b-

K.P.R. MILL LIMITED

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

09th December, 2016

The Listing Department,
BSE Ltd.
1st Floor, RotundaBuildings,
PhiirozeJeejeebhoyTowers,
Mumbai – 400 001.

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

Dear Sir,

Sub: Buyback Public Announcement - Newspaper Advertisement

Ref: Scrip code: 532889/ KPR MILL

The Public Announcement issued by the Company this day in respect of its upcoming 'Buy back 'is sent herewith for your reference and dissemination.

Thanking you.

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

P. Kandaswamy
Company Secretary

Encl: As above

Regd. Office : No. 9, Gokul Buildings, A.K.S. Nagar, Thadagam Road, Coimbatore - 641 001. ✆ : 0422-2478090, Fax : 0422-2478050
Email : corporate@kprmill.com Web : www.kprmilllimited.com CIN : L17111TZ2003PLC010518

K.P.R. MILL LIMITED

CIN: L17111TZ2003PLC010518
Registered Office: No.9, Gokul Buildings, A. K. S. Nagar, Thadagam Road, Coimbatore - 641 001, India
Tel.: 0422-2207777; Fax: 0422-2207778; E-mail: investors@kprmill.com; Website: www.kprmilllimited.com

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

This Public Announcement (the "**Public Announcement**") is being made pursuant to the provisions of Regulation 8(1) of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, as amended (the "**Buyback Regulations**") for the time being in force including any statutory modifications and amendments from time to time and contains the disclosures as specified in Part A of Schedule II to the Buyback Regulations.

CASH OFFER FOR BUYBACK OF NOT EXCEEDING 14,70,000 (FOURTEEN LAKH SEVENTY THOUSAND) FULLY PAID UP EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH AT A PRICE OF ₹ 660 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 Pursuant to the resolution passed by the Board of Directors of K. P. R. Mill Limited ("**KPR**" or the "**Company**") on December 7, 2016, the Company hereby announces the Buyback (the "**Buyback**") of not exceeding 14,70,000 (Fourteen Lakh Seventy Thousand) fully paid-up equity shares of face value of ₹ 5 each ("**Shares**" or "**Equity Shares**") from all the existing shareholders/beneficial owners of Equity Shares of the Company, on a proportionate basis, through the "**Tender Offer**" process, in accordance with the provisions contained in the Article 17 of the Articles of Association of the Company, Section 68, 69, 70 and all other applicable provisions if any, of the Companies Act, as amended (the "**Companies Act**"), the Companies (Share Capital and Debentures) Rules, 2014 (the "**Share Capital Rules**"), the Companies (Management and Administration) Rules, 2014, (the "**Management Rules**") and the provisions contained in the Buyback Regulations. 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 Stock Exchanges where the Equity Shares of the Company are listed, Reserve Bank of India, etc. at a price of ₹ 660 per Equity Share ("**Buyback Offer Price**") payable in cash, for an aggregate consideration not exceeding ₹ 97,02,00,000 (Rupees Ninety Seven Crores and Two Lakhs only) (the "**Buyback Offer Size**"). The Buyback Offer Size represents 9.95% of the aggregate of the Company's fully paid-up equity share capital and free reserves, as per the audited accounts of the Company for the financial year ended March 31, 2016. The maximum number of Equity Shares proposed to be bought back represents 1.95% of the total number of Equity Shares in the paid-up share capital of the Company.

1.2 The maximum amount required by the Company for the said Buyback aggregating to ₹ 97,02,00,000 (Rupees Ninety Seven Crores and Two Lakhs only) will be met out of cash of the Company lying with the bank. The maximum amount utilized for the Buyback will not exceed 10% of the aggregate of the fully paid up equity share capital and free reserves of the Company as per the audited accounts of the Company for the financial year ended March 31, 2016. 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.

