



CHAIRMAN'S LETTER

Dear Shareholders,

It gives me immense pleasure to share with you all that substantiating its strength, even during tough times, KPR could sustain the better performance trend. We have delivered growth despite complex economic scenario caused by the Pandemic. Our growth during the year was propelled by the encouraging demand for the products from all segments. We registered a highest ever revenue and profit during the year Total revenue of ₹ 3569 Crores, PBT of ₹ 689 Crores and a PAT of ₹ 515 Crores - notwithstanding the challenges. The concerted efforts of entire KPR Team and the support of all stakeholders made this possible.

The Cotton prices remained stable for most part of the period. India continues to be a cotton surplus Country and the Global cotton harvest area as well production is also reported to have gone up in 2021. Cotton yarn prices in India have been increasing because of dried-up inventories as supplies have failed to match demand and in line with the increase in Cotton prices. Still, Indian yarn prices continue to be lower than international prices. The sustained quality and prompt delivery continue to enable KPR to attract more Garment orders from the customers whose activities revived after relaxations. The Employees' responsible attitude during pandemic, prompted by KPR's exemplary employee welfare practices, has enabled improved productivity even during pandemic proving KPR's unique competence. KPR's success and growth are shaped by its strengths that gives competitive advantage over others. This enabled prompt execution of orders with the backing of our excellent infrastructures, dynamic management and dedicated work force. Sugar & Ethanol business adds both revenue and profitability. Gauging market demand we have mooted our expansion plans in the segments of Garment and Sugar cum Ethanol.

However, the sudden surge in the second wave of pandemic is posing challenges to the Government that has been administering the vaccination drive. New restrictions were implemented which are likely to temporarily impede Nation's growth. But, its spread should be contained by adopting all means by the Government and the responsible support from the Public is essential. The market's big hope is on the vaccination drive and

WORKERS HOSTEL AT KARUMATHAMPATTY MILLS WITH 'FEEL AT HOME' FACILITIES



on the strong festive season. Also, the fact that most countries with resources are coming to India's help has boosted sentiment. The absence of a nationwide lockdown and the limited impact of lockdowns announced by the States have reduced anxiety. We also appeal to everyone to strictly observe and adopt all safety measures to contain the impact of the pandemic by all possible means.

MAJOR CAPEX

The recently added latest technology vortex machine produces various blends and range of value added viscose yarn that creates new wave of fashion. The new advanced technology knitting facility housing the contemporary imported knitting machines is adding value to the production facilities.

EXPANSION

Expansion in the production capacities of Garment and Sugar, Co-gen & Ethanol through our wholly owned Subsidiary 'KPR Sugar and Apparels Limited are in progress.

KPR EXPORTS PLC ETHIOPIA

Concern is mounting about the devastating effects of the ethnic conflict raging in Tigray, Ethiopia since November 2020. Attracted by the various incentives offered by its Government, many Garment manufacturing Units were established by various Countries in Ethiopia. The sudden political conflict erupted therein had constrained those Manufacturing Units to terminate their activities considering the safety and security of its Labour

and investment. With no reprieve in sight we may also have to withdraw our garment activities from Ethiopia for which we are closely monitoring the situation with caution.

RETAIL BUSINESS- FASO

The retail Brand **FASO** launched throughout southern part of the nation has been well accepted as per the preliminary feedback from the Markets. Considering the emergence of second wave of pandemic, we are cautiously and prudently planning its reach at Pan India level. We earnestly hope that the unique characters of FASO such as 100% Organic Cotton, ultra soft comfort and skin friendliness shall mark its presence in the Menswear market after its full fledged launch.

OUR WORK FORCE - THE GREATEST ASSET

The COVID-19 pandemic is first and foremost a human tragedy that has played out across the globe. People have experienced unprecedented levels of disruption in their homes and communities, as well as in their work. If there is a silver lining in all of this, it's that organizations and leaders are stepping up in critical areas to mitigate the impacts. This is how KPR has approached the whole issue. Rebuilt the employees' confidence level by protecting their health and well being; boosted their morale by addressing their safety and financial security concerns; continued entire HR facilities despite closure of production activities. This unique employee care entailed the migrant work force employed with us to respond positively breaking the urge to return to native places by staying with us at our Factories.

HIGHER EDUCATION - A MASTER PIECE OF KPR's HR POLICY



KPR Mill's education initiative for women employees continues to yield excellent results. As a part of the initiative and unique attempt, last year we selected 52 employees to undergo 'Placement training'. Extending all facilities like food, accommodation, books and other infrastructures at College premises, they were given special training on different life skills so as to make them Industry ready and empower them to meet the needs and expectations of the leading Recruiters. The training program lasted for about 45 days. We are glad to report that in the very first year of our outstanding attempt itself, out of 52 Employees trained by us, 45 got placement in various reputed companies. This unique service in the interest of the work force, which none other Companies in the Industry might have ever tried would not only uplift the employees' families but the Society as a whole. By up-skilling the employees to secure placements at other reputed firms, without confining them to our own entity; KPR feels proud to have gone one step ahead of others in fulfilling the societal obligation.

We are happy to share with you all the consistent achievement by the candidates of our KPR IAS ACADEMY in 2019 Civil Services Examination also. Out of 52 candidates appeared 24 Candidates have passed (around 50%).

FUTURE AHEAD

While Indian manufacturers have more or less mastered the skill of exporting cotton-based apparel, a high market potential awaits Indian apparel manufacturers. The Indian apparel companies are expected to achieve double-digit growth in the financial year 2022, however on a low base. The Government of India has also realized the importance of supporting this segment.

The Union Budget announcement to launch Seven mega textile parks in three years (Two parks in Tamilnadu) to enable the textile industry to attract large investments, employment generation, and become globally competitive, is really a significant boost to the Indian textiles sector. This scheme is expected to create world class infrastructure, with plug-and-play facilities to enable and create global champions in exports. With the large international buyers already looking at increasing their sourcing from India, the formation of textile parks helps India gather a bigger share of the apparel and textile export trade. Details are awaited from the Government.

Global concern about the immediate and long-term impact of pandemic is now increasing at a rapid pace. The subject is of significance for all since it impacts not just our lives but that of the future generation. The issue therefore needs to be addressed with utmost priority and collectively with the active participation of all the stakeholders, including businesses, governments and organisations as also the people. Strengthened by healthy infrastructure and skilled labour force, our performance continues to be good and the prospects are bright. We always believe that our hard work, team effort, commitment to social sustainability have created a strong presence in the markets that will drive the growth in the year ahead.

ACKNOWLEDGEMENT

I am grateful to the entire Management, for their invaluable team work rising to this challenge and ensuring business continuity focusing on progress. I am thankful to the Board of Directors for their guidance towards the growth of the Company. I would like to thank our Bankers, Shareholders and all Stakeholders for their continued support and confidence.

With best wishes
K.P.Ramasamy
Chairman

