

# K.P.R. MILL LIMITED

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

June 10, 2019

The Manager, Department of Corporate Services BSE Limited 25 <sup>th</sup> Floor, P J Towers, Dalal Street, Mumbai- 400001, Maharashtra	The Manager Listing Department National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block G, BandraKurla Complex Bandra, East, Mumbai- 400051, Maharashtra
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Dear Sir/Madam,

BSE – 532889 / NSE – KPRMILL

**Sub: Submission of Public Announcement for buyback of equity shares of K.P.R. Mill Limited ("Company")**

In furtherance to the intimation dated June 7, 2019, the Company is undertaking a Buyback, in accordance with the Companies Act, 2013, as amended, the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, ("**Buyback Regulations**"), and Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 (the "**Management Rules**") and other applicable laws, if any.

Pursuant to Regulation 7 of the Securities Exchange Board of India (Buy-Buyback of Securities) Regulations 2018, as amended, please find enclosed a copy of the Public Announcement dated June 7, 2019 published in the Financial Express (English – All editions), Jansatta (Hindi – All editions) and Makkalkural (Tamil – Coimbatore edition) on June 10, 2019

You are requested to please take note of the same.

Thanking you,

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

  
P. Kandaswamy

Company Secretary

Encl: As above



# 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: 1<sup>st</sup> Floor Srivari Shrimat, 1045, Avinashi Road, Coimbatore - 641 018, India

Tel.: 0422-2207777, Fax: 0422-2207778 | E-mail: investors@kprmill.com | Website: www.kprmillimited.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 7(i) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (the "Buyback Regulations") and contains the disclosures as specified in Schedule II of the Buyback Regulations.

**CASH OFFER FOR BUYBACK OF NOT EXCEEDING 37,50,784 (THIRTY SEVEN LAKH FIFTY THOUSAND SEVEN HUNDRED AND EIGHTY FOUR) FULLY PAID UP EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH AT A PRICE OF ₹702 (RUPEES SEVEN HUNDRED AND TWO 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 (the "Company") at their meeting held on April 29, 2019 ("Board Meeting"), has passed a resolution subject to the approval of the shareholders of the Company by way of a special resolution through postal ballot (including e-voting) to buyback of not exceeding 37,50,784 (Thirty Seven Lakh Fifty Thousand Seven Hundred and Eighty Four) fully paid-up Equity Shares of face value ₹ 5 each ("Shares" or "Equity Shares") from all the existing shareholders / beneficial owners of Equity Shares ("the "Equity Shareholders"/ "Shareholders") of the Company as on Record Date, on a proportionate basis, through the "Tender Offer" process through the stock exchange mechanism (the "Buyback"/ "Buyback Offer"), at a price of ₹ 702 (Rupees Seven Hundred and Two only) ("Buyback Price"/ "Buyback Offer Price") per Equity Share payable in cash, for an aggregate consideration not exceeding ₹ 263,30,50,368/- (Rupees Two Hundred Sixty Three Crores Thirty Lakh Fifty Thousand Three Hundred and Sixty Eight only) excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, goods and services tax, stamp duty, etc. ("Buyback Offer Size"). The Buyback is subject to approvals as may be necessary, from time to time from statutory authorities 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 Shareholders of the Company approved the Buyback, by way of a special resolution, through postal ballot (including e-voting) pursuant to the Postal Ballot Notice dated April 29, 2019 ("Postal Ballot Notice"), the results of which were announced on June 7, 2019.

1.3 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 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.

1.4 In accordance with the provisions of the Companies Act, the Buyback Size which is not exceeding ₹ 263,30,50,368/- (Rupees Two Hundred Sixty Three Crores Thirty Lakh Fifty Thousand Three Hundred and Sixty Eight only) represents 17.61% and 14.87% of the aggregate of the fully paid-up equity share capital and free reserves (including securities premium account) as per the audited standalone and consolidated financial statements respectively of the Company for the financial year ended March 31, 2019 (the last audited financial statements available as on the date of the Board Meeting approving the Buyback) and is within statutory limits of 25% of the aggregate of the fully paid-up share capital and free reserves as per the audited standalone and consolidated financials of the Company for the financial year ended March 31, 2019 (the last audited standalone and consolidated financial statements available as on the date of the Board meeting) under the Tender offer approval route as per the provisions of the Buyback Regulations. Since the Company proposes to Buyback of not exceeding 37,50,784 (Thirty Seven Lakh Fifty Thousand Seven Hundred and Eighty Four) Equity Shares representing 5.17% 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.

