



K.P.R. MILL LIMITED

CIN : L17111TZ2003PLC010518

Registered Office: No. 9, Gokul Buildings, A.K.S. Nagar, Thadagam Road, Coimbatore - 641 001, India

Corporate Office: 1st Floor Srivari Shrimat, 1045, Avinashi Road, Coimbatore - 641 018, India

Tel.: 0422-2207777, Fax:0422-2207778; E-mail: investors@kprmill.com; Website: www.kprmilllimited.com

Contact Person: Mr. P. Kandaswamy, Company Secretary

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS/BENEFICIAL OWNERS OF EQUITY SHARES OF K.P.R. MILL LIMITED FOR BUYBACK OF EQUITY SHARES THROUGH TENDER OFFER

This Public Announcement (the "Public Announcement") is being made pursuant to the provisions of Regulation 8(1) of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended (the "Buyback Regulations") and contains the disclosures as specified in Part A of Schedule II to the Buyback Regulations.

CASH OFFER FOR BUYBACK OF NOT EXCEEDING 13,35,000 (THIRTEEN LAKH THIRTY FIVE THOUSAND) FULLY PAID UP EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH AT A PRICE OF ₹ 810 (RUPEES EIGHT HUNDRED TEN ONLY) PER FULLY PAID UP EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER PROCESS.

1. DETAILS OF THE BUYBACK OFFER AND OFFER PRICE

1.1 The Board of Directors (the "Board") of K.P.R. Mill Limited ("Company") passed a resolution on February 22, 2018 ("Board Meeting") to approve the proposal of buyback of fully paid-up equity shares of face value of ₹ 5 each ("Shares" or "Equity Shares") of the Company not exceeding 13,35,000 (Thirteen Lakh Thirty Five Thousand) Equity Shares from the equity shareholders/beneficial owners of Equity Shares (the "Equity Shareholders" / "Shareholders") of the Company as on Record Date (hereinafter defined), on a proportionate basis, through tender offer route (the "Buyback" / "Buyback Offer") at a price of ₹ 810 (Rupees Eight Hundred Ten only) per Equity Share ("Buyback Price" / "Buyback Offer Price") payable in cash, for an aggregate maximum consideration not exceeding ₹ 108,13,50,000/- (Rupees One Hundred Eight Crore Thirteen Lakhs and Fifty Thousand only) excluding the transaction costs viz. brokerage, applicable taxes such as securities transaction tax, Goods & Services tax, stamp duty, etc. (the "Buyback Offer Size"). The Buyback is subject to receipt of any approvals, permissions and sanctions of statutory, regulatory or governmental authorities as may be required under applicable laws including but not limited to Securities and Exchange Board of India ("SEBI"), the BSE Limited (the "BSE") and National Stock Exchange of India Limited (the "NSE" and together with BSE, the "Stock Exchanges").

1.2 The Buyback is in accordance with the provisions of Section 68, 69, 70 and all other applicable provisions, if any, of the Companies Act 2013, as amended (the "Companies Act"), the Companies (Share Capital and Debentures) Rules, 2014, as amended (the "Share Capital Rules") to the extent applicable and in accordance with Article 17 of the Articles of Association of the Company, and subject to the provisions of the Buyback Regulations and such other approvals, permissions as may be required from time to time from the Stock Exchanges where the Equity Shares of the Company are listed and from any other statutory and/or regulatory authority, as may be required and which may be agreed to by the Board and/or any committee thereof. The Buyback would be undertaken in accordance with SEBI circular bearing number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular no. CFD/DCR2/CIR/P/2016/131 dated December 09, 2016, including any further amendments thereof (the "SEBI Circulars"), which prescribes mechanism for acquisition of shares through stock exchange. In this regard, the Company will request BSE to provide the acquisition window. For the purpose of this Buyback, BSE would be Designated Stock Exchange.

1.3 In accordance with the provisions of the Companies Act, the Buyback Size which is not exceeding ₹ 108,13,50,000/- (Rupees One Hundred Eight Crore Thirteen Lakhs and Fifty Thousand only) represents 9.81% of the aggregate of the fully paid-up equity share capital and free reserves as per the audited standalone financial statements of the Company for the financial year ended March 31, 2017 (the last audited financial statements available as on the date of the Board Meeting approving the Buyback) and is within the statutory limits of 10% of the aggregate of the fully paid-up equity share capital and free reserves as per audited standalone financial statements of the Company under the Board of Directors approval route as per the provisions of the Companies Act. Since the Company proposes to Buyback up to 13,35,000 (Thirteen Lakh Thirty Five Thousand) Equity Shares representing 1.81% of the total number of Equity Shares in the total paid-up share capital of the Company, the same is within the aforesaid 25% limit as per the provisions of the Companies Act.

1.4 The maximum amount required by the Company for the said Buyback aggregating to ₹ 108,13,50,000/- (Rupees One Hundred Eight Crore Thirteen Lakhs and Fifty Thousand only), and is within permitted limits. The funds for the Buyback will be met out of internally generated cash resources of the Company. The Company confirms that as required under Section 68(2)(d) of the Companies Act, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the fully paid-up share capital and free reserves after the Buyback.