1.3 The Buyback Offer Price of ₹ 660 per Equity Share has been arrived at after considering various factors such as the closing price of the Equity Shares on the stock exchanges, where the Equity Shares are listed, the net-worth of the Company and the impact of the Buyback on the earnings per Equity Share. The Buyback Offer Price per Equity Share represents a premium of 10.06% and 10.05% over the closing price on BSE Limited ("**BSE**") (i.e. ₹ 599.65) and National Stock Exchange of India Limited (i.e. ₹ 599.75) respectively, as on November 30, 2016 i.e. date of intimation to the Stock Exchanges regarding the convening of the Board Meeting.

1.4 The Buyback shall be on a proportionate basis from all the equity shareholders of the Company through the "**Tender Offer**" process, as prescribed under Regulation 4(1)(a) of the Buyback Regulations. Additionally, the Buyback shall be, subject to applicable laws, facilitated by tendering of Equity Shares by such Shareholders and settlement of the same, through the stock exchange mechanism as specified by SEBI in the circular bearing number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 (the "**SEBI Circular**"). Please see paragraph 9 below for details regarding record date and share entitlement for tender in the Buyback.

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

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

2. NECESSITY FOR BUYBACK

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 December 7, 2016, considered the accumulated free reserves as well as the cash liquidity reflected in the audited accounts for the financial year ended March 31, 2016 and considering these, the Board decided to allocate a sum of ₹ 97,02,00,000 (Rupees Ninety Seven Crores and Two Lakhs 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 14,70,000 (Fourteen Lakh Seventy Thousand) Equity Shares (representing 1.95% of the total number of Equity Shares in the paid-up share capital of the Company) at a price of ₹ 660 per Equity Share for an aggregate consideration of ₹ 97,02,00,000 (Rupees Ninety Seven Crores and Two Lakhs 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:

i. 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;

ii. The Buyback, which is being implemented through the Tender Offer route as prescribed under the Buyback Regulations, would involve allocation of higher number of shares as per their entitlement or 15% of the number of shares to be bought back, reserved for the small shareholders. The Company believes that this reservation of 15% for small shareholders would benefit a large number of public shareholders, who would get classified as "small shareholder";

iii. The Buyback would help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders' value;

iv. The Buyback gives an option to the members holding equity shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback offer or they may choose to not participate and enjoy a resultant increase in their percentage shareholding, post the Buyback offer, without additional investment;

v. Optimizes the capital structure

3. DETAILS OF PROMOTER SHAREHOLDING AND INTENTION TO PARTICIPATE IN THE BUYBACK

3.1 The aggregate shareholding of the promoter and promoter group of the Company ("**Promoter and Promoter Group**"), the directors of the promoter companies holding Equity Shares and of persons who are in control of the Company, as on the date of the Board Meeting i.e. December 7, 2016 is given below:

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

Sr. No	Name of shareholder	Number of Equity Shares held	Number of Equity Shares held in dematerialized form	Percentage of issued Equity Share capital
	Individuals			
1.	KPD Sigamani	1,62,57,268	1,62,57,268	21.57%
2.	P. Nataraj	1,62,55,466	1,62,55,466	21.57%
3.	K. P. Ramasamy	1,62,55,368	1,62,55,368	21.57%
4.	N. Jayanthi	18,83,684	18,83,684	2.50%
5.	K. R. Parvathi	18,82,342	18,82,342	2.50%
6.	D. Radhamani	18,81,882	18,81,882	2.50%
7.	C. R. Anandakrishnan	1,440	1,440	0.00%
	Corporate			
8.	K. P. R. Developers Limited	20,76,000	20,76,000	2.75%
	TOTAL	**5,64,93,450**	**5,64,93,450**	**74.96%**

b. Shareholding of the directors of the Promoter and Promoter Group entity in the Company:

Sr. No	Name	Designation	Equity Shares held as on December 7, 2016	Percentage of issued Equity Share capital
1.	KPD Sigamani	Director	1,62,57,268	21.57%
2.	P. Nataraj	Director	1,62,55,466	21.57%
3.	K. P. Ramasamy	Director	1,62,55,368	21.57%
	TOTAL		**4,87,68,101**	**64.71%**

3.2 No shares or other specified securities in the Company were either purchased or sold by the person referred to in paragraph 3.1 above during a period of six months preceding the date of the Board Meeting i.e. December 7, 2016 at which the Buyback was approved.