1.5 The maximum amount required by the Company for the said Buyback aggregating to ₹ 263,30,50,368/- (Rupees Two Hundred Sixty Three Crores Thirty Lakh Fifty Thousand Three Hundred and Sixty Eight 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.

1.6 The Buyback Offer Price of ₹ 702 (Rupees Seven Hundred and Two 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 ₹ 702 (Rupees Seven Hundred and Two only) per Equity Share represents (i) premium of 23.15% on BSE and 22.90% 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 22.63% on BSE and 22.18% 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.

1.7 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(iv)(a) of the Buyback Regulations. Please see paragraph 7 below for details regarding record date and share entitlement for tender in the Buyback.

1.8 A copy of this Public Announcement is available on the Company's website (www.kprmillimited.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

Share buyback is the acquisition by a company of its own shares. The objective is to return surplus cash to the members holding equity shares of the Company. The Board at its meeting held on Monday, April 29, 2019, considered the accumulated free reserves as well as the cash liquidity reflected in the latest audited standalone as well as consolidated financial statements for the financial year ended March 31, 2019 and considering these, the Board decided to allocate a sum of ₹263,30,50,368 (Rupees Two Hundred Sixty Three Crores Thirty Lakh Fifty Thousand Three Hundred and Sixty Eight only) for returning to the members holding equity shares of the Company through the Buyback.

After considering several factors and benefits to the members holding equity shares of the Company, the Board decided to recommend Buyback of not exceeding 37,50,784 (Thirty Seven Lakh Fifty Thousand Seven Hundred and Eighty Four only) equity shares (representing 5.17% of the total number of equity shares in the paid up share capital of the Company) at a price of ₹702 (Rupees Seven Hundred and Two only) per equity share for an aggregate consideration of ₹263,30,50,368 (Rupees Two Hundred Sixty Three Crores Thirty Lakh Fifty Thousand Three Hundred and Sixty Eight only). Buyback is a more 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 for small shareholders would benefit a large number of public shareholders, who would get classified as "small shareholder";
- The Buyback may 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 not to participate and enjoy a resultant increase in their percentage shareholding, post the Buyback offer, without additional investment.
- Optimizes the capital structure.

### 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 Postal Ballot Notice i.e. Monday, April 29, 2019 and the date of this Public Announcement i.e. June 7, 2019 is as follows:

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

S. No.	Name of shareholder	Number of Equity Shares held	Number of Equity Shares held in dematerialized form	Percentage of issued Equity Share capital
<b>INDIVIDUALS</b>				
1.	Sri. K. P. Ramasamy	1,56,70,141	1,56,70,141	21.60
2.	Smt. K.R. Parvathi	17,87,615	17,87,615	2.46
3.	Sri KPD Sigamani	1,56,70,141	1,56,70,141	21.60
4.	Smt. D. Radhamani	17,89,004	17,89,004	2.47
5.	Sri P. Nataraj	1,56,70,141	1,56,70,141	21.60
6.	Smt. N. Jayanthi	17,89,004	17,89,004	2.47
7.	Sri. C.R. Anandakrishnan	1,390	1,390	0.002
<b>CORPORATE</b>				
8.	K.P.R. Developers Limited	20,37,162	20,37,162	2.81
<b>Total</b>		<b>5,44,14,598</b>	<b>5,44,14,598</b>	<b>74.99</b>

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

Sr. No.	Name of the Shareholders	Designation	Number of Equity Shares held	Percentage of issued Equity Share capital
1.	Sri KPD Sigamani	Director	1,56,70,141	21.60
2.	Sri P. Nataraj	Director	1,56,70,141	21.60
3.	Sri. K. P. Ramasamy	Director	1,56,70,141	21.60
<b>Total</b>			<b>4,70,10,423</b>	<b>64.80</b>

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. April 29, 2019 and from the date of Board Meeting till the date of this Public Announcement.