1.5 The Buyback offer price of ₹ 810 (Rupees Eight Hundred Ten only) per Equity Share has been arrived at after considering various factors such as the average closing prices of the Equity Shares on the Stock Exchanges where the Equity Shares of the Company are listed, the net-worth of the Company and the impact of the Buyback on the key financial ratios of the Company. The Buyback Offer Price of ₹ 810 (Rupees Eight Hundred Ten only) per Equity Share represents (i) premium of 14.38% on BSE and 14.58% on NSE over the volume weighted average price of the equity Shares on BSE and NSE respectively for 2 weeks preceding the date of intimation to the BSE and NSE for the Board Meeting to consider the proposal of the Buyback; (ii) premium of 19.96% on BSE and 19.84% on NSE over the closing market price of the Equity Shares on BSE and NSE as on the date of the intimation to BSE and NSE for the Board Meeting to consider the proposal of the Buyback.

1.6 The Buyback shall be on a proportionate basis from all the Equity Shareholders of the Company through the "Tender Offer" route, as prescribed under Regulation 4(1)(a) of the Buyback Regulations. Please see paragraph 9 below for details regarding record date and share entitlement for tender in the Buyback.

1.7 The Buyback Offer Size does not include any other expenses incurred or to be incurred for the Buyback like filing fees payable to SEBI, Stock Exchange fees, advisors fees, public announcement publication expenses, printing and dispatch expenses, and other incidental and related expenses.

1.8 A copy of this Public Announcement is available on the Company's website (www.kprmilllimited.com) and is expected to be available on the website of SEBI (www.sebi.gov.in) during the period of the Buyback and on the website of Stock Exchanges (www.bseindia.com) and (www.nseindia.com).

2. NECESSITY FOR BUY BACK

Buyback is the acquisition by a company of its own shares. Buyback is an efficient form of returning surplus cash to the members holding equity shares of the Company, *inter-alia*, for the following reasons:

- The Buyback will help the Company to return surplus cash to its members holding equity shares broadly in proportion to their shareholding, thereby, enhancing the overall return to members;
- The Buyback, which is being implemented through the Tender Offer route as prescribed under the Buyback Regulations, would involve allocation of higher number of shares as per their entitlement or 15% of the number of shares to be bought back, reserved for the small shareholders. The Company believes that this reservation of 15% for small shareholders would benefit a large number of public shareholders, who would get classified as "small shareholder";
- The Buyback would help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders' value;
- The Buyback gives an option to the members holding equity shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback offer or they may choose to not participate and enjoy a resultant increase in their percentage shareholding, post the Buyback offer, without additional investment.
- Optimizes the capital structure.

After considering the above mentioned factors and benefits to the Equity Shareholders, the Board decided to recommend Buyback of not exceeding 13,35,000 (Thirteen Lakh Thirty Five Thousand) Equity Shares (representing 1.81% of the total number of equity shares in the paid-up share capital of the Company) at a price of ₹ 810 (Rupees Eight Hundred Ten only) per Equity Share for an aggregate consideration of not exceeding ₹ 108,13,50,000/- (Rupees One Hundred Eight Crore Thirteen Lakhs and Fifty Thousand only).

3. DETAILS OF PROMOTERS SHAREHOLDING

3.1 The aggregate shareholding of the promoters and promoter group of the Company ("Promoters and Promoter Group"), the directors of the Promoters and Promoter Group companies holding Equity Shares and of persons who are in control of the Company, as on the date of the Board Meeting i.e. Thursday, February 22, 2018 is given below:

a. Shareholding forming part of the Promoter and Promoter Group and person in control:

Sr. No	Name of shareholders	Number of Equity Shares held	Number of Equity Shares held in dematerialized form	Percentage of issued Equity Share capital
INDIVIDUALS				
1.	KPD Sigamani	1,59,50,000	1,59,50,000	21.58%
2.	P. Nataraj	1,59,50,000	1,59,50,000	21.58%
3.	K. P. Ramasamy	1,59,50,000	1,59,50,000	21.58%
4.	N. Jayanthi	18,19,793	18,19,793	2.46%
5.	K. R. Parvathi	18,18,380	18,18,380	2.46%
6.	D. Radhamani	18,19,793	18,19,793	2.46%
7.	C. R. Anandakrishnan	1,413	1,413	0.00%
CORPORATE				
8.	K. P. R. Developers Limited	20,37,162	20,37,162	2.76%
Total		5,53,46,541	5,53,46,541	74.90%

b. Shareholding of directors of the Promoters and Promoter Group entity (i.e. K. P. R. Developers Limited) in the Company:

Sr. No	Name	Designation	No. of Equity Shares held	Percentage of issued Equity Share capital
1.	KPD Sigamani	Director	1,59,50,000	21.58%
2.	P. Nataraj	Director	1,59,50,000	21.58%
3.	K. P. Ramasamy	Director	1,59,50,000	21.58%
Total			4,78,50,000	64.74%

3.2 No Equity Shares or other specified securities in the Company were either purchased or sold by person referred to in paragraph 3.1 above during a period of six months preceding the date of the Board Meeting i.e. February 22, 2018 at which the Buyback was approved.

