



J. K. COTTON LIMITED

CIN :U17111UP1924PLC000275

Registered Office : Kamla Tower, Kanpur-208001(Uttar Pradesh) India

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LETTER OF OFFER

ISSUE OF UP TO 2,47,56,638 EQUITY SHARES OF THE FACE VALUE OF RS. 10/- EACH (“RIGHTS EQUITY SHARES”) FOR CASH AT A PRICE OF RS. 27/- PER RIGHTS EQUITY SHARE (“ISSUE PRICE”) INCLUDING A PREMIUM OF RS.17/- PER RIGHTS EQUITY SHARE AGGREGATING TO RS. 66,84,29,226/- TO THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY ON RIGHTS BASIS IN THE RATIO OF 21 (TWENTY ONE) RIGHTS EQUITY SHARES FOR EVERY 20 (TWENTY) FULLY PAID-UP EQUITY SHARES HELD BY THEM ON THE RECORD DATE – 16th AUGUST, 2021 (“THE ISSUE”).

PAYMENT METHOD

Amount payable per Rights Equity Share	Face value (Rs.)	Premium (Rs.)	Total (Rs.)
On Application	9.00	9.00	18.00
On First and Final Call	1.00	8.00	9.00
Total	10.00	17.00	27.00

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR REQUEST FOR SPLIT APPLICATION FORMS	ISSUE CLOSES ON
Wednesday, 25 th August, 2021	Saturday, 04 th September, 2021	Wednesday, 15 th September, 2021

IMPORTANT: Shareholders are requested to note that in terms of the provisions of Section 29 of the Companies Act, 2013 read with Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014, every shareholder holding Equity shares in the company in physical form should ensure that all his existing shareholding is held in dematerialized form before subscribing the Rights Equity Shares and he should furnish the details his demat account to the Registrar and Share Transfer Agent (RTA) at least two working days prior to the Issue Closing Date, failing which his application for subscription of Rights Equity Shares shall be liable to be rejected.

Registrar and Share Transfer Agent Jaykay Enterprises Limited Kamla Tower, Kanpur E-mail : investorservices@jaykayenterprises.com Tel. No. : 0512-2371478-481	Company Secretary and Compliance Officer Mr. Harshit Gunani E-mail : harshit@jkcotton.com Tel. No. : 0512-2371478-481
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SUMMARY OF THE ISSUE

The following is a summary of the issue. This summary should be read in conjunction with more detailed information in the chapter 'Terms of the Issue' of this Letter of Offer.

Rights Entitlement	21(Twenty One) Rights Equity Shares for every 20 (Twenty) Equity Shares held on the Record Date.
Record Date	16 th August, 2021
Face Value per Equity Share	Rs. 10/-
Issue Price per Equity Share	Rs. 27/- per Rights Equity share (including premium of Rs. 17/- per share)
Equity Shares outstanding prior to the Issue	2,35,77,750 Equity Shares
Equity Shares outstanding after the issue (Assuming full subscription and Allotment against the Rights Entitlement)	4,83,34,388 Equity Shares
Terms of the Issue	For more information, please refer to the Chapter "Terms of the Issue" of the Letter of Offer.
Use of Issue Proceeds	For further information, please refer to the Chapter "Objects of the Issue" of the Letter of Offer.

GENERAL INFORMATION

Authority for the Issue

The issue of Rights Equity Shares to the eligible Equity Shareholders of the Company as on the Record Date is being made in accordance with the resolution passed by the Board of Directors of the Company under Section 62 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 in its meeting held on 09th August, 2021. The Board in its Meeting held on 09th August, 2021 determined the Issue Price as Rs. 27/- per Equity Share (including premium of Rs. 17/- per share) and the rights entitlement as 21 (Twenty One) Rights Equity Shares for every 20 (Twenty) fully paid-up Equity Shares held on the Record Date.