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 April 29, 2019 to participate in the Buyback and tender up to an aggregate maximum of 1,30,94,011 (One crore thirty lakhs ninety four thousand and eleven only) Equity Shares as detailed below or such lower number of Equity Shares in accordance with the Buyback Regulations in the following manner:

S. No.	Name of Promoters & Promoter Group Participating in the Buyback Offer	Maximum number of Equity Shares intended to tender
1.	Sri. K.P. Ramasamy	3,917,535
2.	Smt. K.R. Parvathi	446,904
3.	Sri. KPD Sigamani	3,917,535
4.	Smt. D. Radhamani	447,251
5.	Sri. P. Nataraj	3,917,535
6.	Smt. N. Jayanthi	447,251
<b>Total</b>		<b>13,094,011</b>

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 April 29, 2019, 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 <sup>(1)</sup>	36,000	Allotment pursuant to subscription to Memorandum and Articles of Association
March 31, 2005	37,933 <sup>(1)</sup>	94,83,250	Further allotment to the promoters
February 15, 2006	72,651	Nil	Consideration for purchase of Business of K.P.R. Knits
February 15, 2006	-48,434	57,92,706	Transfer to Mr. K.P. Ramasamy & Mr. P. Nataraj
October 06, 2006	37,87,337	Nil	Allotment pursuant to Merger <sup>(2)</sup>
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.

Date of Transaction	No. of Equity Shares	Acquisition/Sale Consideration (₹)	Nature of Transaction/ Consideration
February 13, 2017	-3,04,149	20,07,38,340	Sold in buyback of shares of the Company
April 03, 2017	-3,119 <sup>(4)</sup>	19,59,920 <sup>(3)</sup>	Sold in open market
April 06, 2018	-2,69,859	21,85,85,790	Sold in buyback of shares of the Company
June 05, 2018	-10,000 <sup>(4)</sup>	56,62,146 <sup>(3)</sup>	Sold in open market
<b>Total Current Holding</b>	<b>1,56,70,141</b>		

(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

(4) To comply with buyback regulations

#### (ii) P. Nataraj

Date of Transaction	No. of Equity Shares	Acquisition/Sale Consideration (₹)	Nature of Transaction/ Consideration
March 19, 2003	360 <sup>(1)</sup>	36,000	Allotment pursuant to subscription to Memorandum and Articles of Association
March 31, 2005	37,933 <sup>(1)</sup>	94,83,250	Further allotment to the promoters
February 15, 2006	24,217	28,96,353	Transfer from Mr. KPD Sigamani
October 06, 2006	38,26,987	Nil	Allotment pursuant to Merger <sup>(2)</sup>
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.

Date of Transaction	No. of Equity Shares	Acquisition/Sale Consideration (₹)	Nature of Transaction/ Consideration
February 13, 2017	-3,04,115	20,07,15,900	Sold in buyback of shares of the Company
April 03, 2017	-1,351 <sup>(4)</sup>	8,48,980 <sup>(3)</sup>	Sold in open market
April 06, 2018	-2,69,859	21,85,85,790	Sold in buyback of shares of the Company
June 05, 2018	-10,000 <sup>(4)</sup>	56,62,262 <sup>(3)</sup>	Sold in open market
<b>Total Current Holding</b>	<b>1,56,70,141</b>		

(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

(4) To comply with buyback regulations

#### (iii) K. P. Ramasamy

Date of Transaction	No. of Equity Shares	Acquisition/Sale Consideration (₹)	Nature of Transaction/ Consideration
March 19, 2003	360 <sup>(1)</sup>	36,000	Allotment pursuant to subscription to Memorandum and Articles of Association
March 31, 2005	37,934 <sup>(1)</sup>	94,83,500	Further allotment to the promoters
February 15, 2006	24,217	28,96,353	Transfer from Mr. KPD Sigamani

Date of Transaction	No. of Equity Shares	Acquisition/Sale Consideration (₹)	Nature of Transaction/ Consideration
October 06, 2006	38,29,000	Nil	Allotment pursuant to Merger <sup>(2)</sup>
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<sup>(4)</sup> 7,87,976<sup>(3)</sup> Sold in open market

