

K.P.R. MILL LIMITED

Corporate Office : 1st Floor Srivari Shrimat, 1045, Avinashi Road, Coimbatore - 641018. India ☎ : 0422-2207777 Fax : 0422-2207778

27.06.2020

The Listing Department
Bombay Stock Exchange Ltd.
1st Floor, Rotunda Buildings,
Phiroze Jeejeebhoy Towers,
Mumbai-400 001.

The Listing Department,
National Stock Exchange of India Ltd
Exchange Plaza, Plot: C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051.

SCRIP CODE: 532889

SYMBOL: KPRMILL

Dear Sir,

Sub: Audited Financial Results for the Quarter / Year ended 31st March, 2020

Ref: Our Notice dated 20.06.2020

Further to our Notice under reference, we wish to inform you that the Board of Directors of the Company at their Meeting held this day 27.06.2020 has:

1. Approved the **Audited Financial Results** of the Company for the Quarter / Year ended 31st March, 2020, both Standalone & Consolidated.
2. Recommended a Final Dividend of Rs. 0.75 Per share (15%) on the face value of Rs.5/- each.

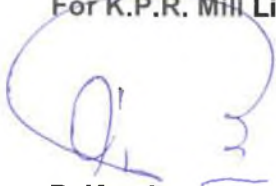
In this connection, we are sending herewith the Certified True Copy of the Audited Financial Results of the Company for the year ended 31st March, 2020, both Standalone & Consolidated along with the Auditors Report.

The Board Meeting Commenced at 10.30 A.M and concluded at 04.00 P.M.

A key highlight of the financial is also enclosed. Please take the above on record.

Thanking you.

Yours faithfully,
For K.P.R. Mill Limited



P. Kandaswamy
Company Secretary
Encl: As above

B S R & Co. LLP

Chartered Accountants

KRM Tower, 1st and 2nd Floor
No.1, Harrington Road, Chetpet
Chennai - 600 031, India.

Telephone +91 44 4608 3100
Fax +91 44 4608 3199

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

Report on the audit of the Standalone Annual Financial Results

Opinion

We have audited the accompanying standalone annual financial results of K.P.R. Mill Limited (hereinafter referred to as the "Company") for the year ended March 31, 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results.

Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

B S R & Co. is partnership firm with
Registration No. BA612233 converted into
B S R & Co. LLP (a Limited Liability Partnership
with LLP Registration No. AAB-8181)
with effect from October 14, 2013

Registered Office:
59th Floor, Lodha Excelencia
Apoth Mill, Connaught
12th Cross, Marol, Maharashtra
Mumbai - 400 011

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

Report on the audit of the Standalone Annual Financial Results

Page 2 of 3

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

In preparing the standalone annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial results made by the Management and Board of Directors.

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

Report on the audit of the Standalone Annual Financial Results

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- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The standalone annual financial results include the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

for B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022

SUDHAKAR

Digitally signed by
SUDHAKAR KUMAR

KUMAR

Date: 2020.06.27 15:11:26
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K Sudhakar

Partner

Membership No. 214150

ICAI UDIN: 20214150AAAAAQ6446

Place: Chennai

Date : June 27, 2020



K.P.R. MILL LIMITED

CIN : L17111TZ2003PLC010518

Registered Office : No.9 Gokul Building, I Floor, A.K.S.Nagar, Thadagam Road, Coimbatore - 641 001.

Email : corporate@kprmill.com Web : www.kprmilllimited.com Phone : 0422-2207777 Fax : 0422-2207778

STATEMENT OF AUDITED FINANCIAL RESULTS (STANDALONE) FOR THE QUARTER / YEAR ENDED 31ST MARCH 2020

(₹ in Lakhs)

