

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

This Exit Offer Letter ("Offer Letter" or "Exit Offer") is being sent to you as a Shareholder of J.K. Cotton Limited ("JKCL"). In case you have recently sold your Shares in the Company, please hand over the 'Offer Letter' and the accompanying documents to the Person to whom the Sale was effected.

**EXIT OFFER**  
**To the Shareholders of**  
**J.K. COTTON LIMITED**  
**(Formerly Juggilal Kamlatpat Cotton Spinning & Weaving Mills Co. Ltd.)**  
**(CIN: U17111UP1924PLC000275)**  
**Registered Office: Kamla Tower, Kanpur - 208001 (U.P.)**  
Tel: (0512) 2371478-481 • Fax: (0512) 2332665 • Email: [harshit@jkcotton.com](mailto:harshit@jkcotton.com)

**From**  
**Shri Yadupati Singhania**  
**Office Address: Kamla Tower, Kanpur - 208 001 (U.P.)**  
Tel: (0512) 2371478-481 • Fax: (0512) 2332665 • Email: [harshit@jkcotton.com](mailto:harshit@jkcotton.com)

Inviting you to tender your fully paid-up Equity Shares of Rs. 10/- each of the Company at a price of Rs. 12.09 (Rupees Twelve and Paise Nine only) per Equity Share.

If you wish to tender your Equity Shares to the Offerer, you should:

- Read this Offer Letter and the instructions herein;
- Complete and sign the accompanying 'Form of Acceptance' in accordance with the instructions therein and in this 'Offer Letter';
- Submit your 'Form of Acceptance' along with duly executed Transfer deed(s) accompanied with relevant Share certificate(s) by hand delivery as set out in this 'Offer Letter' or you may submit by registered post, speed post or courier only (at your own cost and risk), clearly marking the envelope "J.K. COTTON LIMITED – "EXIT OFFER" to J.K. Cotton Limited, Kamla Tower, Kanpur - 208001 so that it is received on or before 5.30 P.M. on the Closing Date, namely Thursday, the 19th January, 2017 or the extended date, as the case may be.

<b>Date of Opening of Offer</b>	<b>Wednesday, 20th January, 2016</b>
<b>Date of Closure of Offer</b>	<b>Thursday, 19th January, 2017</b>

Dear Shareholder(s),

### Invitation to tender Shares held by you in the Company

“J.K. Cotton Limited” (hereinafter referred to as 'JKCL' and / or 'the Company') through its Promoters, Shri Yadupati Singhania (hereinafter also referred to as “Promoter/Offerer”) intends to provide an exit opportunity to the Public Shareholders of 'JKCL' (defined to mean all the Shareholders other than the Promoters hereinafter referred to as “Public Shareholders”) pursuant to the circular issued by the SEBI bearing No. CIR/MRD/DSA/05/2015 dated 17.04.2015 and upon exit of U.P. Stock Exchange Limited (UPSE) vide SEBI Order No. WTM/RKA/MRD/49/2015 dated 9th June, 2015 and the withdrawal of recognition granted to Delhi Stock Exchange Limited (DSE) vide SEBI order no. WTM/PS/45/MRD/DSA/NOV/2014 dated 19th November, 2014.