3.3 In terms of the Buyback Regulations, under the Tender Offer process, Promoter and Promoter Group of the Company have the option to participate in the Buyback. In this regard, the members of the Promoter and Promoter Group as listed in paragraph 3.1 above have expressed their intention, vide their letter dated December 7, 2016 to participate in the Buyback and tender an aggregate maximum number of Equity Shares of 1,41,23,364 Equity Shares or such lower number of Equity Shares as required in compliance with the Buyback Regulations/terms of Buyback. Please see below the maximum number of Equity Shares to be tendered by each of the Promoter and Promoter Group in the Buyback:

Sr. No.	Name of the Promoter and Promoter Group entity	Maximum Number of Equity Shares proposed to be tendered in the Buyback
1.	KPD Sigamani	40,64,317
2.	P. Nataraj	40,63,867
3.	K. P. Ramasamy	40,63,842
4.	N. Jayanthi	470,921
5.	K. R. Parvathi	470,586
6.	D. Radhamani	470,471
7.	C. R. Anandakrishnan	360
8.	K. P. R. Developers Limited	5,19,000
	TOTAL	**1,41,23,364**

3.4 As per the information provided by the Promoter and Promoter Group vide their letter dated December 7, 2016, details of the date and cost of acquisition of the Equity Shares that the Promoter and Promoter Group intend to tender are set-out below:

Since the entire shareholding of the Promoter and Promoter Group is in demat mode, the details of the entire Promoter and Promoter Group holding has been disclosed:

a) KPD Sigamani

Date of Transaction	No. of Equity Shares	Acquisition/Sale Consideration (₹)	Nature of Transaction/ Consideration
March 19, 2003	360[1]	36,000	Allotment pursuant to subscription to Memorandum and Articles of Association
March 31, 2005	37,933[1]	94,83,250	Further allotment to the promoters
February 15, 2006	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[2]
November 14, 2006	-2,21,486	13,28,18,510	Transfer to private equity investors
March 1, 2007	39,72,998	Nil	Bonus issue
November 16, 2008	10,000	4,72,238	Purchase in open market
November 20, 2008	20,000	9,84,665	Purchase in open market
September 17, 2009	50,000	39,38,990	Purchase in open market
October 16, 2009	10,117	8,02,115	Purchase in open market
October 17, 2009	32,088	25,46,478	Purchase in open market
June 04, 2010	858	1,26,576	Purchase in open market
July 06, 2012	29,000	28,83,944	Purchase in open market
July 09, 2012	29,300	29,13,778	Purchase in open market
February 20, 2013	1,275	1,57,356	Purchase in open market
Pursuant to resolution passed by members through Postal ballot including E-voting process declared on November 15, 2016, sub division One Equity Share of ₹ 10 each in the Company to Two Equity Shares of ₹ 5 each.			
Total Current Holding	**1,62,57,268**	**16,29,56,606**	

[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

b) P. Nataraj

Date of Transaction	No. of Equity Shares	Acquisition/Sale Consideration (₹)	Nature of Transaction/ Consideration
March 19, 2003	360[1]	36,000	Allotment pursuant to subscription to Memorandum and Articles of Association
March 31, 2005	37,933[1]	94,83,250	Further allotment to the promoters
February 15, 2006	24,217	28,96,353	Transfer Form Mr. KPD Sigamani
October 06, 2006	38,26,987	Nil	Allotment pursuant to Merger[2]
November 14, 2006	-2,61,589	15,68,67,076	Transfer to private equity investors
March 1, 2007	39,72,545	Nil	Bonus issue
November 16, 2008	8,973	4,23,740	Purchase in open market
November 20, 2008	32,870	16,18,297	Purchase in open market
September 22, 2009	50,000	39,39,088	Purchase in open market
September 25, 2009	3,157	2,46,339	Purchase in open market
October 14, 2009	27,205	30,98,326	Purchase in open market
June 04, 2010	863	1,27,314	Purchase in open market
July 06, 2012	29,000	28,55,818	Purchase in open market
July 09, 2012	29,300	28,76,309	Purchase in open market
February 20, 2013	1,275	1,57,356	Purchase in open market
Pursuant to resolution passed by members through Postal ballot including E-voting process declared on November 15, 2016, sub division One Equity Share of ₹ 10 each in the Company to Two Equity Shares of ₹ 5 each.			
Total Current Holding	**1,62,55,466**	**18,46,25,266**	

