K.P.R. MILL LIMITED

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

07th December, 2016

The Listing Department,
BSE Ltd.
1st Floor, Rotunda Buildings,
Phiiroze Jeejeebhoy Towers,
Mumbai – 400 001.
Script Code: 532889

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

Sir,

Sub: Forwarding copy of the resolution passed for buy back of shares at the Board Meeting held on 07th December 2016.

Further to our letter dated 07th December 2016 furnishing the outcome of Board Meeting held on 07th December 2016, we are filing herewith a copy of the resolution passed in the said Meeting approving the proposal to buy back not exceeding 14,70,000 (Fourteen Lakhs Seventy Thousand) Equity Shares of company, which is self-explanatory.

This is for your Kind Information.

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

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CERTIFIED TRUE COPY OF RESOLUTION PASSED IN THE FIFTH MEETING IN THE FINANCIAL YEAR 2016-17 OF THE BOARD OF DIRECTORS OF THE COMPANY HELD ON WEDNESDAY, THE 07th DECEMBER 2016 AT 10.00 A.M AT 1ST FLOOR, SRIVARI SHRIMAT, 1045, AVINASHI ROAD, COIMBATORE – 641 018

APPROVAL FOR BUYBACK OF EQUITY SHARES NOT EXCEEDING 25% OF THE TOTAL NUMBER OF EQUITY SHARES IN THE PAID UP SHARE CAPITAL OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of Section 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013 as amended (the "**Companies Act**"), and in accordance with Article 17 of the Articles of Association of the Company, the Companies (Share Capital and Debentures) Rules, 2014 (the "Share Capital Rules") to the extent applicable, and in compliance with the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended (the "**Buyback Regulations**"), and any statutory modification(s) or re-enactment thereof, for the time being in force and, subject to such other approvals, permissions and sanctions of Securities and Exchange Board of India ("**SEBI**"), Registrar of Companies, Coimbatore, Tamil Nadu (the "**ROC**") and/ or other authorities, institutions or bodies (the "**Appropriate Authorities**"), as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (the "**Board**" which expression shall include any committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the Board hereby approves the buy back by the Company of its fully paid-up equity shares of ₹ 5 each not exceeding 14,70,000 (Fourteen Lakhs 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/- (Rupees Six Hundred and Sixty only) per equity share (the "**Buy Back 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**") being 9.95%, which is 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 31st March, 2016 from the equity shareholders of the Company, as on the record date, on a proportionate basis, through the **Tender Offer** route as prescribed under the Buyback Regulations (hereinafter referred to as the "**Buyback**").

RESOLVED FURTHER THAT the Company, to the extent legally permissible, implement the Buyback using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015

RESOLVED FURTHER THAT such Buyback may be made out of the Company's internal accruals as may be permitted by law through "Tender Offer" route and as required by the Buyback Regulations and the Companies Act, the Company may buyback equity shares from all the existing members holding equity shares of the Company on a proportionate basis, provided 15% (fifteen percent) of the number of equity shares which the Company proposes to buyback or number of equity shares entitled as per the shareholding of small shareholders as on the record date, whichever is higher, shall be reserved for the small shareholders, as prescribed under proviso to Regulation 6 of the Buyback Regulations.

RESOLVED FURTHER THAT Company has complied and shall continue to comply with Section 70 of the Companies Act, 2013 wherein:

a) It shall not directly or indirectly purchase its own shares:

i. through any subsidiary company including its own subsidiary companies; or

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ii. through any investment company or group of investment companies; or

b) There are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company, in the last three years.

c) The Company is in compliance with the provisions of Sections 92, 123, 127 and 129 of the Companies Act, 2013