#### I. BACKGROUND OF THE COMPANY:

- a. J.K Cotton Limited was incorporated on 24th October, 1924 under the Indian Companies Act, 1913. The CIN of the Company is U17111UP1924PLC000275. The Registered Office of the Company is presently situated at Kamla Tower, Kanpur – 208001 (U.P.). The Company is primarily engaged in the business of manufacturing of cotton fabrics. The Paid-up Equity Share Capital of the Company is Rs. 23,57,77,500/- comprising of 2,35,77,750 Equity Shares of Rs. 10/- each and all the Equity Shares are held in physical form. The Equity Shares of the Company were listed at U.P. Stock Exchange Limited (hereinafter also referred to as 'UPSE') and Delhi Stock Exchange Limited (hereinafter also referred to as 'DSE'). Upon approval of UPSE application for Voluntary Exit and De-recognition as a Stock Exchange by SEBI vide Order No. WTM/RKA/MRD/49/2015 dated 9th June, 2015 and withdrawal of recognition of DSE vide SEBI order No. WTM/PS/45/MRD/DSA/NOV/2014 dated 19th November, 2014, the Company lost its status as a Listed Company and has been referred to the dissemination Board of National Stock Exchange India Limited (NSE) and BSE Limited (BSE). BSE vide its Circular No. 20150709-36 dated 9th July, 2015 informed about shifting of companies listed on DSE (including JKCL) to its dissemination board and NSE vide its Circular No. NSE/CML/29657 dated 8th May, 2015 informed about shifting of companies listed on UPSE (including JKCL) to its dissemination board.
- b. In terms of SEBI Circular No. CIR/MRD/DSA/05/2015 dated 17.04.2015 companies exclusively listed at De-recognised /Non-Operational/ Exited Stock Exchanges have been allowed a time line of eighteen months within which such companies are required to obtain listing in any other Nationwide stock exchange to provide trading platform to its shareholders or to provide Exit opportunity to its public shareholders. The Board of Directors of the Company at its meeting held on 28th October, 2015 after careful consideration was of the opinion that the Company was not eligible to migrate to mainboards of Nationwide stock exchanges and decided to provide an Exit opportunity to all Public shareholders.
- c. The Company, therefore, through its Promoter, Shri Yadupati Singhania intends to provide an exit opportunity to all its Public Shareholders in accordance with the SEBI Circular No. CIR/MRD/DSA/05/2015 dated 17.04.2015. Accordingly, the Promoter hereby makes an 'Offer' to acquire all the Equity Shares of 'JKCL' held by Public Shareholders. Promoter reserves the right to withdraw the 'Exit Offer' in the event of statutory approvals, if any, required to implement the 'Exit Offer' are refused.
- d. The present Board of Directors of the Company is as under:

SI. No.	Name	Designation
1.	Shri Yadupati Singhania	Chairman and Managing Director
2.	Shri Nidhipati Singhania	Non-Executive, Non Independent Director
3.	Smt. Varsha Singhania	Non-Executive, Non Independent Director
4.	Shri Ashok Gupta	Non-Executive, Non Independent Director
5.	Shri Ravindra Kumar Tandon	Non-Executive, Independent Director
6.	Shri Krishna Das Gupta	Non-Executive, Independent Director
7.	Dr. Jagannath Gupta	Non-Executive, Independent Director
8.	Shri Padam Kumar Jain	Non-Executive, Independent Director
9.	Dr. K. B. Agarwal	Non-Executive, Independent Director

- e. Present Share Capital Structure of the Company is as under:

Particulars	No. of Equity Shares (Face Value of Rs. 10/- each)	No. of Preference Shares (Face Value of Rs. 100/- each)	Total Amount (in Rs.)
Authorized Capital	2,45,00,000	50,000	25,00,00,000
Issued, Subscribed and Paid-up Capital	2,35,77,750	15,720*	23,73,49,500

\*Preference shares will be due for redemption on 30th September, 2016.

- f. The Shareholding Pattern of Equity Shares of the Company as on the date of this Offer is given below :

Category	No. of Equity Share Holders	Number of Equity Shares held	of total Equity % Share Capital
1. Promoters and Promoter Group	12	2,17,25,410	92.14
2. Public	8054	18,52,340	7.86
Total	8066	2,35,77,750	100.00

- g. The details of the Compliance Officer of the Company :

Mr. Harshit Gunani

Address: Kamla Tower, Kanpur– 208001

Email: harshit@jkcotton.com

Contact: (0512) 2371478-481 Fax: (0512) 2332665

## II. BACKGROUND OF THE PROMOTER / OFFERER:

- Shri Yadupati Singhania, aged 62 years, Offerer is a B Tech from the Indian Institute of Technology, Kanpur and has experience spanning over three decades in the field of Trade and Industry.
- The 'Offerer' belongs to the 'Promoter Category' of the Company and holds 60,38,246 Equity Shares of the Company representing 25.61 % of the Paid-up Equity Capital of the Company.
- As on the date of this 'Offer Letter', the 'Offerer' has not been prohibited by SEBI from dealing in Securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, or any other regulations made there under.