Registered Office of the Company	Kamla Tower, Kanpur-208001(Uttar Pradesh)
Corporate Identification Number	U17111UP1924PLC000275

CAPITAL STRUCTURE

- The Share Capital of the Company and related information as on the date of the Letter of offer, prior to and after the proposed issue, is set forth below:

Particulars	Amount (Rs.)
Authorised Share Capital	
2,45,00,000 Equity Shares of Rs. 10/- each	24,50,00,000
45,25,000 6% Non-Cumulative Redeemable Preference Shares of Rs. 100/- each.	45,25,00,000
25,000 8.5% Non-Cumulative Redeemable Preference Shares of Rs. 100/- each	25,00,000
TOTAL	70,00,00,000
Issued, Subscribed and Paid-up Share Capital before the Issue	
2,35,77,750 Equity Shares of Rs. 10/- each.	23,57,77,500
43,66,000 6% Non-Cumulative Redeemable Preference Shares of Rs. 100/- each.	43,66,00,000
15,720 6% Non-Cumulative Redeemable Preference Shares of Rs. 100/- each	15,72,000
TOTAL	67,39,49,500

Present Issue being offered to the existing Equity Shareholders through the 'Letter of Offer'	
2,47,56,638 Equity Shares of Rs. 10/- each at a price of Rs. 27/- .per share (including premium of Rs. 17/- per share)	66,84,29,226
Issued, Subscribed and Paid-up Capital after the Issue (assuming full subscription and allotment against the Rights Entitlement)	
4,83,34,388 Equity Shares of Rs. 10/- each	48,33,43,880
43,66,000 6% Non-Cumulative Redeemable Preference Shares of Rs. 100/- each.	43,66,00,000
15,720 6% Non-Cumulative Redeemable Preference Shares of Rs. 100/- each	15,72,000
TOTAL	92,15,15,880

The Issue of Equity Shares has been authorized by the Board of Directors pursuant to its resolution dated 09th August, 2021.

2. (a) The **Equity Shareholding Pattern** of the Company as on 31st July, 2021 is as follows: -

Category	Category of Equity Shareholders	No. of Equity Shareholders	Total No. of Equity Shares	Total Equity Shareholding as a % of Total No. of Shares	
<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>V</i> As a % of (A+B)	<i>VI</i> As a % of (A+B+C)
A	Equity Shareholding of Promoter & Promoter Group				
(1)	Indian				
	a) Individual/ HUF	3	1,09,93,484	46.626	46.626
	b) Central Govt.	--	--	--	--
	c) State Govt. (s)	--	--	--	--
	d) Bodies Corp.	2	96,96,228	41.125	41.125
	e) Banks / FI	--	--	--	--
	f) Any Other....	--	--	--	--
	Sub-Total (A) (1)	5	2,06,89,712	87.751	87.751
(2)	Foreign				
	a) NRIs - Individuals	1	11,547	0.049	0.049
	b) Other – Individuals	--	--	--	--
	c) Bodies Corp.	--	--	--	--
	d) Banks / FI	--	--	--	--
	e) Any Other	--	--	--	--
	Sub-Total (A) (2)	1	11,547	0.049	0.049
	Total Equity Shareholding of Promoter & Promoter Group (A)=(A)(1)+(A)(2)	6	2,07,01,259	87.800	87.800
B.	Public Shareholding				
	1. Institutions				
	a) Mutual Funds				
	b) Banks / FI	19	6,739	0.029	0.029

	c) Central Govt.	--	--	--	--
	d) State Govt.(s)	--	--	--	--
	e) Venture Capital Funds	--	--	--	--
	f) Insurance Companies	4	99,142	0.420	0.420
	g) FIIs	--	--	--	--
	h) Foreign Venture Capital Funds	--	--	--	--
	i) Others (specify)	--	--	--	--
	Sub-Total B (1)	23	1,05,881	0.449	0.449
2.	Non-Institutions				
	a) Bodies Corp.				
	i) Indian	79	17,93,426	7.606	7.606
	ii) Overseas	--	--	--	--
	b) Individuals				
	i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	7,328	8,93,374	3.789	3.789
	ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1	39,100	0.166	0.166
	c) Others (specify)				
	C-01 Trusts	2	440	0.002	0.002
	C-02 Societies	1	44,270	0.188	0.188
	Sub-Total B (2)	7,411	27,70,610	11.751	11.751
	Total Public Shareholding (B)=(B)(1)+(B)(2)	7,434	28,76,491	12.200	12.200
C.	Shares held by Custodian for GDRs and ADRs	--	--	--	--
	Grand Total (A+B+C)	7,440	2,35,77,750	100.00	100.00