RESOLVED FURTHER THAT confirmation is hereby made by the Board of Directors that:

a) all equity shares of the Company are fully paid up;
b) the Company has not undertaken a buyback of any of its securities during the period of one year immediately preceding the date of this Board meeting;
c) the Company shall not issue and allot any shares or other specified securities including by way of bonus, till the date of closure of this Buyback;
d) the Company shall not raise further capital for a period of one year from the closure of the Buyback offer, except in discharge of its subsisting obligations.
e) the Company shall not buy back its equity shares from any person through negotiated deal whether on or off the stock exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
e) that the aggregate consideration for Buyback not exceeding ₹ 97,02,00,000/- (Rupees Ninety Seven Crores and Two Lakhs only), does not exceed 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 31st March, 2016 (the last audited financial statements available as on the date of the Board meeting);
f) that the maximum number of equity shares proposed to be purchased under the Buyback i.e. 14,70,000 (Fourteen Lakhs Seventy Thousand) equity shares, does not exceed 25% of the total number of equity shares in the paid-up share capital of the Company;
g) the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up capital and free reserves after the Buyback as prescribed under the Companies Act, 2013 and rules made thereunder;
h) there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, 2013, as on date.

RESOLVED FURTHER THAT as required by Clause (x) of Part A of Schedule II under Regulation 5(1) of the Buyback Regulations, the Board hereby confirms that the Board of Directors 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 this Board meeting, 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, 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 the date of this Board meeting; and
c) In forming an opinion as aforesaid, the Board has taken into account the liabilities, as if the Company was being wound up under the provisions of the Companies Act, 1956 (to the

extent applicable) and Companies Act, 2013 (to the extent notified), as the case may be, including prospective and contingent liabilities.

RESOLVED FURTHER THAT the proposed Buyback be implemented from the existing shareholders including the Promoter(s) of the Company as have been disclosed under the shareholding pattern filings made by the Company from time to time under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 2015, as amended ("**SEBI Takeover Regulations**") as the Board may consider appropriate, from out of its internal accruals of the Company and by such mechanisms as may be permitted by Law, and on such terms and conditions as the Board may decide from time to time, and in the absolute discretion of the Board, as it may deem fit.

RESOLVED FURTHER THAT Company shall not use borrowed funds, directly or indirectly, whether secured or unsecured, of any form and nature, from Banks and Financial Institutions for paying the consideration to the equity shareholders who have tendered their equity shares in the Buyback.

RESOLVED FURTHER THAT the Company shall not Buyback the locked-in equity shares or other specified securities, if any and non-transferable equity shares or other specified securities, if any, till the pendency of the lock-in or till the equity shares or other specified securities become transferable;

RESOLVED FURTHER THAT the draft of the Declaration of Solvency prepared in the prescribed form and supporting affidavit, placed before the meeting be and is hereby approved and Mr. KPD Sigamani and Mr. P.Nataraj, Managing Directors be and are hereby authorized to finalise and sign the same, for and on behalf of the Board, and Mr.P.Kandaswamy, Company Secretary be and is hereby authorised to file the same with the ROC and the SEBI.

RESOLVED FURTHER THAT the Buyback from shareholders who are persons resident outside India including the Foreign Institutional Investors, Overseas Corporate Bodies, if any, shall be subject to such approvals, if, and to the extent necessary or required including approvals from Reserve Bank of India under Foreign Exchange Management Act, 1999 and the rules and regulations framed there under, if any.

RESOLVED FURTHER THAT as per the provisions of Section 68(8) of the Companies Act, 2013, the Company will not issue same kind of shares or other specified securities within a period of 6 months after the completion of the Buyback except by way of bonus issue or in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares.

RESOLVED FURTHER THAT no information/ material likely to have a bearing on the decision of the investors has been suppressed/ withheld and/ or incorporated in the manner that would amount to mis-statement/ misrepresentation and the event of it transpiring at any point of time that any information/ material has been suppressed/ withheld and/ or amounts to mis-statement/ misrepresentation, the Board and the Company shall be liable for penalty in terms of the provisions of the Companies Act, 2013 and Buyback Regulations.

RESOLVED FURTHER THAT the buyback is being proposed in keeping with the Company's desire to enhance overall shareholders value and the buyback would lead to reduction in total number of equity shares.

RESOLVED FURTHER THAT the approval of Board for appointment of intermediaries such as Manager to the Offer i.e. IDBI Capital Markets & Securities Limited, Registrar and Transfer Agent i.e. Karvy Computershare Private Limited, Escrow Bank i.e. IDBI Bank Limited be and is hereby accorded.