[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

c) K. P. Ramasamy

Date of Transaction	No. of Equity Shares	Acquisition/Sale Consideration (₹)	Nature of Transaction/ Consideration
March 19, 2003	360[1]	36,000	Allotment pursuant to subscription to Memorandum and Articles of Association
March 31, 2005	37,933[1]	94,83,500	Further allotment to the promoters
February 15, 2006	24,217	28,96,353	Transfer from Mr. KPD Sigamani
October 06, 2006	38,29,000	Nil	Allotment pursuant to Merger[2]
November 14, 2006	-2,63,635	15,80,94,000	Transfer to private equity investors
March 01, 2007	39,72,522	Nil	Bonus issue
November 16, 2008	1,00,00	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.			
Total Current Holding	**1,62,55,368**	**18,52,77,900**	

[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

d) N. Jayanthi

Date of Transaction	No. of Equity Shares	Acquisition/Sale Consideration (₹)	Nature of Transaction/ Consideration
July 21, 2003	360[1]	36,000	Allotment
March 31, 2005	27,500[1]	68,75,000	Further allotment to the promoters
October 06, 2006	4,90,013	Nil	Allotment pursuant to Merger[2]
November 14, 2006	-30,791	390,791	Transfer to private equity investors
March 1, 2007	7,68,613	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.			
Total Current Holding	**18,83,684**	**74,75,594**	

[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

e) K. R. Parvathi

Date of Transaction	No. of Equity Shares	Acquisition/Sale Consideration (₹)	Nature of Transaction/ Consideration
July 21, 2003	360[1]	36,000	Allotment
March 31, 2005	27,500[1]	68,75,000	Further allotment to the promoters
October 06, 2006	4,88,000	Nil	Allotment pursuant to Merger[2]
November 14, 2006	-28,753	28,753	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	-90243	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.			
Total Current Holding	**18,82,342**	**74,73,556**	

[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

f) D. Radhamani

Date of Transaction	No. of Equity Shares	Acquisition/Sale Consideration (₹)	Nature of Transaction/ Consideration
July 21, 2003	360[1]	36,000	Allotment
March 31, 2005	27,500[1]	68,75,000	Further allotment to the promoters
October 06, 2006	5,29,663	Nil	Allotment pursuant to Merger[2]
November 14, 2006	-70,891	70,891	Transfer to private equity investors
March 1, 2007	7,37,372	Nil	Bonus issue
July 17, 2007	-4,43,560	4,43,560	Sale to private equity shareholder
August 08, 2007	-90,243	90,243	Sale to private equity shareholder
Pursuant to resolution passed by members through Postal ballot including E-voting process declared on November 15, 2016, sub division One Equity Share of ₹ 10 each in the Company to Two Equity Shares of ₹ 5 each.			
Total Current Holding	**18,81,882**	**75,15,694**	

[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

g) C. R. Anandakrishnan

Date of Transaction	No. of Equity Shares	Acquisition/Sale Consideration (₹)	Nature of Transaction/ Consideration
March 01, 2007	360	Nil	Gift
March 01, 2007	360	Nil	Bonus issue
Pursuant to resolution passed by members through Postal ballot including E-voting process declared on November 15, 2016, sub division One Equity Share of ₹ 10 each in the Company to Two Equity Shares of ₹ 5 each.			
Total Current Holding	**1,440**	**Nil**	

h) K. P. R. Developers Limited

Date of Transaction	No. of Equity Shares	Acquisition/Sale Consideration (₹)	Nature of Transaction/ Consideration
June 06, 2011	10,38,000	Nil	Gift from K. P. R Sugar Mill Limited
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.			
Total Current Holding	**20,76,000**	**Nil**	