The List of Equity Shareholders of the Company belonging to the Category “Promoter and Promoter Group” as on 31st July, 2021 is detailed in the table below: -

Sl. No.	Name of Equity Shareholder	No. of Equity Shares	Shares as a % of Total no. of Equity Shares
1.	Shri Abhishek Singhania	67,48,484	28.622
2.	Smt. Kavita Y Singhania	23,50,000	9.967
3.	Smt. Sushila Devi Singhania	18,95,000	8.037
4.	J.K. Traders Limited	1,85,868	0.789
5.	Jaykay Enterprises Limited	95,10,360	40.336
6.	Shri Ramapati Singhania	11,547	0.049
	TOTAL	2,07,01,259	87.800

2. (b) The **Preference Shareholding Pattern** 6% Non-Cumulative Redeemable Preference Shares of Rs. 100/- each of the Company as on 31st July, 2021 is as follows:-

Category	Category of Preference Shareholders	No. of Preference Shareholders	Total No. of Preference Shares	Total Preference Shareholding as a % of Total No. of Shares	
I	II	III	IV	As a % of (A+B) V	As a % of (A+B+C) VI
A	Shareholding of Promoter & Promoter Group				
(1)	Indian				
	a) Individual/ HUF	1	30,84,720	70.40	70.40
	b) Central Govt.	--	--	--	--
	c) State Govt. (s)	--	--	--	--
	d) Bodies Corp.	--	--	--	--
	e) Banks / FI	--	--	--	--
	f) Any Other....	--	--	--	--
	Sub-total (A) (1)	1	30,84,720	70.40	70.40
(2)	Foreign				
	a) NRIs - Individuals	--	--	--	--
	b) Other – Individuals	--	--	--	--
	c) Bodies Corp.	--	--	--	--
	d) Banks / FI	--	--	--	--
	e) Any Other...	--	--	--	--
	Sub-total (A) (2)	--	--	--	--
	Total Shareholding of Promoter & Promoter Group (A)=(A)(1)+(A)(2)	1	30,84,720	70.40	70.40
B.	Public Shareholding				
	1. Institutions				
	a) Mutual Funds	--	--	--	--
	b) Banks / FI	--	--	--	--
	c) Central Govt.	--	--	--	--
	d) State Govt(s)	--	--	--	--
	e) Venture Capital Funds	--	--	--	--
	f) Insurance Companies	--	--	--	--
	g) FIIs	--	--	--	--
	h) Foreign Venture Capital Funds	--	--	--	--
	i) Others (specify)	--	--	--	--
	Sub-Total (B)(1)	--	--	--	--
2.	Non-Institutions				
	a) Bodies Corp.				
	i) Indian	2	12,97,000	29.60	29.60

	ii) Overseas	--	--	--	--
	b) Individuals				
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	--	--	--	--
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	--	--	--	--
	c) Others (specify)	--	--	--	--
	Sub-Total (B)(2)	2	12,97,000	29.60	29.60
	Total Public Shareholding (B)=(B)(1)+(B)(2)	2	12,97,000	29.60	29.60
C.	Shares held by Custodian For GDRs & ADRs	--	--	--	--
	Grand Total (A+B+C)	3	43,81,720	100	100

OBJECTS OF THE ISSUE

The objects of the Issue are: -

1. To meet the requirement of funds for redemption of 43,81,720, 6% Non-Cumulative Redeemable Preference Shares of Rs. 100/- each aggregating to Rs. 43,81,72,000/- .
2. To meet the requirement of funds for working capital expenditure and general corporate purposes.