3.3 In terms of the Buyback Regulations, under the Tender Offer route, the promoters and promoter group of the Company have an option to participate in the Buyback. In this regard, certain members of the Promoters and Promoter Group of the Company have expressed their intention, vide their letters, each dated February 22, 2018 to participate in the Buyback and tender up to an aggregate maximum of 1,33,27,344 (One Crore Thirty Three Lakhs Twenty Seven Thousand Three Hundred Forty Four) Equity Shares as detailed below or such lower number of Equity Shares in accordance with the Buyback Regulations in the following manner:

Sr. No.	Name of Promoters & Promoter Group Participating in the Buyback Offer	Maximum number of Equity Shares intended to tender
1.	KPD Sigamani	39,87,500
2.	P. Nataraj	39,87,500
3.	K. P. Ramasamy	39,87,500
4.	N. Jayanthi	4,54,948
5.	K. R. Parvathi	4,54,595
6.	D. Radhamani	4,54,948
7.	C. R. Anandakrishnan	353
Total		1,33,27,344

3.4 Since the entire shareholding of the Promoters & Promoter Group participating in the Buyback is in demat mode, the details of the date and price of acquisition/sale of entire Equity Shares that the said Promoters & Promoter Group have acquired/sold till date as per the information provided by Promoters & Promoter Group, each vide their letters, dated February 22, 2018, are set-out below:

(i) KPD Sigamani

Date of Transaction	No. of Equity Shares	Acquisition/Sale Consideration (₹)	Nature of Transaction/ Consideration
March 19, 2003	360 ⁽¹⁾	36,000	Allotment pursuant to subscription to Memorandum and Articles of Association
March 31, 2005	37,933 ⁽¹⁾	94,83,250	Further allotment to the promoters
February 15, 2006	24,217	28,96,353	Transfer from Mr. K. P. Ramasamy & Mr. P. Nataraj
February 15, 2006	(48,434)	57,92,706	Transfer to Mr. K. P. Ramasamy & Mr. P. Nataraj
October 06, 2006	38,29,000	Nil	Allotment pursuant to Merger ⁽²⁾
November 14, 2006	(2,21,486)	13,28,18,510	Transfer to private equity investors
March 1, 2007	39,72,998	Nil	Bonus issue
November 16, 2008	10,000	4,72,238	Purchase in open market
November 20, 2008	20,000	9,84,665	Purchase in open market
September 17, 2009	50,000	39,38,990	Purchase in open market
October 16, 2009	10,117	8,02,115	Purchase in open market
October 17, 2009	32,088	25,46,478	Purchase in open market
June 04, 2010	858	1,26,576	Purchase in open market
July 06, 2012	29,000	28,83,944	Purchase in open market
July 09, 2012	29,300	29,13,778	Purchase in open market
February 20, 2013	1,275	1,57,356	Purchase in open market
Pursuant to resolution passed by members through Postal ballot including E-voting process declared on November 15, 2016, sub division One Equity Share of ₹ 10/- each in the Company to Two Equity Shares of ₹ 5/- each.			
February 13, 2017	(3,04,149)	20,07,38,340	Sold in buyback of shares of the Company
April 03, 2017	(3,119)	19,59,920 ⁽³⁾	Sold in open market
Total Current Holding	1,59,50,000	-	

⁽¹⁾ On December 23, 2005, one Equity Share of the Company of ₹ 100 sub-divided into 10 Equity Shares of ₹ 10 each.

⁽²⁾ Allotment pursuant to a scheme of arrangement approved by the High Court of Judicature at Madras in relation to the merger of K.P.R. Mill Private Limited and K.P.R. Spinning Mill Private Limited with and into the Company.

⁽³⁾ Net of brokerage charges.

(ii) P. Nataraj

Date of Transaction	No. of Equity Shares	Acquisition/Sale Consideration (₹)	Nature of Transaction/ Consideration
March 19, 2003	360 ⁽¹⁾	36,000	Allotment pursuant to subscription to Memorandum and Articles of Association
March 31, 2005	37,933 ⁽¹⁾	94,83,250	Further allotment to the promoters
February 15, 2006	24,217	28,96,353	Transfer from Mr. KPD Sigamani
October 06, 2006	38,29,987	Nil	Allotment pursuant to Merger ⁽²⁾
November 14, 2006	(2,61,589)	15,68,67,076	Transfer to private equity investors
March 1, 2007	39,72,545	Nil	Bonus issue
November 16, 2008	8,973	4,23,740	Purchase in open market
November 20, 2008	32,870	16,18,297	Purchase in open market
September 22, 2009	50,000	39,39,088	Purchase in open market
September 25, 2009	3,157	2,46,339	Purchase in open market
October 14, 2009	27,205	30,98,326	Purchase in open market
June 04, 2010	863	1,27,314	Purchase in open market
July 06, 2012	29,000	28,55,818	Purchase in open market
July 09, 2012	29,300	28,76,309	Purchase in open market
February 20, 2013	1,275	1,57,356	Purchase in open market
Pursuant to resolution passed by members through Postal ballot including E-voting process declared on November 15, 2016, sub division One Equity Share of ₹ 10/- each in the Company to Two Equity Shares of ₹ 5/- each.			
February 13, 2017	(3,04,115)	20,07,15,900	Sold in buyback of shares of the Company
April 03, 2017	(1,351)	8,48,980 ⁽³⁾	Sold in open market
Total Current Holding	1,59,50,000	-	

⁽¹⁾ On December 23, 2005, one Equity Share of the Company of ₹ 100 sub-divided into 10 Equity Shares of ₹ 10 each.