April 06, 2018 -2,69,859 21,85,85,790 Sold in buyback of shares of the Company

June 05, 2018 -10,000<sup>(4)</sup> 56,62,967<sup>(3)</sup> Sold in open market

**Total Current Holding 1,56,70,141**

(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

(4) To comply with buyback regulations

#### (iv) N. Jayanthi

Date of Transaction	No. of Equity Shares	Acquisition/Sale Consideration (₹)	Nature of Transaction/ Consideration
July 21, 2003	360 <sup>(1)</sup>	36,000	Allotment
March 31, 2005	27,500 <sup>(1)</sup>	68,75,000	Further allotment to the promoters
October 06, 2006	4,90,013	Nil	Allotment pursuant to Merger <sup>(2)</sup>
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<sup>(3)</sup> Sold in open market

April 06, 2018 -30,789 2,49,39,090 Sold in buyback of shares of the Company

**Total Current Holding 17,89,004**

(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 <sup>(1)</sup>	36,000	Allotment
March 31, 2005	27,500 <sup>(1)</sup>	68,75,000	Further allotment to the promoters
October 06, 2006	4,88,000	Nil	Allotment pursuant to Merger <sup>(2)</sup>
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<sup>(3)</sup> Sold in open market

April 06, 2018 -30,765 2,49,19,650 Sold in buyback of shares of the Company

**Total Current Holding 17,87,615**

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

- a) immediately following the date of this Board meeting dated April 29, 2019 and the date on which the results of the Postal Ballot/E-voting will be declared, there will be no grounds on which the Company could be found unable to pay its debts;
- b) as regards the Company's prospects for the year immediately following the date of this Board meeting as well as for the year immediately following the date on which the results of the Postal Ballot/E-voting will be declared approving the Buyback, and having regard to the Board's intention with respect to the management of Company's business during that year and to the amount and character of the financial resources which will in the Board's view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date of this Board meeting and the date on which the results of the Postal Ballot/E-voting will be declared; and
- c) In forming an opinion as aforesaid, the Board has taken into account the liabilities, as if the Company were being wound up under the provisions of the Companies Act, or Indian Bankruptcy Code 2016 as the case may be, including prospective and contingent.

6. The text of the report dated April 29, 2019 received from B S R & Co. LLP, Chartered Accountants, the Statutory Auditors of the Company addressed to the Board of Directors of the Company is reproduced below:

Quote:

**The Board of Directors**  
K.P.R. Mill Limited  
No. 9, Gokul Buildings, 1<sup>st</sup> Floor,  
A.K.S Nagar, Thadagam Road,  
Coimbatore - 641 001

Dear Sirs/Madam,

**Subject: Statutory Auditor's report in respect of proposed buy back of equity shares by K.P.R. Mill Limited as per Clause (xi) of Schedule I to the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended**

1. This Report is issued in accordance with the terms of our engagement letter dated April 29, 2019. 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 April 29, 2019, 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, 2018, as amended ("SEBI Buyback Regulations").

2. The accompanying Statement of permissible capital payment (including premium) ("Annexure A") as at March 31, 2019 (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:

- we have inquired into the state of affairs of the Company in relation to the audited standalone financial statements of the Company for the year ended March 31, 2019;
  - 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 considering the audited standalone financial statements in accordance with Section 68(2)(c) of the Act; and
  - the Board of Directors of the Company in their meeting dated April 29, 2019, have formed the opinion as specified in clause (x) of Schedule I 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 date of passing of the board resolution dated April 29, 2019.
5. Our engagement involves performing procedures to obtain sufficient appropriate evidence on the above reporting. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated with the above reporting. Within the scope of our work, we performed the following procedures:
- 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;
  - Inquired into the state of affairs of the Company with reference to the audited standalone financial statements;
  - Examined the Board of Directors' declarations for the purpose of buy back and solvency of the Company; and
  - Obtained appropriate representations from the Management of the Company.

6. The standalone financial statements referred to in paragraph 4 above, which we have considered for the purpose of this report, has been approved by the Board of Directors in their meeting held on April 29, 2019 and is subject to approval by the shareholders of the Company in the ensuing Annual General Meeting of the Company. These standalone financial statements have been audited by us and we have issued an unmodified opinion vide our report dated April 29, 2019.

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

8. 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.