4. The Board of Directors of the Company confirms that the Company has not defaulted in the repayment of the deposits accepted either before or after the commencement of the Companies Act, interest payment thereon, redemption of debentures or preference shares or payment of dividend to any shareholder or repayment of any term loan or interest payable thereon to any financial institutions or banking company.

5. The Board of Directors of the Company hereby confirms that they have made a full enquiry into the affairs and prospects of the Company and that based on such full inquiry conducted into the affairs and prospects of the Company, the Board of Directors has formed an opinion that:

a) Immediately following the date of the Board meeting, there will be no grounds on which the Company could be found to be unable to pay its debts;

b) As regards the Company's prospects for the year immediately following date of this Board meeting and having regard to the Board's intentions 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; and

c) In forming the opinions as set out in paragraph 5 (a) and (b) for above purposes, the Board of Directors has taken into account the liabilities, as if the Company were being wound up under the provisions of the Companies Act, 1956 (to the extent applicable) and Companies Act (to the extent notified), as the case may be, including prospective and contingent liabilities.

6. Report addressed to the Board of Directors by the Company's Statutory Auditors on the permissible capital payment and the opinion formed by the Directors regarding the insolvency:

The text of the report dated December 07, 2016 received from the Statutory Auditors of the Company viz. M/s Deloitte Haskins & Sells, Chartered Accountants addressed to the Board of Directors of the Company is reproduced below:

Quote

To,
The Board of Directors
K. P. R. Mill Limited,
9 Gokul Buildings, 1st Floor,
A .K. S. Nagar, Thadagam Road,
Coimbatore -641 001.

Subject: Proposed Buyback of Equity Shares of not exceeding 10% of the aggregate of the fully paid-up equity share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2016, on a proportionate basis (the "Buyback"), from the Eligible Shareholders by way of a tender offer through the stock exchange mechanism by K. P. R Mill Limited (the "Company").

In connection with the proposal of the company to Buyback 14,70,000 fully paid up Equity shares for an aggregate consideration of ₹ 97,02,00,000 (Rupees Ninety seven crores and two lakhs only) approved by the Board of directors of the company at their meeting held on 07 December, 2016 in pursuance of the provision section 68, 69 and 70 of the Companies Act, 2013, as amended (hereinafter "the Act") and in terms of the requirements of Clause (xi) of Schedule II, Part A of Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, as amended (hereinafter **"**Buyback Regulations**"**) and based on the information and explanation given to us, we report that:

a. We have inquired into the state of affairs of the company in relation to its standalone audited financial statements for the year ended 31 March, 2016 which were taken on record and approved by the Board of Directors at their meeting held on 28 April, 2016.

b. In our opinion, the maximum amount of permissible capital payment (including premium) towards buy-back of equity shares as computed below, has been properly determined in accordance with the Section 68(2)(c) of the Companies Act, 2013:

I. Maximum Amount Permitted for Buy-back

(₹ In crs)

	As at 31 March, 2016
Issued, subscribed and fully paid up equity shares (A)	
- 3,76,82,892 Equity Shares of ₹ 10 each, fully paid up (Refer Note 1)#	37.68
Free Reserves (B) - (Refer Note 2)	
- Share Premium Reserve	152.33
- Capital Redemption Reserve	15.00
- General Reserve	212.04
- Surplus in statement of Profit & Loss	557.85
TOTAL (A+ B)	**974.90**
Maximum amount permissible for the Buy-back i.e. 10 % of the aggregate fully paid-up equity share capital and free reserves	**97.49**

#Pursuant to resolution passed by members through Postal ballot including E-voting process declared on 15 November, 2016; it has been decided to sub divide One Equity share of ₹ 10 each in the company to Two Equity Shares of ₹ 5 each.