Sl.No	Particulars	Quarter Ended			Year Ended	
		31.03.2020 (Audited) *	31.12.2019 (unaudited)	31.03.2019 (Audited) *	31.03.2020 (Audited)	31.03.2019 (Audited)
1	Income					
	(a) Revenue from operations					
	(i) Sale of products and services	70,573	66,962	82,267	2,80,200	2,88,325
	(ii) Other operating revenue	1,215	1,660	3,195	9,607	9,528
	(b) Other income	690	942	665	3,646	3,737
	Total income	72,478	69,564	86,127	2,93,453	3,01,590
2	Expenses					
	(a) Cost of materials consumed	37,055	41,008	46,957	1,69,522	1,79,914
	(b) Purchase of stock-in-trade	19,718	-	-	19,718	-
	(c) Changes in inventories of finished goods, stock-in-trade and work-in- Progress	(9,321)	(2,160)	6,815	(18,370)	(5,028)
	(d) Employee benefits expense	7,561	10,147	9,423	38,325	37,341
	(e) Finance costs	711	923	1,042	3,541	3,586
	(f) Depreciation and amortisation expenses	2,590	2,489	2,340	9,891	9,583
	(g) Other expenses	8,950	8,243	10,599	33,159	34,919
	Total Expenses	67,264	60,650	77,176	2,55,786	2,60,315
3	Profit before exceptional items and tax (1-2)	5,214	8,914	8,951	37,667	41,275
4	Exceptional Items	-	-	-	-	-
5	Profit before tax (3+4)	5,214	8,914	8,951	37,667	41,275
6	Tax expenses					
	a) Current tax	1,629	1,210	2,974	9,140	12,453
	b) Deferred tax	(448)	(381)	27	(934)	(89)
7	Profit for the period (5-6)	4,033	8,085	5,950	29,461	28,911
8	Other comprehensive income					
	A (i) Items that will not be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
	B (i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
9	Total comprehensive income for the period (7+8)	4,033	8,085	5,950	29,461	28,911
10	Paid-up equity share capital (Face value of ₹ 5 each)	3,441	3,441	3,628	3,441	3,628
11	Total Reserves i.e. Other equity				1,47,047	1,47,492
12	Basic and diluted Earnings per share (in ₹) (Not annualised for quarters)	5.86	11.40	8.20	41.37	39.82



Notes:

1 STATEMENT OF ASSETS AND LIABILITIES (STANDALONE)

(₹ in Lakhs)

Sl.No	Particulars	As at	
		31.03.2020 (Audited)	31.03.2019 (Audited)
	Assets		
	Non - current assets		
	(a) Property, plant and equipment	86,551	79,383
	(b) Capital work-in-progress	579	441
	(c) Intangible assets	105	20
	(d) Financial assets		
	(i) Investments	8,296	7,987
	(ii) Loans	352	1,802
	(iii) Other financial assets	1,177	-
	(e) Other non - current assets	2,756	5,077
	Total non - current assets	99,816	94,710
	Current assets		
	(a) Inventories	49,437	72,934
	(b) Financial assets		
	(i) Investments	701	-
	(ii) Trade receivables	35,127	46,830
	(iii) Cash and cash equivalents	14,533	5,633
	(iv) Other bank balances	171	1,044
	(v) Other financial assets	249	1,221
	(c) Other current assets	18,686	17,349
	Total current assets	1,18,904	1,45,011
	Total assets	2,18,720	2,39,721
	Equity and liabilities		
	Equity		
	(a) Equity share capital	3,441	3,628
	(b) Other equity	1,47,047	1,47,492
	Total equity	1,50,488	1,51,120
	Liabilities		
	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	6,659	8,195
	(b) Deferred tax liabilities (net)	4,727	5,661
	(c) Other Non-Current Liabilities	7	-
	Total non-Current Liabilities	11,393	13,856
	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	39,876	55,241
	(ii) Trade payables		
	(A) Total outstanding dues of micro and small enterprises	615	134
	(B) Total outstanding dues of creditors other than micro and small enterprises	9,959	12,216
	(iii) Other financial liabilities	3,592	3,192
	(b) Other current liabilities	2,481	2,915
	(c) Current tax liabilities (net)	316	1,047
	Total current liabilities	56,839	74,745
	Total equity and liabilities	2,18,720	2,39,721