## III. NECESSITY AND OBJECT OF THE “EXIT OFFER”:

- The Equity Shares of the Company were listed at U.P. Stock Exchange Limited and Delhi Stock Exchange Limited. Upon approval of UPSE application for Voluntary Exit and De-recognition as a Stock Exchange by SEBI vide Order No. WTM/RKA /MRD/49/2015 dated 9th June, 2015 and withdrawal of recognition of DSE vide SEBI order No. WTM/PS/45/MRD/DSA/NOV/2014 dated 19th November, 2014, the Company lost its status as a Listed Company in terms of SEBI Circulars bearing Nos. CIR/MRD/DSA/14/2012 Dt. 30th May, 2012 and CIR/MRD/DSA/18/2014 Dt. 22nd May, 2014 and has been referred to the dissemination Board of National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).
- In terms of SEBI Circular No. CIR/MRD/DSA/05/2015 dated 17.04.2015 Companies exclusively listed at De-recognised /Non-Operational/ Exited Stock Exchanges have been allowed a time line of eighteen months within which such Companies are required to obtain listing in any other Nationwide stock exchanges to provide trading platform to its shareholders or to provide Exit opportunity to its public shareholders. The Board of Directors of the Company at its meeting held on 28th October, 2015 after careful consideration formed an opinion that the Company was not eligible to migrate to main boards of Nationwide stock exchanges and decided to provide an Exit opportunity to all Public shareholders to comply with SEBI Directives.
- Accordingly, pursuant to SEBI Circular No. CIR/MRD/DSA/05/2015 dated 17.04.2015 and upon exit of U.P. Stock Exchange Limited (UPSE) and de-recognition of Delhi Stock Exchange Limited (DSE) the Promoter is making the present Exit Offer to the Public Shareholders of 'JKCL'. The Public Shareholders currently hold 18,52,340 Equity Shares of the face value of Rs 10/- each representing 7.86% of the Paid-up Equity share capital of the Company.
- The Company had appointed 'VC Corporate Advisors Private Limited' a SEBI approved Merchant

Banker to determine the fair valuation of Equity Shares of the Company. The Exit price determined on the basis of Fair valuation of the Equity Shares of the Company works out to Rs. 12.09 as per Certificate dated 30th May, 2015 issued by the Merchant Banker.

- e) The Promoter now seeks to acquire 18,52,340 Equity Shares having face value Rs. 10/- each at the exit price Rs. 12.09 per Equity Share of the Company from the Public Shareholders of 'JKCL'.

#### **IV. TERMS AND CONDITIONS RELATING TO OFFER:**

According to para no. 3 (d) of the SEBI Circular No. CIR/MRD/DSA/05/2015 dated 17.04.2015 and pursuant to the exit of the U.P. Stock Exchange Limited (UPSE) and de-recognition of Delhi Stock Exchange Limited (DSE), the Offerer is providing a fair exit opportunity to all the public shareholders of 'JKCL' at the 'Exit' or 'Offer Price' which may be availed by sending duly completed 'Form of Acceptance' alongwith duly signed Transfer Form and relative Share Certificate(s) to the Company clearly marking the envelope 'J.K. COTTON LIMITED – EXIT OFFER' at the Registered Office of the Company at Kamla Tower, Kanpur-208001 (U.P.). The offer shall remain valid for one year w.e.f. 20th January, 2016 to close on 19th January, 2017 which may be extended at the discretion of the Promoter.

The 'Form of Acceptance' alongwith Share Transfer Form to be filled and returned by Public Shareholders is enclosed herewith.