⁽²⁾ Allotment pursuant to a scheme of arrangement approved by the High Court of Judicature at Madras in relation to the merger of K.P.R. Mill Private Limited and K.P.R. Spinning Mill Private Limited with and into the Company.

⁽³⁾ Net of brokerage charges.

(iii) K. P. Ramasamy

Date of Transaction	No. of Equity Shares	Acquisition/Sale Consideration (₹)	Nature of Transaction/ Consideration
March 19, 2003	360 ⁽¹⁾	36,000	Allotment pursuant to subscription to Memorandum and Articles of Association
March 31, 2005	37,934 ⁽¹⁾	94,83,500	Further allotment to the promoters
February 15, 2006	24,217	28,96,353	Transfer from Mr. KPD Sigamani
October 06, 2006	38,29,000	Nil	Allotment pursuant to Merger ⁽²⁾
November 14, 2006	(2,63,635)	15,80,94,000	Transfer to private equity investors
March 01, 2007	39,72,522	Nil	Bonus issue
November 16, 2008	10,000	4,72,238	Purchase in open market
November 20, 2008	20,000	9,84,665	Purchase in open market
September 17, 2009	52,350	39,35,055	Purchase in open market
October 14, 2009	39,855	33,54,090	Purchase in open market
June 06, 2010	860	1,26,871	Purchase in open market
July 06, 2012	30,000	29,23,120	Purchase in open market
July 09, 2012	28,300	28,14,332	Purchase in open market
February 20, 2013	1,275	1,57,676	Purchase in open market
Pursuant to resolution passed by members through Postal ballot including E-voting process declared on November 15, 2016, sub division One Equity Share of ₹ 10/- each in the Company to Two Equity Shares of ₹ 5/- each.			
February 13, 2017	(3,04,114)	20,07,15,240	Sold in buyback of shares of the Company
April 03, 2017	(1,254)	7,87,976 ⁽³⁾	Sold in open market
Total Current Holding	1,59,50,000	-	

⁽¹⁾ On December 23, 2005, one Equity Share of the Company of ₹ 100 sub-divided into 10 Equity Shares of ₹ 10 each.

⁽²⁾ Allotment pursuant to a scheme of arrangement approved by the High Court of Judicature at Madras in relation to the merger of K.P.R. Mill Private Limited and K.P.R. Spinning Mill Private Limited with and into the Company.

⁽³⁾ Net of brokerage charges.

(iv) N. Jayanthi

Date of Transaction	No. of Equity Shares	Acquisition/Sale Consideration (₹)	Nature of Transaction/ Consideration
July 21, 2003	360 ⁽¹⁾	36,000	Allotment
March 31, 2005	27,500 ⁽¹⁾	68,75,000	Further allotment to the promoters
October 06, 2006	4,90,013	Nil	Allotment pursuant to Merger ⁽²⁾
November 14, 2006	(30,791)	1,84,64,439	Transfer to private equity investors
March 1, 2007	7,37,822	Nil	Bonus issue
July 17, 2007	(4,43,560)	4,43,560	Sale to private equity shareholder
August 08, 2007	(90,242)	90,243	Sale to private equity shareholder
Pursuant to resolution passed by members through Postal ballot including E-voting process declared on November 15, 2016, sub division One Equity Share of ₹ 10/- each in the Company to Two Equity Shares of ₹ 5/- each.			
February 13, 2017	(35,240)	2,32,58,400	Sold in buyback of shares of the Company
April 03, 2017	(28,651)	1,80,03,545 ⁽³⁾	Sold in open market
Total Current Holding	18,19,793	-	

⁽¹⁾ On December 23, 2005, one Equity Share of the Company of ₹ 100 sub-divided into 10 Equity Shares of ₹ 10 each.

⁽²⁾ Allotment pursuant to a scheme of arrangement approved by the High Court of Judicature at Madras in relation to the merger of K.P.R. Mill Private Limited and K.P.R. Spinning Mill Private Limited with and into the Company.

⁽³⁾ Net of brokerage charges.

(v) K. R. Parvathi

Date of Transaction	No. of Equity Shares	Acquisition/Sale Consideration (₹)	Nature of Transaction/ Consideration
July 21, 2003	360 ⁽¹⁾	36,000	Allotment
March 31, 2005	27,500 ⁽¹⁾	68,75,000	Further allotment to the promoters
October 06, 2006	4,88,000	Nil	Allotment pursuant to Merger ⁽²⁾
November 14, 2006	(28,753)	1,72,42,312	Transfer to private equity investors
March 1, 2007	(360)	Nil	Gift to Mr. C. R. Anandakrishnan
March 1, 2007	7,37,487	Nil	Bonus issue
July 17, 2007	(4,43,560)	4,43,560	Sale to private equity shareholder
August 08, 2007	(90,243)	90,243	Sale to private equity shareholder
Pursuant to resolution passed by members through Postal ballot including E-voting process declared on November 15, 2016, sub division One Equity Share of ₹ 10/- each in the Company to Two Equity Shares of ₹ 5/- each.			
February 13, 2017	(35,216)	2,32,42,560	Sold in buyback of shares of the Company
April 03, 2017	(28,746)	1,80,63,686 ⁽³⁾	Sold in open market
Total Current Holding	18,18,380	-	

⁽¹⁾ On December 23, 2005, one Equity Share of the Company of ₹ 100 sub-divided into 10 Equity Shares of ₹ 10 each.