2 STATEMENT OF CASH FLOWS (STANDALONE)

(₹ in Lakhs)		
Particulars	Year ended 31.03.2020 (Audited)	Year ended 31.03.2019 (Audited)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	29,461	28,911
Adjustments for:		
Income tax expenses recognised in the statement of profit and loss	8,206	12,364
Depreciation and amortisation expense	9,891	9,583
Net gain on sale of property, plant and equipment	(215)	(175)
Finance costs	3,541	3,586
Interest income	(238)	(225)
Dividend income from subsidiary	(26)	(26)
Gain on sale of current investments	(546)	(181)
Rental income from operating leases	(116)	(24)
Impairment loss on financial assets	1,772	146
Operating profit before working capital changes	51,730	53,959
Changes in Working Capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	23,497	(33,800)
Trade Receivables	10,598	(14,563)
Other current assets	(1,337)	(92)
Other non current assets	1,450	266
Other financial assets	304	(32)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(1,776)	(239)
Other financial liabilities	1,694	454
Other current liabilities	(434)	(2,690)
Other Long-Term Liabilities	7	-
Cash generated from operations	85,733	3,263
Net income tax (paid)	(10,001)	(11,496)
Net cash flow from/ (used in) operating activities (A)	75,732	(8,233)
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment, including capital advances	(16,550)	(4,860)
(Increase)/ decrease in current investments (net)	(155)	1,383
Decrease in margin deposit accounts	873	60
Proceeds from sale of property, plant and equipment	350	684
Loans to related party (net of repayment)	276	(1,004)
Purchase of Non-current Investments:		
- Subsidiaries	(309)	(136)
Interest received from:		
- Subsidiaries	53	72
- Others	116	147
Dividend received from subsidiary	26	26
Rental income received from operating leases	116	24
Net cash flow used in investing activities (B)	(15,204)	(3,604)



STATEMENT OF CASH FLOWS (STANDALONE) (CONTINUED)

(₹ in Lakhs)

Particulars	Year ended 31.03.2020 (Audited)	Year ended 31.03.2019 (Audited)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment for buyback of shares	(26,331)	(10,814)
Proceeds from/ (repayment of) long-term borrowings (net)	(2,824)	(1,675)
Net (decrease)/ increase in working capital borrowings	(15,365)	32,457
Finance costs paid	(3,345)	(3,490)
Dividends paid	(3,124)	(544)
Tax on dividend paid	(639)	(105)
Net cash flow (used in)/ from financing activities (C)	(51,628)	15,829
Net increase in cash and cash equivalents (A+B+C)	8,900	3,992
Add: Opening cash and cash equivalents	5,633	1,641
Closing cash and cash equivalents (Refer note no 11)	14,533	5,633
Closing cash and cash equivalents comprises		
(a) Cash on hand	28	21
(b) Balance with banks:		
i) In Current accounts	2,855	2,835
ii) In EEFC accounts	1,650	2,777
iii) In deposits with original maturity of less than three months	10,000	-
	14,533	5,633



- 3 The above standalone financial results have been reviewed by the Audit Committee on 27.06.2020 and taken on record and approved by the Board of Directors at their meeting held on 27.06.2020. The above results have been subjected to audit by the statutory auditor of the Company. The report of statutory auditor is unqualified.
- 4 These financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated July 5, 2016.
- 5 The Company operates in one segment (i.e) Textile business, which in the context of Indian Accounting Standard (IND AS) 108 - Operating Segment, is considered as the only reportable operating segment of the Company.
- 6 After obtaining the approval of shareholders through Postal Ballot on 07.06.2019, the Buyback of 37,50,784 Equity Shares of ₹ 5/-each (Representing 5.17% of the total number of paid up equity shares of the Company) from the Shareholders of the Company on proportionate basis by way of tender offer route at a price of ₹ 702/- per share for an aggregate amount of ₹ 26,331 lakhs was initiated in accordance with the provisions of the Companies Act, 2013 and the SEBI (Buyback of Securities) Regulations, 2018. The same was completed on 20.11.2019.
- 7 Effective 01.04.2019, the Company adopted Ind AS 116 - Leases, applied to its lease contracts existing on 01.04.2019, using the modified retrospective method. The adoption of the standard did not have any material impact on the financial results of the Company for the quarter and for the year ended 31.03.2020.
- 8 Pursuant to the amendment in Income Tax Act, 1961 effective 20.09.2019, which provides for an option to domestic companies to pay income tax at reduced rates, the Company exercised the option permitted under section 115BAA of the Income tax act, 1961 and suitable adjustments have been made in the tax expense for the quarter and year ended 31.03.2020.
- 9 * The figures for the quarters ended March 31, 2020 and March 31, 2019 are the balancing figures between the audited figures in respect of the full financial years and the published unaudited year-to-date figures upto the third quarter of the respective financial years, which were subjected to limited review.
- 10 In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. In view of the pandemic, the Company has considered internal and external information and has performed an analysis based on current estimates while assessing the recoverability of assets including trade receivables, inventories and other current / non-current assets (net of provisions established) for any possible impact on the standalone financial results. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial controls etc., and is of the view that based on its present assessment, this situation does not materially impact these standalone financial results. The Management believes that the Company will not have any challenge in meeting its financial obligations for the next 12 months. In this regard, the Company will continue to closely monitor any material changes to future economic conditions.
- 11 Owing to the prevailing market conditions which has led to significant decline in the price of cotton and considering management's intention to hold a portion of its inventory as stock-in-trade, the Company had measured the said inventory at lower of cost and net realizable value. Consequent to the above, the amount of write-down charged to the income statement for the quarter and year ended 31.03.2020 was ₹ 4,347 lakhs.
- 12 Events after reporting period :
The Board has recommended a Final Dividend of 15% (₹ 0.75/- per share of the face value of ₹ 5/- each) for the year 2019-20 subject to the approval of the Shareholders in Annual General Meeting.
- 13 Previous period figures have been regrouped / reclassified, wherever necessary, to conform with the current period classification / presentation.