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

#### Opinion

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

- we have inquired into the state of affairs of the Company with reference to its audited standalone financial statements as at and for the year ended March 31, 2019;
- the Board has proposed to buyback the Company's equity shares upto an aggregate amount not exceeding ₹ 26,331 lakhs/- ("Buyback Offer Size") at a price not exceeding ₹ 702/- 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
- the Board of Directors of the Company in their meeting held on April 29, 2019 have formed their opinion, as specified in clause (x) of Schedule I 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 date of passing of the board resolution dated April 29, 2019.

#### 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  
Firm's Registration No.: 101248W/W-100022  
S/d

#### S Sethuraman

Partner  
Membership No: 203491  
ICAI UDIN: 19203491AAAAE4060  
Place: Coimbatore  
Date: April 29, 2019

#### 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 Section 68(2)(c) of the Companies Act, 2013 (the "Act") and Regulation 4(i) of the SEBI (Buy-Back of Securities) Regulations, 2018:**

Particulars	Amount in INR lakhs as at March 31, 2019	
	Standalone*	Consolidated\$
Paid up equity share capital (72,560,784 Equity Shares of INR 5 each, fully paid up) * [A]	3,628	3,628
Free reserves#:		
-Securities premium*	15,233	19,096
-General reserve*	24,716	24,845
-Retained Earnings*	105,903	129,515
<b>Total free reserves [B]</b>	<b>145,852</b>	<b>173,456</b>
<b>Total [A + B]</b>	<b>149,480</b>	<b>177,084</b>
Maximum amount permissible for buyback as per the Act and SEBI Buyback Regulations (i.e. 25% 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, 2019)	<b>37,370</b>	
Amount proposed by Board resolution dated April 29, 2019 approving the buyback, subject to shareholders approval by special resolution	<b>26,331</b>	

\* the balances have been extracted from the audited standalone financial statements of the Company as at and for the year ended March 31, 2019 which has been approved by the Board of Directors in their meeting held on April 29, 2019 and is subject to approval by the shareholders of the Company in the ensuing Annual General Meeting of the Company.

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

\$ the balances have been extracted from the audited consolidated financial statements of the Company as at and for the year ended March 31, 2019 which has been approved by the Board of Directors in their meeting held on April 29, 2019 and is subject to approval by the shareholders of the Company in the ensuing Annual General Meeting of the Company. These balances have been disclosed in the table above for information purpose only and not used as the basis for computation of the maximum amount permissible for buyback as per the Act and SEBI Buyback Regulations.

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

**P. Nataraj**  
Chief Executive Officer & Managing Director

Place: Coimbatore  
Date: April 29, 2019

Unquote

#### 7. RECORD DATE AND SHAREHOLDER ENTITLEMENT

7.1 As required under the Buyback Regulations, the Company has fixed Wednesday, June 19, 2019 as the record date (the "Record Date") for the purpose of determining the entitlement and the names of the shareholders, who will be eligible to participate in the Buyback.

7.2 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.

7.3 As defined in the Buyback Regulations, a "Small Shareholder" is a shareholder who holds Equity Shares having market value, on the basis of closing price on the stock exchanges in which the highest trading volume as on Record Date, of not more than ₹ 2,00,000 (Rupees Two Lakh only).

7.4 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.

7.5 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.

7.6 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.

7.7 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.

7.8 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.

7.9 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.

#### 8. PROCESS AND METHODOLOGY TO BE ADOPTED FOR THE BUYBACK

8.1 The Buyback is open to all Equity Shareholders of the Company holding Shares in dematerialised form on the Record Date. Please refer paragraph 8.7 of this Public Announcement for details regarding the procedure to be followed for tendering equity shares in physical form in the Buyback

8.2 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.

8.3 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**  
6<sup>th</sup> Floor, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai-400005.  
Tel No.: +91 (22) 2217 1700; Fax No.: +91 (22) 2215 1787.  
Contact Person: Ms. Charushila Parkar  
Email: charushila.parkar@idbicapital.com; Website: www.idbicapital.com  
SEBI Registration: IN2000007237; CIN: U65990MH1993GOI075578

8.4 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.

8.5 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.