⁽²⁾ Allotment pursuant to a scheme of arrangement approved by the High Court of Judicature at Madras in relation to the merger of K.P.R. Mill Private Limited and K.P.R. Spinning Mill Private Limited with and into the Company.

⁽³⁾ Net of brokerage charges.

(vi) D. Radhamani

Date of Transaction	No. of Equity Shares	Acquisition/Sale Consideration (₹)	Nature of Transaction/ Consideration
July 21, 2003	360 ⁽¹⁾	36,000	Allotment
March 31, 2005	27,500 ⁽¹⁾	68,75,000	Further allotment to the promoters
October 06, 2006	5,29,663	Nil	Allotment pursuant to Merger ⁽²⁾
November 14, 2006	(70,891)	4,25,11,206	Transfer to private equity investors
March 1, 2007	7,37,372	Nil	Bonus issue
July 17, 2007	(4,43,560)	4,43,560	Sale to private equity shareholder
August 08, 2007	(90,243)	90,243	Sale to private equity shareholder
Pursuant to resolution passed by members through Postal ballot including E-voting process declared on November 15, 2016, sub division One Equity Share of ₹ 10/- each in the Company to Two Equity Shares of ₹ 5/- each.			
February 13, 2017	(35,207)	2,32,36,620	Sold in buyback of shares of the Company
April 03, 2017	(26,882)	1,68,91,911 ⁽³⁾	Sold in open market
Total Current Holding	18,19,793	-	

⁽¹⁾ On December 23, 2005, one Equity Share of the Company of ₹ 100 sub-divided into 10 Equity Shares of ₹ 10 each.

⁽²⁾ Allotment pursuant to a scheme of arrangement approved by the High Court of Judicature at Madras in relation to the merger of K.P.R. Mill Private Limited and K.P.R. Spinning Mill Private Limited with and into the Company.

⁽³⁾ Net of brokerage charges.

(vii) C. R. Anandakrishnan

Date of Transaction	No. of Equity Shares	Acquisition/Sale Consideration (₹)	Nature of Transaction/ Consideration
March 01, 2007	360	Nil	Gift
March 01, 2007	360	Nil	Bonus issue
Pursuant to resolution passed by members through Postal ballot including E-voting process declared on November 15, 2016, sub			

1. This Report is issued in accordance with the terms of our engagement letter dated February 22, 2018. The Board of Directors of K.P.R. Mill Limited ("the Company") have approved a proposed buy-back of Equity Shares by the Company at its meeting held on February 22, 2018, in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 ("the Act") read with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended ("SEBI Buyback Regulations").

2. The accompanying Statement of permissible capital payment (including premium) ("Annexure A") as at March 31, 2017 (hereinafter referred to as the "Statement") is prepared by the management of the Company, which we have initiated for identification purposes only.

Management's Responsibility for the Statement

3. The preparation of the Statement in accordance with Section 68(2)(c) of the Act and ensuring compliance with Section 68, 69 and 70 of the Act and SEBI Buyback Regulations, is the responsibility of the Management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditors' Responsibility

4. Pursuant to the requirements of the SEBI Buyback Regulations, it is our responsibility to provide a reasonable assurance whether:

(i) we have inquired into the state of affairs of the Company in relation to:

a) its latest audited standalone financial statements as at and for the year ended March 31, 2017, which have been audited by another auditor, on which the other auditor has issued an unmodified audit opinion vide their report dated May 3, 2017 and have been adopted by the members of the Company on August 28, 2017 ("audited financial statements");

b) its statement of unaudited standalone financial results for the quarter and nine months ended December 31, 2017, which have been subjected to limited review, on which we have issued an unmodified review opinion vide our report dated February 6, 2018 and have been taken on record and approved by the Board of Directors at their meeting held on February 6, 2018 ("unaudited limited review results");

c) the amount of the permissible capital payment (including premium) as stated in Annexure A for the proposed buy-back of equity shares is properly determined in accordance with Section 68(2)(c) of the Act; and

(ii) the Board of Directors of the Company in their meeting dated February 22, 2018, have formed the opinion as specified in clause (x) of Part A of Schedule II to the SEBI Buyback Regulations, on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the aforesaid date.

5. Our engagement involves performing procedures to obtain sufficient appropriate evidence on the above reporting. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the above reporting. Within the scope of our work, we performed the following procedures:

i) Examined that the amount of permissible capital payment (including premium) for the buy back as detailed in Annexure A is in accordance with the provisions of Section 68(2)(c) of the Act;

ii) Inquired into the state of affairs of the Company with reference to the audited financial statements and the unaudited limited review results.

iii) Examined the Board of Directors' declarations for the purpose of buy back and solvency of the Company; and

iv) Obtained appropriate representations from the Management of the Company.