Coimbatore
27.06.2020

For K.P.R.MILL LIMITED



P. Nataraaj
Managing Director
DIN : 00229137



B S R & Co. LLP

Chartered Accountants

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

Report on the audit of the Consolidated Annual Financial Results

Opinion

We have audited the accompanying consolidated annual financial results of K.P.R. Mill Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), for the year ended March 31, 2020, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements / financial results of the subsidiaries, the aforesaid consolidated annual financial results:

- a. include the annual financial results of the following entities:
 - K.P.R. Sugar Mill Limited;
 - Quantum Knits Private Limited;
 - Galaxy Knits Limited;
 - Jahnvi Motor Private Limited;
 - KPR Exports PLC; and
 - KPR Mill Pte. Ltd
- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net profit and other comprehensive income and other financial information of the Group for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

B S R & Co. (a partnership firm with
Registration No. BA61223) converted into
B S R & Co. LLP (a Limited Liability Partnership
with LLP Registration No. AAB-8181)
with effect from October 14, 2013

Registered Office:
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Apollo Mills Compound
N M Joshi Marg, Mahataram
Mumbai 400 011

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

Report on the audit of the Consolidated Annual Financial Results

Page 2 of 4

Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit/ loss and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the Management and the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual financial results.

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

Report on the audit of the Consolidated Annual Financial Results

Page 3 of 4

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated annual financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on the audit of the Consolidated Annual Financial Results

Page 4 of 4

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

- (a) The consolidated annual financial results include the audited financial results of six subsidiaries, whose financial statements / financial results reflect total assets (before consolidation adjustments) of Rs. 86,045 lakhs as at March 31, 2020, total revenue (before consolidation adjustments) of Rs. 64,453 lakhs and total net profit after tax (before consolidation adjustments) of Rs. 8,250 lakhs and net cash outflows of Rs. 128 lakhs for the year ended on that date, as considered in the consolidated annual financial results, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements / financial results of these entities have been furnished to us by the management and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Our opinion on the consolidated annual financial results is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

- (b) The consolidated annual financial results include the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

for B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022

**SUDHAKAR
KUMAR**

Digitally signed by
SUDHAKAR KUMAR
Date: 2020.06.27 15:12:19
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K Sudhakar

Partner

Membership No. 214150

ICAI UDIN: 20214150AAAAAR9601

Place: Chennai

Date : June 27, 2020



K.P.R. MILL LIMITED

CIN : L17111TZ2003PLC010518

Registered Office : No.9 Gokul Building, I Floor, A.K.S.Nagar, Thadagam Road, Coimbatore - 641 001.