#### **V. ACCEPTANCE OF OFFER:**

Upon receipt of the 'Form of Acceptance', duly executed Transfer deeds and original share certificate(s) by the Company after proper verification of Signature and other particulars, the Promoter shall acquire all the equity shares validly tendered at the 'Exit Price', for a cash consideration of Rs. 12.09 for each Equity Share. The Promoter undertakes to accept all the equity shares that may be validly tendered by public shareholders at the exit price on or before the closure of the offer i.e. 19th January, 2017 or such extended date, as may be allowed by the Offerer.

#### **VI. PAYMENT OF CONSIDERATION:**

- a) Upon fulfillment of the terms and conditions mentioned herein and receipt of the requisite regulatory approvals (if any), the consideration for shares will be paid by the Promoter/ Offerer by way of cheque/pay order/demand draft/electronic credit, as the case may be. The cheque / pay order / demand drafts will be dispatched to the Shareholders participating in the offer, at their own risk, by way of speed post/ registered post.
- b) The consideration for such Shares will be settled on monthly basis and the payment will be dispatched within 15 working days from the end of the month in which the Shares are tendered and are found to be in order.
- c) In case of joint holders, the cheque / pay order / demand draft will be drawn in favour of the first named holder.
- d) In case of any defect in 'Form of Acceptance' or Transfer deed the relevant documents will be returned to the Shareholders by speed post / registered post at the shareholders own risk.
- e) In the event of any Shareholder not receiving or misplacing, the Exit Offer Letter, he may obtain a copy by writing to the Compliance Officer of the Company, clearly marking the envelope "Exit Offer".

#### **VII. GENERAL DISCLAIMER**

Every person who desires to avail of the 'Exit Offer' may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Promoter, the Merchant Banker or the Company whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such offer and tender of Equity Shares through this offer whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

We solicit your positive response to the above offer.

Thanking You,

Yours Faithfully,

Sd/-

(YADUPATI SINGHANIA)

PROMOTER OF J.K. COTTON LIMITED

Place: Kanpur

Date: 11th January, 2016

Encl: Form of Acceptance alongwith Transfer Form

**Form No. SH-4 - Securities Transfer Form**

**[Pursuant to section 56 of the Companies Act, 2013 and sub-rule (1) of rule 11 of the Companies (Share Capital and Debentures) Rules, 2014]**

Date of execution:     /     /

FOR THE CONSIDERATION stated below the "Transferor(s)" named do hereby transfer to the "Transferee(s)" named the securities specified below subject to the conditions on which the said securities are now held by the Transferor(s) and the Transferee(s) do hereby agree to accept and hold the said securities subject to the conditions aforesaid.

CIN     **U 1 7 1 1 1 U P 1 9 2 4 P L C 0 0 0 2 7 5**

Name of the company (in full) :     **J. K. COTTON LIMITED**

Name of the Stock Exchange where the company is listed, (if any) : \_\_\_\_\_

**DESCRIPTION OF SECURITIES:**

Kind/ Class of securities (1)	Nominal value of each unit of security (2)	Amount called up per unit of security (3)	Amount paid up per unit of security (4)
Equity Shares	10	10	10
No. of Securities being Transferred		Consideration received (Rs.)	
In figures	In words	In words	In figures
Distinctive Number	From		
	To		
Corresponding Certificate Nos.			

**Transferors' Particulars**

Registered Folio Number :     

Name(s) in full	Signature(s)
1) _____	_____
2) _____	_____
3) _____	_____

I, hereby conform that the transferor has signed before me.