6. We conducted our examination of the Statement in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services engagements

8. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Opinion

9. Based on our performance of the aforesaid procedures, we report that :

(i) we have inquired into the state of affairs of the Company with reference to its audited financial statements and the unaudited limited review results;

ii) the Board has proposed to buyback the Company's equity shares upto an aggregate amount not exceeding ₹ 108,13,50,000/- ("Buyback Offer Size") at a price not exceeding ₹ 810/- per equity share ("Buyback Offer Price"). The amount of permissible capital payments (including premium) towards the proposed buyback of equity shares as computed in Annexure A, has been properly determined in accordance with Section 68(2)(c) of the Act; and

(iii) the Board of Directors of the Company in their meeting held on February 22, 2018 have formed their opinion, as specified in clause (x) of Part A of Schedule II to the SEBI Buyback Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the aforementioned date.

10. Based on the representations made by the management, and other information and explanations given to us, which to the best of our knowledge and belief were necessary for this purpose, we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

Restriction on use

11. This report has been issued at the request of the Company solely for use of the Company in relation to (i) to enable the Board of Directors of the Company to include in the public announcement, draft letter of offer, letter of offer and other documents pertaining to buy-back to be sent to the shareholders of the Company or filed with (a) the Registrar of Companies, Securities and Exchange Board of India, stock exchanges, public shareholders and any other regulatory authority as per applicable laws and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and (ii) for providing to the manager, each for the purpose of extinguishment of equity shares and may not be suitable for any other purpose.

for B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 101248W/W - 100022

Sd/-

S Sethuraman

Partner

Membership No.: 203491

Place: Coimbatore

Date: February 22, 2018

Annexure A – Statement of permissible capital payment (including premium)

Computation of amount of permissible capital payment towards buy back of equity shares of K.P.R. Mill Limited in accordance with proviso to Section 68 (2)(c) of the Companies Act, 2013 (the "Act") and proviso to Regulation 4(1) of the SEBI Buyback Regulations :

Particulars	Amount in INR crore*
Paid up equity share capital (7,38,95,784 Equity Shares of INR 5 each, fully paid up)* [A]	36.95
Free reserves #:	
- Securities premium account *	152.33
- General reserve *	235.90
- Retained Earnings *	677.15
Total free reserves [B]	1,065.38
Total [A + B]	1,102.33
Maximum amount permissible for buyback as per the Act and SEBI Buyback Regulations (i.e. 10% of aggregate of fully paid up equity share capital and free reserves as per audited standalone financial statements as of and for the year ended March 31, 2017)	110.23
Buyback offer size permitted by Board Resolution dated February 22, 2018	108.13

* The amounts have been extracted from the audited standalone financial statements of the Company as at and for the year ended March 31, 2017 and rounded off to the nearest crores.

Free reserves as per sub clause 43 of Section 2 and explanation II to Section 68 of the Act.

For **K.P.R. Mill Limited**

Sd/-

P. Nataraj

Chief Executive Officer & Managing Director

Place: Coimbatore

Date: February 22, 2018"

Unquote

7. PROCESS AND METHODOLOGY TO BE ADOPTED FOR THE BUYBACK

7.1 The Buyback is open to all Equity Shareholders of the Company holding Shares either in physical and/or electronic form on the Record Date.

7.2 The Buyback shall be implemented by the Company using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular no. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular no. CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 following the procedure prescribed in the Companies Act and the Buyback Regulations and as may be determined by the Board (including the committee authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.

7.3 For implementation of the Buyback, the Company has appointed IDBI Capital Markets & Securities Limited as the registered broker to the Company (the "Company's Broker") through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company's Broker are as follows:



IDBI Capital Markets & Securities Limited

(Formerly known as IDBI Capital Market Services Limited)

3rd Floor, Mafatlal Centre, Nariman Point, Mumbai - 400021

Contact Person: Ms. Charushila Parkar

Tel. No.: +91 (22) 4322 1212; Fax No.: +91 (22) 2285 0785;

Email: charushila.parkar@idbicapital.com; Website: www.idbicapital.com

SEBI Registration: INZ000007237

7.4 The Company will request BSE to provide a separate acquisition window to facilitate placing of sell orders by eligible Equity Shareholders who wish to tender Equity Shares in the Buyback. The details of the platform will be as specified by BSE from time to time.

7.5 During the tendering period, the order for selling the Equity Shares will be placed in the acquisition window by eligible Equity Shareholders through their respective stock brokers ("Shareholder Broker(s)") during normal trading hours of the secondary market. The Shareholder Broker can enter orders for demat shares as well as physical shares.

7.6 Procedure to be followed by Equity Shareholders holding Equity Shares in the dematerialized form:

a. Equity Shareholders who desire to tender their Equity Shares in the electronic form under the Buyback would have to do so through their respective Shareholder Broker by indicating to the concerned Shareholder Broker, the details of Equity Shares they intend to tender under the Buyback.

b. The Shareholder Broker would be required to place an order/bid on behalf of the Shareholders who wish to tender Equity Shares in the Buyback using the acquisition window of the BSE. Before placing the order/bid, the eligible Shareholder would require to transfer the number of Equity Shares tendered to the special account of Indian Clearing Corporation Limited ("Clearing Corporation" / "ICCL"), by using the early pay in mechanism as prescribed by BSE or ICCL prior to placing the bid by the Shareholder Broker. This shall be validated at the time of order/bid entry.

c. The details of the settlement number for the Buyback will be provided in separate circular which shall be issued at the time of issue opening by Designated Stock Exchange/Clearing Corporation.

d. For custodian participant orders for demat Equity Shares, early pay-in is mandatory prior to confirmation of order/bid by custodians. The custodian shall either confirm or reject the orders not later than close of trading hours on the last day of tendering period (i.e. date of closing of the Buyback Offer). Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, any order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.

e. Upon placing the bid, the Shareholder Broker shall provide a Transaction Registration Slip ("TRS") generated by the stock exchange bidding system to the Equity Shareholder on whose behalf the bid has been placed. TRS will contain details of order submitted like bid ID No., DP ID, client ID, No. of Equity Shares tendered etc.