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STATEMENT OF AUDITED FINANCIAL RESULTS (CONSOLIDATED) FOR THE QUARTER / YEAR ENDED 31ST MARCH 2020

(₹ in Lakhs)

Sl.No	Particulars	Quarter Ended			Year Ended	
		31.03.2020 (Audited) *	31.12.2019 (unaudited)	31.03.2019 (Audited) *	31.03.2020 (Audited)	31.03.2019 (Audited)
1	Income					
	(a) Revenue from operations					
	(i) Sale of products and services	84,532	74,822	91,384	3,20,576	3,26,422
	(ii) Other operating revenue	2,857	2,154	3,782	14,687	11,979
	(b) Other income	816	898	664	3,646	3,690
	Total income	88,205	77,874	95,830	3,38,909	3,42,091
2	Expenses					
	(a) Cost of materials consumed	48,662	47,909	60,127	1,87,644	2,06,520
	(b) Purchase of stock-in-trade	20,491	1,193	1,613	23,656	5,920
	(c) Changes in inventories of finished goods, stock-in-trade and work-in- Progress	(12,711)	(5,069)	(3,283)	(12,581)	(9,681)
	(d) Employee benefits expense	7,904	10,393	9,638	39,440	38,073
	(e) Finance costs	1,165	1,170	1,359	4,965	4,894
	(f) Depreciation and amortisation expenses	3,661	3,406	3,236	13,709	13,113
	(g) Other expenses	9,298	8,804	11,037	34,909	36,394
	Total Expenses	78,470	67,806	83,727	2,91,742	2,95,233
3	Profit before exceptional items and tax (1-2)	9,735	10,068	12,103	47,167	46,858
4	Exceptional items	-	-	-	-	-
5	Profit before tax (3+4)	9,735	10,068	12,103	47,167	46,858
6	Tax expenses					
	a) Current tax	2,124	1,468	3,537	10,923	13,548
	b) Deferred tax	(480)	(840)	(28)	(1,424)	(177)
7	Profit for the period (5-6)	8,091	9,440	8,594	37,668	33,487
8	Share of Profit / (Loss) of Associates	-	-	-	-	-
9	Minority Interest	-	-	-	-	-
10	Net Profit after taxes, Minority interest and share of profit of associates (7+8+9)	8,091	9,440	8,594	37,668	33,487
11	Other comprehensive income					
	A (i) Items that will not be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
	B (i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
12	Total comprehensive income for the period (10+11)	8,091	9,440	8,594	37,668	33,487
13	Paid-up equity share capital (Face value of ₹ 5 each)	3,441	3,441	3,628	3,441	3,628
14	Total Reserves i.e. Other equity				1,83,146	1,75,389
15	Basic and diluted Earnings per share (in ₹) (Not annualised for quarters)	11.76	13.31	11.84	52.90	46.12



Notes:

1 CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in Lakhs)

Sl.No	Particulars	As at	
		31.03.2020 (Audited)	31.03.2019 (Audited)
	Assets		
	Non-current assets		
	(a) Property, plant and equipment	1,31,957	1,13,582
	(b) Capital work-in-progress	644	1,243
	(c) Goodwill	70	70
	(d) Other intangible assets	105	20
	(e) Financial assets		
	(i) Investments	210	210
	(f) Deferred Tax Asset(net)	1,476	987
	(g) Other non - current assets	4,239	5,705
	Total non - current assets	1,38,701	1,21,817
	Current assets		
	(a) Inventories	71,573	1,00,641
	(b) Financial assets		
	(i) Investments	701	
	(ii) Trade receivables	44,348	52,800
	(iii) Cash and cash equivalents	15,181	6,409
	(iv) Other bank balances	241	1,075
	(v) Other financial assets	290	1,221
	(c) Other current assets	18,683	14,398
	Total current assets	1,51,017	1,76,544
	Total assets	2,89,718	2,98,361
	Equity and liabilities		
	Equity		
	(a) Equity share capital	3,441	3,628
	(b) Other equity	1,83,146	1,75,389
	Total equity	1,86,587	1,79,017
	Liabilities		
	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	20,675	13,049
	(b) Deferred tax liabilities (net)	4,736	5,670
	(c) Other non-current liabilities	687	285
	Total non - current liabilities	26,098	19,004
	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	53,382	69,079
	(ii) Trade payables		
	(A) Total outstanding dues of micro and small enterprises	616	140
	(B) Total outstanding dues of creditors other than micro and small enterprises	12,579	22,070
	(iii) Other financial liabilities	7,679	4,781
	(b) Other current liabilities	2,432	3,540
	(c) Current tax liabilities (net)	345	730
	Total current liabilities	77,033	1,00,340
	Total equity and liabilities	2,89,718	2,98,361