Contd...

Note:

1) Based on Audited Standalone Financial Statements of the Company as at 31 March, 2016.

2) Free Reserves are as per Clause 43 of section 2 and explanation II to Section 68 of the Companies Act, 2013.

c. The Board of Directors of the Company at their meeting held on 07 December, 2016 have formed their opinion as specified in Section 68(6) of the Act and in terms of Clause (xi) of Part A of Schedule II of the Buyback Regulations, on reasonable grounds, that the Company, having regard to its state of affairs, will not be rendered insolvent within a period on one year from the date of declaration adopted by the Board.

d. Based on the representation made by the Company and other information and explanation given to us, which to the best of our knowledge and belief were necessary for this purpose, we are not aware of anything to indicate that the aforementioned opinion expressed by the directors is unreasonable in all the circumstances.

e. The compliance with the provisions of the Act and Buyback Regulations is the responsibility of the Company's management. Our responsibility is to report on the amount of permissible capital for the Buyback and report that the audited accounts on the basis of which calculation with reference to Buyback is done and read the resolution of the Board of Directors for the meeting held on 07 December, 2016 referred to in paragraph (a) and (c) above.

This report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Buyback Regulations solely to enable the Board of Directors of the Company to include it in public announcement and letter of offer to be circularized to the shareholders and filed with various regulatory agencies and providing to parties including the Manager to the offer, in connection with Buyback of not exceeding 14,70,000 (Fourteen Lakh Seventy Thousand) equity shares, in pursuance of provisions of section 68, 69 and 70 of the Act, Buyback Regulations and should not be used for any other purpose or by any other person.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

C. R. Rajagopal
Partner
(Membership No. 23418)

Place: Coimbatore
Date: December 7, 2016

7. **PROCESS AND METHODOLOGY TO BE ADOPTED FOR BUYBACK**

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

7.2 The Buyback shall be implemented 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 following the procedure prescribed in the Companies Act and the Buyback Regulations and as may be determined by the Board (including the committee authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.

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

IDBI CAPITAL MARKETS & SECURITIES LIMITED
(Formerly known as IDBI Capital Market Services Limited)
3rd Floor, Mafatlal Centre, Nariman Point, Mumbai - 400021
Contact Person: Ms. Charushila Parkar
Tel No.: +91 (22) 4322 1212; **Fax No.:** +91 (22) 2285 0785;
Email: charushila.parkar@idbicapital.com
Website: www.idbicapital.com
SEBI Registration: INZ000007237

7.4 BSE Limited has been appointed the Designated Stock Exchange to provide the separate acquisition window to facilitate placing of sell orders by Shareholders who wish to tender Equity Shares in the Buyback.

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

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

7.6.1 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.

7.6.2 The Shareholder Broker would be required to place a bid on behalf of the Shareholders who wish to tender Equity Shares in the Buyback using the acquisition window of the Stock Exchange. Before placing the bid, the concerned Shareholder Broker would need to transfer the tendered Equity Shares to the special account of Clearing Corporation of India Limited ("**Clearing Corporation**"), by using the settlement number and the procedure prescribed by the Clearing Corporation. This shall be validated at the time of order/bid entry.

7.6.3 The details of the settlement number for the Buyback shall be informed in the issue opening circular that will be issued by Designated Stock Exchange.

7.6.4 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 the closing of trading hours on the last day of the tendering period. 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.

7.6.5 Upon placing the bid, the Shareholder Broker shall provide a Transaction Registration Slip ("**TRS**") generated by the exchange bidding system to the 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, No. of Equity Shares tendered etc.