Signature of the Witness : \_\_\_\_\_

Name of the Witness : \_\_\_\_\_

Address of the Witness : \_\_\_\_\_

\_\_\_\_\_ Pincode : \_\_\_\_\_

Transferees' Particulars		
Name in full (1)	Father's/ Mother's / Spouse Name (2)	Address & E-mail id (3)
1. <u>Shri Yadupati Singhania</u>	1. <u>Late Dr. Gaur Hari Singhania</u>	<u>Kamla Tower</u>
2. _____	2. _____	<u>Kanpur</u>
3. _____	3. _____	_____ Pin Code <u>208001</u>
		Email ID : <u>harshit@jkcotton.com</u>
Occupation (4)	Existing Folio No., if any (5)	Signature (6)
1. <u>Industrialist</u>	1. _____	1. _____
2. _____	2. _____	2. _____
3. _____	3. _____	3. _____

Folio No. of Transferee

\_\_\_\_\_

**Specimen Signature of Transferee(s)**

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

Value of Stamp affixed : Rs. \_\_\_\_\_

Enclosures :

1. Certificate of shares or debentures or other securities
2. If no certificate is issued, Letter of allotment
3. Copy of PAN Card of all the Transferees (For all listed Cos.)
4. Others, Specify, \_\_\_\_\_

**For Office Use Only**

Checked by \_\_\_\_\_

Signature Talled by \_\_\_\_\_

Entered in the Register of Transfer on \_\_\_\_\_

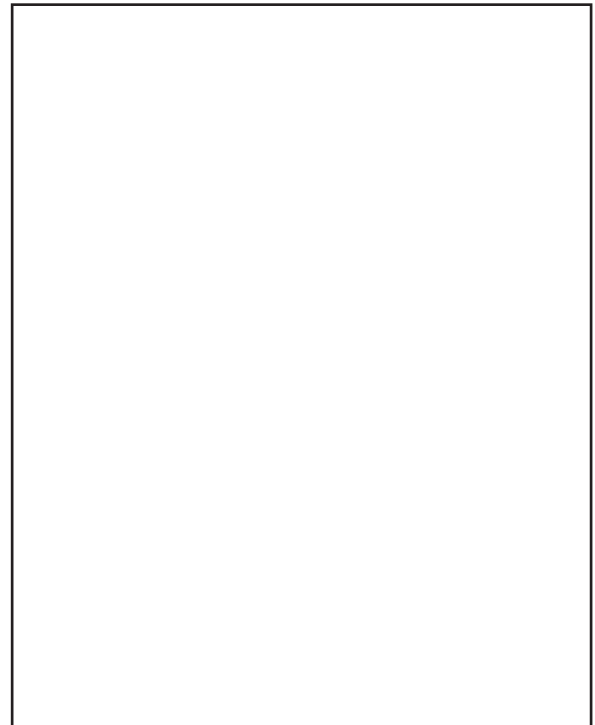
\_\_\_\_\_ vide Transfer no \_\_\_\_\_

Approval Date \_\_\_\_\_

Power of attorney / Probate / Death certificate / Letter of Administration .

Registered on \_\_\_\_\_ at

No. \_\_\_\_\_



## FORM OF ACCEPTANCE

Date :

To,  
The Promoter,  
J.K. Cotton Limited,  
Kamla Tower,  
Kanpur – 208001

Dear Sir,

**Subject : Exit offer from Promoter for acquisition of Equity Shares of 'J.K. COTTON LIMITED' from Public shareholders**

I/we, refer to the 'Exit Offer' dated 11.01.2016 for acquiring the Equity Shares held by me/us in J.K. Cotton Limited.

I am /we are tendering Equity Shares at the offered price of Rs. 12.09 per Equity Share and enclosing herewith Equity Share Certificate(s) along with Transfer Form duly signed as per details given below:-

Name of the Sole/First Holder :	
Address :	
Contact Details :	
Joint Holder(s), if any :	(1)
	(2)
Total No. of Shares :	Folio No. :
Certificate No(s) :	
Distinctive No (s) :	
DETAILS OF BANK ACCOUNT	
Name of the Sole/ First Holder's Bank :	
Branch Address :	
City and Pin Code of the Branch :	Bank Account No. :
Savings/Current/Others (Please Specify) :	
IFSC Code (in case you wish to receive consideration amount electronically) :	
MICR Code (Attach cancelled cheque in case you wish to receive consideration amount electronically) :	

Signature of Shareholder(s)

**(Sole/First Holder)**  
Encl: As above.

**(Joint Holder 1)**

**(Joint Holder 2)**