2 STATEMENT OF CASH FLOWS (CONSOLIDATED)

Particulars	(₹ in Lakhs)	
	Year ended 31.03.2020 (Audited)	Year ended 31.03.2019 (Audited)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	37,668	33,487
Adjustments for:		
Income tax expenses recognised in the statement of profit and loss	9,499	13,371
Depreciation and amortisation expense	13,709	13,113
Net gain on sale of property, plant and equipment	(199)	(179)
Finance costs	4,965	4,894
Interest income	(190)	(155)
Gain on sale of current investments	(546)	(181)
Rental income from operating leases	(116)	(24)
Impairment loss on financial assets	1,782	156
Operating Profit before working capital changes	66,572	64,482
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	29,068	(36,600)
Trade receivables	7,337	(11,052)
Other current assets	(4,284)	2,301
Other non current assets	(228)	(392)
Other financial assets	219	2,060
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(9,015)	(2,129)
Other financial liabilities	(1,108)	430
Other current liabilities	1,699	861
Other non current liabilities	9	-
Cash generated from operations	90,269	19,961
Net income tax (paid)	(11,441)	(13,367)
Net cash generated from operating activities (A)	78,828	6,594
CASH FLOW FROM INVESTING ACTIVITIES		
Capital Expenditure on Property, Plant and Equipments, Including Capital Advances	(29,664)	(9,246)
(Increase)/ decrease in current investments (net)	(155)	1,383
Decrease in margin deposit accounts	834	58
Proceeds from sale of property, plant and equipment	425	723
Interest received	165	149
Rental income received from operating leases	116	24
Net cash flow used in investing activities (B)	(28,279)	(6,909)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment for buyback of shares	(26,331)	(10,814)
Proceeds from/ (repayment of) long-term borrowings (net)	8,783	(2,230)
Net increase / (decrease) in working capital borrowings	(15,697)	23,082
Finance costs Paid	(4,764)	(4,712)
Dividends paid	(3,124)	(544)
Tax on dividend paid	644	(110)
Net cash flow (used in)/ from financing activities (C)	(41,777)	4,672
Net increase in cash and cash equivalents (A+B+C)	8,772	4,357
Add: Opening cash and cash equivalents	6,409	2,052
Closing cash and cash equivalents	15,181	6,409
Closing cash and cash equivalents comprises		
(a) Cash on hand	67	46
(b) Balance with Banks:		
i) In Current accounts	3,463	3,586
ii) In EEFC accounts	1,651	2,777
iii) In deposits with original maturity of less than three months	10,000	-
	15,181	6,409



3 AUDITED SEGMENT REPORTING FOR THE QUARTER / YEAR ENDED 31ST MARCH 2020

(₹ in Lakhs)

Sl.No	Particulars	Quarter Ended/As at			Year Ended/ As at	
		31.03.2020 (Audited) *	31.12.2019 (unaudited)	31.03.2019 (Audited) *	31.03.2020 (Audited)	31.03.2019 (Audited)
1	SEGMENT REVENUE					
	a) Textile	71,986	67,931	86,349	2,92,138	3,03,999
	b) Sugar	13,165	6,522	6,489	34,092	25,252
	c) Others	2,238	2,523	2,328	9,033	9,150
	Total	87,389	76,976	95,166	3,35,263	3,38,401
	Less: Inter segment revenue	-	-	-	-	-
	Revenue from operations	87,389	76,976	95,166	3,35,263	3,38,401
2	SEGMENT RESULTS (Profit before tax and finance costs from each segment)					
	a) Textile	5,871	8,792	11,303	41,930	46,567
	b) Sugar	4,098	1,349	1,380	6,010	986
	c) Others	115	199	116	546	509
	Total	10,084	10,340	12,799	48,486	48,062
	Less: Finance costs	1,165	1,170	1,359	4,965	4,894
		8,919	9,170	11,440	43,521	43,168
	Add: Other income	816	898	664	3,646	3,690
	Total profit before tax	9,735	10,068	12,104	47,167	46,858
3	Segment assets					
	a) Textile	2,23,900	2,28,985	2,43,615	2,23,900	2,43,615
	b) Sugar	59,002	52,622	46,572	59,002	46,572
	c) Others	2,663	3,428	3,906	2,663	3,906
	d) Unallocated	4,153	4,036	3,281	4,153	3,281
	Total	2,89,718	2,89,071	2,97,374	2,89,718	2,97,374
4	Segment liabilities					
	a) Textile	68,835	75,501	90,369	68,835	90,369
	b) Sugar	30,604	28,052	23,428	30,604	23,428
	c) Others	1,471	1,678	2,337	1,471	2,337
	d) Unallocated	2,221	2,238	2,223	2,221	2,223
	Total	1,03,131	1,07,469	1,18,357	1,03,131	1,18,357
5	Capital employed (Segment assets - Segment liabilities)	1,86,587	1,81,602	1,79,017	1,86,587	1,79,017