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

- Eligible 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. The Shareholder Broker would be required to place a bid on behalf of the Eligible Shareholders who wish to tender Equity Shares in the Buyback using the acquisition window of the BSE.

b. The Eligible Shareholder would need to transfer the tendered Equity Shares to the special account of Indian Clearing Corporation Limited ("Clearing Corporation"/ "ICCL"), by using the early pay in mechanism as prescribed by the BSE or the Clearing Corporation prior to placing the bid by the Shareholder Broker. This shall be validated at the time of order/bid entry. The details of the settlement number for the Buyback shall be informed in the issue opening circular that will be issued by BSE/Clearing Corporation. Modification/cancellation of orders will be allowed during the Tendering Period. The details of the special account of the Clearing Corporation shall be informed in the issue opening circular that will be issued by the BSE and/or the Clearing Corporation.

c. 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 closing of trading hours on the last day of the Tendering Period (Buyback Closing Date). 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.

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

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

As per the proviso to Regulation 40(1) of the SEBI (LODR) Regulations (notified by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018) read with the press release dated December 3, 2018 issued by SEBI, effective from April 1, 2019, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. Hence, Public Shareholders desirous of tendering their Equity Shares held in physical form can do so only after the shares are dematerialized and are advised to approach the concerned depository participant to have their Equity Shares dematerialized.

8.8 Modification/cancellation of orders and multiple bids from a single Eligible Shareholder will be allowed during the Tendering Period of the Buyback offer. Multiple bids made by single Eligible Shareholder for selling the Shares shall be clubbed and considered as 'one' bid for the purposes of Acceptance.

8.9 The cumulative quantity tendered shall be made available on BSE website- www.bseindia.com throughout the trading session and will be updated at specific intervals during the Tendering Period.

#### 9. METHOD OF SETTLEMENT

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

9.1. The Company will transfer the funds pertaining to the Buyback to the Clearing Corporation's accounts per the prescribed schedule. For Equity Shares accepted under the Buyback, the Shareholder will receive funds payout in their bank account from Clearing Corporation. The payment of consideration to all Shareholders validly participating in the Buyback will be made in Indian National Rupees.

9.2 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.

9.3 Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders would be returned to them by Clearing Corporation. 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. The custodian participants would return these unaccepted shares to their respective clients on whose behalf the bids have been placed.

9.4 Every Shareholder Broker who puts in a valid bid on behalf of an Eligible Shareholder, would issue a contract note and pay the consideration for the Equity Shares accepted under the Buyback and return the balance unaccepted Equity Shares to their respective clients. Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.

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

9.6 The Equity Shares lying to the credit of the Demat Escrow Account will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations and Companies Act, 2013.

#### 10. COMPLIANCE OFFICER

Mr. P. Kandaswamy, Company Secretary  
**K.P.R. Mill Limited**  
1<sup>st</sup> Floor, Srivari Shrimat, 1045, Avinashi Road, Coimbatore - 641 018, India;  
Tel: 0422 2207777, Fax: 0422 2207778  
Email: kandaswamy@kprmill.com; Website: www.kprmilllimited.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

The Company has appointed the following as Registrar to the Buyback

In case of any query, the shareholders may contact the Registrar to the Buyback, during office hour 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 Fintech Private Limited**  
Karvy Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally Hyderabad,  
Rangareddi TG 500032  
Phone: +91 40 6716 2222; Fax No: +91 40 2343 1551  
Contact Person: M Murali Krishna  
E-mail: kprmill.buyback@karvy.com; Website: www.karvyfintech.com;  
SEBI Registration No: INR000000221; Validity Period: Permanent Registration  
CIN: U67200TG2017PTC117649

#### 12. MANAGER TO THE BUYBACK

The Company has appointed the following as Manager to the Buyback



**IDBI Capital Markets & Securities Limited**  
6<sup>th</sup> Floor, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai-400005  
Tel No.: +91 (22) 2217 1700; Fax No.: +91 (22) 2215 1787.  
Contact Person: Apurva Bholay/Anusha Shetty  
Email: kpr.buyback@idbicapital.com; Website: www.idbicapital.com  
SEBI Registration: INM000010866; Validity Period: Permanent  
CIN: U65990MH1993GOI075578

#### 13. DIRECTORS' RESPONSIBILITY

As per Regulation 24(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 and confirms that the same are 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 FCS: 2172
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Place : Coimbatore  
Date : June 7, 2019