7.7. Procedure to be followed by equity Shareholders holding Equity Shares in the physical form:

a. Equity Shareholders who are holding physical Equity Shares and intend to participate in the Buyback will be required to approach their respective Shareholder Broker along with the complete set of documents for verification procedures to be carried out before placement of the bid. Such documents will include the (i) original share certificate(s), (ii) valid share transfer form(s)/ Form SH 4 duly filled and signed by the transferors (i.e. by all registered Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company, (iii) self-attested copy of PAN Card(s) of all holders, (iv) any other relevant documents such as power of attorney, corporate authorization (including board resolution/specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original Shareholder is deceased, etc., as applicable. In addition, if the address of the Equity Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Equity Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar card, voter identity card or passport.

b. Based on these documents, the concerned Shareholder Broker shall place an order/bid on behalf of the physical Equity Shareholders who wish to tender Equity Shares in the Buyback, using the acquisition window of BSE. Upon placing the bid, the Shareholder Broker shall provide a TRS generated by the exchange bidding system to the Equity Shareholder. TRS will contain the details of order submitted like folio no., certificate no., distinctive no., no. of Equity Shares tendered etc.

c. Any Shareholder Broker/Equity Shareholder who places a bid for physical Equity Shares, is required to deliver the original share certificate(s) & documents (as mentioned above) along with TRS generated by exchange bidding system upon placing of bid, either by registered post, speed post or courier or hand delivery to the Registrar to the Buyback Offer i.e. Bigshare Services Private Limited (at the address mentioned at paragraph 11 below) not later than 2 (two) days from the offer closing date. The envelope should be superscribed as "K.P.R. Mill Buyback Offer 2018". One copy of the TRS will be retained by Registrar to the Buyback Offer and it will provide acknowledgement of the same to the Shareholder Broker/ Equity Shareholder.

d. Equity Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for Buyback by the Company shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. Registrar to the Buyback Offer will verify such bids based on the documents submitted on a daily basis and till such verification, BSE shall display such bids as 'unconfirmed physical bids'. Once Registrar to the Buyback Offer confirms the bids, they will be treated as 'confirmed bids'.

7.8 Modification/cancellation of orders will be allowed during the tendering period of the Buyback.

7.9 The cumulative quantity tendered shall be made available on BSE website i.e. www.bseindia.com throughout the trading session and will be updated at specific intervals during the tendering period.

8. METHOD OF SETTLEMENT

Upon finalization of the basis of acceptance as per Buyback Regulations:

8.1 The Company will transfer the funds pertaining to the Buyback to the ICCL's bank account as per the prescribed schedule. For Equity Shares accepted under the Buyback, ICCL will make direct funds payout to respective eligible Equity Shareholders. If Shareholders' bank account detail are not available or if the funds transfer instruction is rejected by Reserve Bank of India ("RBI")/Bank, due to any reason, then such funds will be transferred to the concerned Shareholder Broker settlement bank account for onward transfer to their respective shareholders.

8.2 The Equity Shares bought back in the demat form would be transferred directly to the escrow account of the Company (the "Demat Escrow Account") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of the BSE.

8.3 The Equity Shareholders will have to ensure that they keep the depository participant ("DP") account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance.

8.4 Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Equity Shareholders would be returned to them by ICCL. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Shareholder Broker's depository pool account for onward transfer to the Shareholder. In case of custodian participant orders, excess demat Shares or unaccepted demat Shares, if any, will be returned to the respective custodian participant.

8.5 Any excess physical Equity Shares pursuant to proportionate acceptance/rejection will be returned to the concerned Equity Shareholders directly by Registrar to the Buyback Offer. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback by Equity Shareholders holding Equity Shares in the Physical form.

8.6 The settlement of fund obligation for dematerialized and physical Equity Shares shall be effected as per the SEBI Circulars and as prescribed by stock exchange and ICCL from time to time. ICCL would settle the trades by making direct funds payout to the Equity Shareholders and the Shareholder Broker would issue contract note to the Company for the Equity Shares accepted under the Buyback. Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback. If Equity Shareholders' bank account details are not available or if the fund transfer instruction is rejected by RBI or bank, due to any reasons, then the amount payable to Equity Shareholders' will be transferred to the Shareholder Broker for onward transfer to the Equity Shareholder.

8.7 Equity Shareholders who intend to participate in the Buyback should consult their respective Shareholder Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Shareholder Broker upon the selling Equity Shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the selling Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Equity Shareholders.