- 4 The above consolidated financial results have been reviewed by the Audit Committee on 27.06.2020 and taken on record and approved by the Board of Directors at their meeting held on 27.06.2020. The above results have been subjected to audit by the statutory auditor of the Company. The report of statutory auditor is unqualified.
- 5 These financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated July 5, 2016.
- 6 The consolidated financial results include the financial results of K.P.R. Mill Limited and the financial results of its subsidiaries - K.P.R. Sugar Mill Limited, Jahnvi Motor Private Limited, Quantum Knits Private Limited, Galaxy Knits Limited, KPR Exports PLC, Ethiopia and KPR Mill Pte. Ltd, Singapore.
- 7 The Group has classified the operations primarily into three segments viz., Textile, Sugar and Others based on "Management Approach" as defined in Ind-AS 108 - Operating Segments.
- 8 After obtaining the approval of shareholders through Postal Ballot on 07.06.2019, the Buyback of 37,50,784 Equity Shares of ₹ 5/-each (Representing 5.17% of the total number of paid up equity shares of the Company) from the Shareholders of the Company on proportionate basis by way of tender offer route at a price of ₹ 702/- per share for an aggregate amount of ₹ 26,331 lakhs was initiated in accordance with the provisions of the Companies Act, 2013 and the SEBI (Buyback of Securities) Regulations, 2018. The same was completed on 20.11.2019.
- 9 Effective 01.04.2019, the Group adopted Ind AS 116 - Leases, applied to its lease contracts existing on 01.04.2019, using the modified retrospective method. The adoption of the standard did not have any material impact on the financial results of the Group for the quarter and for the year ended 31.03.2020.
- 10 Pursuant to the amendment in Income Tax Act, 1961 effective 20.09.2019, which provides for an option to domestic companies to pay income tax at reduced rates, the Company exercised the option permitted under section 115BAA of the Income tax act,1961 and suitable adjustments have been made in the tax expense for the quarter and year ended 31.03.2020.
- 11 * The figures for the quarters ended March 31, 2020 and March 31, 2019 are the balancing figures between the audited figures in respect of the full financial years and the published unaudited year-to-date figures upto the third quarter of the respective financial years, which were subjected to limited review.
- 12 In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company and its subsidiaries have adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. In view of the pandemic, the Company has considered internal and external information and has performed an analysis based on current estimates while assessing the recoverability of assets including trade receivables, inventories and other current / non-current assets (net of provisions established) for any possible impact on the consolidated financial results. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial controls etc., and is of the view that based on its present assessment, this situation does not materially impact these consolidated financial results. The Management believes that the Company will not have any challenge in meeting its financial obligations for the next 12 months. In this regard, the Company will continue to closely monitor any material changes to future economic conditions.
- 13 Owing to the prevailing market conditions which has led to significant decline in the price of cotton and considering management's intention to hold a portion of its inventory as stock-in-trade, the Company had measured the said inventory at lower of cost and net realizable value. Consequent to the above, the amount of write-down charged to the income statement for the quarter and year ended 31.03.2020 was ₹ 4,347 lakhs.
- 14 Events after reporting period :
The Board has recommended a Final Dividend of 15% (₹ 0.75/- per share of the face value of ₹ 5/- each) for the year 2019-20 subject to the approval of the Shareholders in Annual General Meeting.
- 15 Previous period figures have been regrouped / reclassified, wherever necessary, to conform with the current period classification / presentation.

Coimbatore
27.06.2020

For K.P.R.MILL LIMITED


P.Nataraj
Managing Director
DIN : 00229137



