Bank of India
Corporation Bank
IDBI Bank Limited
Oriental Bank of Commerce
Andhra Bank
ICICI Bank
Punjab National Bank
Federal Bank
HDFC Bank

REGISTRAR AND SHARE TRANSFER AGENTS

Karvy Fintech Private Limited
Karvy Selenium, Tower B, Plot 31-32,
Gachibowli, Financial District
Nanakramguda,
Hyderabad-500032
Phone : 040 6716 2222
Fax : 040 2300 1153
Toll Free No : 1800 345 4001
E-mail : eniward.ris@karvy.com

COMPANY CIN

L17111TZ2003PLC010518