HISTORY AND OTHER CORPORATE MATTERS

J.K. Cotton Limited ('JKCL') was originally incorporated as a Private Limited Company on 24th October, 1924 under the Indian Companies Act, 1913 in the name and style of 'Juggilal Kamlapat Spinning and Weaving Mills Company Private Limited' vide Certificate of Incorporation issued by the Registrar, Joint stock Companies, United Provinces, Lucknow in the State of Uttar Pradesh. The Company was subsequently converted into a Public Limited Company as per the resolution passed by the members at the General Meeting and its name was changed to 'Juggilal Kamlapat Spinning and Weaving Mills Company Limited' in terms of the approval granted by the Central Government (Regional Director) vide Letter No. 10 (70) – T / 59 – 6421 dated 26th December, 1959 and the fresh Certificate of Incorporation was issued by the Registrar of Companies, Uttar Pradesh on 1st day of January, 1960. The name of the Company was subsequently changed from 'Juggilal Kamlapat Spinning and Weaving Mills Company Limited' to 'J.K. Cotton Limited' in terms of the special resolution passed by the members at the Annual General Meeting of the Company held on 13th August, 2013 and the fresh Certificate of Incorporation consequent upon change of name issued by the Registrar of Companies, Uttar Pradesh on 19th August, 2013. The Registered Office of the Company is presently situated at 'Kamla Tower', Kanpur- 208001 (Uttar Pradesh). The Equity Shares of J.K Cotton Limited were listed at U. P. Stock Exchange (UPSE) and Delhi Stock Exchange (DSE). Upon approval of UPSE application for Voluntary Exit and De-recognition as a Stock Exchange by SEBI and withdrawal of recognition of DSE vide SEBI order, the Company became an Unlisted Public Company. In terms of SEBI Circular dated October 10, 2016, the public shareholders were provided Exit Opportunity and consequently, the name of Company was removed from Dissemination Boards of NSE & BSE. As on date, the shares of the Company are not listed on any stock exchange.

OBJECTS

The objects of the Company as stated in the Memorandum of Association of the Company inter-alia provide as under:

- (1) *To acquire and take over as going concern the Juggilal Kamlapat Cotton Spinning and Weaving Mills heretofore carried on at Cawnpore in the United Provinces of British India with all subsisting contracts and agreements.*
- (2) *To carry on all or any of the following businesses viz. Spinning, Weaving, Dyeing, bleaching, Combing, Preparing, Printing, Mercerising and Tent Making and all other businesses and transactions which are usually carried on or may conveniently be carried on along with them including the manufacture, purchase and sale of materials of cotton, jute, flax, hemp, wool, silk and other fibrous substances or partly of cotton, jute, flax, hemp, wool, silk and other fibrous substances and that at Cawnpore aforesaid or elsewhere within or beyond India.*