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

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

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

7.7.3 Any Shareholder Broker who places a bid for physical Equity Shares, is required to deliver the original share certificate(s) & documents (as mentioned in Paragraph 7.7.1 above) along with TRS either by registered post, speed post or courier or hand delivery to the Registrar to the Buyback offer (at the address mentioned at paragraph 11 below) not later than 2 (two) days from the offer closing date. The envelope should be superscribed as "**K. P. R. Mill- Buyback Offer 2016**". One copy of the TRS will be retained by Registrar to the Buyback offer and it will provide acknowledgement of the same to the Shareholder Broker.

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

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

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

8. METHOD OF SETTLEMENT

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

8.1. The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.

8.2. The Company will pay the consideration to the Company's Broker on or before the pay-in date for settlement. For Equity Shares accepted under the Buyback, the Shareholder Broker will receive funds payout in their settlement bank account.

8.3. 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 Stock Exchange.

8.4 Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Shareholders would be returned to the respective Shareholder Broker by Clearing Corporation in payout. Any excess physical Equity Shares pursuant to proportionate acceptance/rejection will be returned to the concerned Shareholders directly by Registrar to the Buyback offer.

8.5 Shareholder Broker will issue contract notes and pay the consideration for the Equity Shares accepted under the Buyback and return the balance unaccepted Equity Shares to their respective clients. Company Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.

8.6 Shareholders who intend to participate in the Buyback should consult their respective Shareholder Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Shareholder Broker upon the selling 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, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Shareholders.

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

9. **RECORD DATE AND SHAREHOLDER ENTITLEMENT**

9.1 As required under the Buyback Regulations, the Company has fixed December 31, 2016 as the record date (the "**Record Date**") for the purpose of determining the entitlement and the names of the shareholders, who are eligible to participate in the Buyback. The Equity Shares proposed to be bought back by the Company, as part of this 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 rupees two lakh) and (b) the general category for all other shareholders, and the entitlement of a shareholder in each category shall be calculated accordingly.

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

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

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

9.5 The shareholders' participation in the Buyback will be voluntary. The 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 shareholders may also accept a part of their entitlement. The 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 shareholders, if any.

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

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

9.8 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 in due course to the shareholders as on Record Date.

10. **COMPLIANCE OFFICER**

Mr. P. Kandaswamy, Company Secretary
K. P. R. Mill Limited
1st Floor, Srivari Shrimath, 1045, Avinashi Road,
Coimbatore - 641 018, India;
Tel: 0422 2207777; Fax: 0422 2207778
Email: kandaswamy@kprmill.com

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

11. **INVESTOR SERVICE CENTRE**

In case of any query, the shareholders may contact the Registrar & Transfer Agent on any day except Saturday and Sunday and Public Holiday between 10.00 a.m to 5.00 p.m at the following address:

KARVY COMPUTERSHARE PRIVATE LIMITED
Karvy Selenium Tower B, Plot No 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad - 500 032
Contact Person: Mr. M Muralikrishna
Tel.: +91 040 6716 2222; **Fax:** +91 040 2343 1551;
E-mail: kprmill.buybackoffer@karvy.com
Website: https://karisma.karvy.com
SEBI Registration No.: INR000000221
Validity Period: Permanent Registration

12. **MANAGER TO THE BUYBACK**

IDBI CAPITAL MARKETS & SECURITIES LIMITED
(Formerly known as IDBI Capital Market Services Limited)
3rd Floor, Mafatlal Centre, Nariman Point, Mumbai - 400021
Contact Person: Mr. Priyankar Shetty/Mr. Sumit Singh
Tel No.: +91 (22) 4322 1212; **Fax No.:** +91 (22) 2285 0785,
Email: kpr.buyback@idbicapital.com,
Website: www.idbicapital.com
SEBI Registration: INM000010866;
Validity Period: Permanent Registration
CIN: U65990MH1993GOI075578

13. **DIRECTORS' RESPONSIBILITY**

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

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

Sd/-	Sd/-	Sd/-
KPD Sigamani	*P. Nataraj*	*P. Kandaswamy*
Managing Director	*Managing Director*	*Company Secretary*

Place : Coimbatore
Date : December 8, 2016

PRESSMAN