8.9 The Equity Shares lying to the credit of the Demat Escrow Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.

9. RECORD DATE AND SHAREHOLDER ENTITLEMENT

9.1 As required under the Buyback Regulations, the Company has fixed Wednesday, March 7, 2018 as the record date (the "Record Date") for the purpose of determining the entitlement and the names of the shareholders, who are eligible to participate in the Buyback.

9.2 The Equity Shares proposed to be bought back by the Company, as part of this Buyback Offer shall be divided in to two categories: (a) reserved category for Small Shareholders (A "Small Shareholder" is defined in the Buyback Regulations as a shareholder, who holds equity shares having market value, on the basis of closing price of the Equity Shares on the recognized stock exchange registering the highest trading volume in respect of such shares, as on record date, of not more than ₹ 2,00,000 (Rupees Two Lakh Only)) and (b) the general category for all other shareholders, and the entitlement of a shareholder in each category shall be calculated accordingly.

9.3 In accordance with Regulation 6 of the Buyback Regulations, 15% (fifteen per cent) of the number of Equity Shares which the Company proposes to buy back, or number of shares entitled as per shareholding of Small Shareholders, whichever is higher, shall be reserved for the Small Shareholders as part of this Buyback.

9.4 On the basis of shareholding as on the Record Date, the Company will determine the entitlement of each shareholder to tender their Equity Shares in the Buyback. This entitlement for each shareholder will be calculated based on the number of Equity Shares held by the respective shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such shareholder belongs.

9.5 After accepting the Equity Shares tendered on the basis of entitlement, the Equity Shares left to be bought back, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered over and above their entitlement in the offer by shareholders in that category, and thereafter from shareholders who have tendered over and above their entitlement in other category.

9.6 The Equity Shareholders' participation in the Buyback will be voluntary. The Equity Shareholders can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback or they may choose to not participate and enjoy a resultant increase in their percentage shareholding, post Buyback, without additional investment. The Equity Shareholders may also accept a part of their entitlement. The Equity Shareholders also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other Equity Shareholders, if at all.

9.7 The maximum tender under the Buyback by any shareholder cannot exceed the number of Equity Shares held by the shareholder as on the Record Date.

9.8 The Equity Shares tendered as per the entitlement by shareholders as well as additional shares tendered, if any, will be accepted as per the procedure laid down in Buyback Regulations.

9.9 Detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant time table will be included in the Letter of Offer which will be sent through email along with the application form in due course to the Eligible Shareholders as on Record Date, who have their email IDs registered with the Company/ registrar and transfer agent/ depository, however, on receipt of a request by Registrar to the Buyback and Manager to the Buyback to receive a copy of Letter of Offer in physical format from such Eligible Shareholder (to whom Letter of Offer and Tender Form were emailed), the same shall be sent physically. For all remaining Eligible Shareholders who do not have their email IDs registered with the Company/Registrar to the Buyback/ depository, the Letter of Offer alongwith Tender Form will be sent physically.

10. COMPLIANCE OFFICER

Mr. P. Kandaswamy, Company Secretary

K. P. R. Mill Limited

1st Floor, Srivari Shrimat, 1045, Avinashi Road, Coimbatore - 641 018, India;

Tel: 0422 2207777, Fax: 0422 2207778

Email: kandaswamy@kprmill.com; Website: www.kprmillimited.com

Investor may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e. 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays.

11. INVESTOR SERVICE CENTRE

In case of any query, the shareholders may contact the Registrar to the Buyback, during office hours i.e. 10.00 a.m. to 5.00 p.m. on all working day except Saturday, Sunday and public holidays, at the following address:



KARVY COMPUTERSHARE PRIVATE LIMITED

Karvy Selenium Tower B,

Plot No 31-32, Gachibowli,

Financial District, Nanakramguda,

Hyderabad - 500 032;

Tel: 040 6716 2222;

Fax: 040 2343 1551;

Contact Person: Murali Krishna M.

E-mail: kprmill.buyback@karvy.com; Website: www.karisma.karvy.com;

SEBI Registration No.: INR000000221;

Validity Period: Permanent Registration

12. MANAGER TO THE BUYBACK



IDBI CAPITAL MARKETS & SECURITIES LIMITED

(Formerly known as IDBI Capital Market Services Limited)

3rd Floor, Mafatlal Centre, Nariman Point, Mumbai - 400 021

Tel No.: +91 (22) 4322 1212;

Fax No.: +91 (22) 2285 0785;

Contact Person: Sooraj Bhatia/Priyanka Shetty

Email: kpr.buyback@idbicapital.com; Website: www.idbicapital.com

SEBI Registration: INM000010866;

Validity Period: Permanent Registration

CIN: U65990MH1993GOI075578

13. DIRECTORS' RESPONSIBILITY

As per Regulation 19(1)(a) of the Buyback Regulations, the Board of Directors of the Company accept full and final responsibility for the information contained in this Public Announcement or any other information, advertisement, circular, brochure, publicity material which may be issued and confirms that such document contains true, factual and material information and does not contain any misleading information.

For and on behalf of the Board of Directors of **K.P.R. Mill Limited**

Sd/- KPD Sigamani Managing Director (DIN: 00003744)	Sd/- P Nataraj Managing Director (DIN: 00229137)	Sd/- P. Kandaswamy Company Secretary
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Place : Coimbatore

Date : February 22, 2018