RESOLVED FURTHER THAT a Committee be constituted ("**Buyback Committee**") comprising of Mr. K.P.Ramasamy, Chairman, Mr.KPD Sigamani, Managing Director, Mr.P.Nataraj, Managing Director, Mr.PL Murugappan, Chief Financial Officer and Mr.P.Kandaswamy, Company Secretary and that Company Secretary shall act as the Secretary to the Buyback Committee. Further, the Buyback Committee is hereby authorized, to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, usual or proper, as the Buyback Committee may consider to be in the best interests of the shareholders, including but not limited to:

a) finalizing the terms of buyback like the mechanism for the buyback, record date, entitlement ratio, the schedule of activities for Buyback including finalizing the date of opening and closing of Buyback, the timeframe for completion of the buyback;
b) to enter into escrow arrangements as may be required in terms of the Buyback Regulations;
c) opening, operation and closure of all necessary accounts, including bank accounts, depository accounts (including escrow account) for the purpose of payment and authorizing persons to operate the said accounts;
d) preparation, signing and filing of public announcement, the draft letter of offer/ letter of offer with the SEBI, ROC, the stock exchanges and other Appropriate Authority;
e) making all applications to the Appropriate Authority for their requisite approvals including approvals as may be required from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules and regulations framed there under, if any;
f) extinguishment of dematerialized shares and physical destruction of share certificates and filing of certificate of extinguishment required to be filed in connection with the Buyback on behalf of the Company and/ or the Board, as required under applicable law;
g) appoint any intermediaries / agencies / persons as may be required for the purposes of the Buyback and decide and settle the remuneration for all such intermediaries/ agencies/ persons, including by the payment of commission, brokerage, fee, charges etc and enter into agreements/ letters in respect thereof;
h) to affix the Common Seal of the Company on relevant documents required to be executed for the buyback of shares in accordance with the provisions of the Articles of Association of the Company.
i) sign, execute and deliver such other documents, deeds and writings and to do all such acts, matters and things as it may, in its absolute discretion deem necessary, expedient or proper, to be in the best interest of the shareholders for the implementation of the Buyback, and to initiate all necessary actions for preparation and issue of various documents and such other undertakings, agreements, papers, documents and correspondence as may be necessary for the implementation of the Buyback to the SEBI, RBI, ROC, stock exchanges, depositories and/or other Appropriate Authorities.
j) obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law.
k) dealing with stock exchanges (including their clearing corporations), where the equity shares of the Company are listed, and to sign, execute, and deliver such documents as may be necessary or desirable in connection with implementing the Buyback using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015.

l) to delegate all or any of the authorities conferred on them to any Director(s)/ Officer(s)/ Authorized Signatory(ies)/ Representative(ies) of the Company.

m) to give such directions as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise in relation to the Buyback.

n) to settle and resolve any queries or difficulties raised by SEBI, stock exchanges, ROC and any other authorities whatsoever in connection to any matter incidental to and ancillary to the Buyback.

RESOLVED FURTHER THAT the quorum for any meeting of the Buyback Committee for implementing the Buyback shall be any two Directors.

RESOLVED FURTHER THAT in terms of Regulation 19(3) of the Buyback Regulations, Mr.P.Kandaswamy, Company Secretary be and is hereby appointed as the Compliance Officer for the Buyback.

RESOLVED FURTHER THAT nothing contained herein shall confer any right on any shareholder to offer and/ or any obligation on the Company or the Board or the Buyback Committee to buyback any shares and / or impair any power of the Company or the Board or the Buyback Committee to terminate any process in relation to such buyback, if so permissible by Law.

RESOLVED FURTHER THAT the Company do maintain a register of securities bought back wherein details of equity shares bought back, consideration paid for the equity shares bought back, date of cancellation of equity shares and date of extinguishing and physically destroying of equity shares and such other particulars as may be prescribed, shall be entered and that the Company Secretary of the Company be and is hereby authorised to authenticate the entries made in the said register.

RESOLVED FURTHER THAT any of the Directors of the Company and /or the Company Secretary for the time being, be and are hereby severally authorized to file necessary e-forms with the Registrar of Companies, Coimbatore, Tamil Nadu and to do all such acts, deeds and things as may be necessary to give effect to the above resolutions."

CERTIFIED TRUE COPY

For K.P.R. MILL LIMITED

Company Secretary