- (A) *To carry on the business of manufacturing, buying, selling, importing, exporting, dealing in all kinds, varieties and descriptions of garments and consumer products related to garments of all kinds, varieties and descriptions, fashion, personal effects, shoes, belts and all types of healthcare, body care, educational products, leather goods, cosmetics, lifestyle products, leather products of all kinds and descriptions, foods, electronics, communication, media, newspaper, magazine, stationery, books, art, decoration, music, entertainment products, character, cartoon and other films, all kinds and varieties of consumer durables, imitation as well as real jewellery and precious, semi-precious stones of various types and other allied products and all kinds of products, articles, things of every description, kind or variety which can be distributed, marketed or sold through retail outlets, departmental stores, malls, chain shops, arcades, value stores, kid stores or specialized shops, designer stores either owned and managed by the Company or taken on lease, rent or through franchisees or any other distribution or marketing setup as may deem feasible to the Company.*
- (B) *To carry on business of dealers in real estate, builders, developers, contractors, sub-contractors and to undertake and execute contracts, works of constructions of building-residential, commercial and industrial bridges, roads, highways and other superstructures and installation, of all types of structures and foundations including piling, diaphragm, wells, soil anchor and grouting and to acquire by concession, grant, purchase, barter, sell, lease, license or otherwise either absolutely or conditionally and either alone or jointly with others, any land, buildings, works and other movable and immovable property of any description and any patents, trademark, concessions, privileges and other rights for the above objects and business of the Company.*
- (C) *To purchase or otherwise acquire or carry on the manufacture of bricks, tiles, stone or other building material of any kind and to carry on business as manufacturers of and dealers in building materials & components, including light weight cellular reinforced autoclaved concrete slabs and blocks for floors, walls and roofs and pre-stressed precast, reinforced concrete building components and any other material.*
- (D) *To buy, sell or deal in all types of commodities traded on the Commodities and/or Spot Exchange(s) in India or abroad in cash or derivatives segments including future and forward contracts and to carry on business of investing and /or trading in commodities through dealer(s), merchant(s), agent(s) and the Commodity Exchange(s) and/or Spot Exchange(s) including taking and/or giving physical delivery of commodities, articles or products.*
- (E) *To invest, acquire, subscribe, purchase, hold, sell, divest or otherwise deal in securities, financial instruments, financial products, shares, scrips, stocks, equity/index, listed securities, units, bonds, commercial papers, acknowledgments, deposits, notes, obligations, warrants, government securities, loans, loan certificates, all kind of derivatives including interest derivatives, futures, forwards or options, calls, swaps, rights or interest in securities, foreign currencies, carbon credits, financial securities and any other securities issued by any entity whether for the purpose of hedging, arbitrage or for any other purpose through agent(s)/broker(s) of Stock Exchange(s) and/or the Commodity Exchange(s) and/or Spot Exchange(s).*
- (F) *To buy, sell, export, import, deal in all kinds of commodities and derivatives transactions in gold, silver, platinum, other precious metals dealt/traded on any commodity exchange or with any bullion bank or similar organization whether in India or abroad. For this purpose to enter into transactions in nature of hedging, spot trading, forward commodity contracts, rate swaps, commodity futures/swaps, and options in derivatives of such commodities, whether for the purpose of trading, investment, hedging, arbitrage or any other purpose, whether in India or abroad.*
- (3) *To carry on the businesses of cultivating, growing, buying, selling or otherwise dealing in cotton and also ginning, pressing and bating cotton including acquisition of land, erection of factories, buildings and other works appertaining thereto.*
- (4) *To establish and carry on in Cawnpore or elsewhere the businesses of cultivators, growers, buyers, dealers in sugar or sugar products and other vegetable products or other products of the soil whatsoever manufacturers and dealers in vegetable oils, oil seeds and oil cakes, refiners, fruit growers and preservers in all the branches of such businesses and to purchase, sale, dispose of, deal in and act as merchants and agents for or in connection with all or any such products or produce, or the products and produce of such businesses or any of them.*

- (5) *To acquire, erect, construct, establish, maintain, improve, manage, alter, carry on, control or work and contribute towards acquisition, erection, construction, establishment, maintenance, improvement, management, alteration, carrying on, controlling and working of any water works, reservoirs, tanks, canals, aqueducts, wharves, factories, mills, refineries, ice plants, flour mills, paper mills, warehouses, road, railways, tramways, telegraphs, telephones, ropeways and other ways, motors and other vehicles for use on land, sea or air, ships, boats and barges, buildings, huts, machinery and works and conveniences of every description which may be deemed convenient or useful for any of the purpose of the Company and for developing and improving any of its property or rights.*
- (A) *To produce, manufacture, treat, purchase, sell or otherwise deal in as merchants and/or agents either solely or in partnership with others;*
- a) *Chemicals of all kinds including acids, alkali, manures, fertilizers, dyes, caustic, sods, soda ash, sulphur, sodium sulphate, dry ice and catechu; and/or*
- b) *Electronics of all kinds, such as electrical and wireless sets, television receivers, transistors, radiography, phonography, dictaphones and other electrical instruments and articles.*
- (B) *To acquire, purchase, obtain, procure, take on license, lease or hire all and every kind of and description of plant, machinery, tools, apparatus, equipments, hardware, materials and articles for carrying on any business which this Company is authorized to carry on, and to give them on license, lease or hire or otherwise to others.*
- (6) *To purchase, take on lease or otherwise acquire any estate, lands or immovable property or any movable or personal property of any description and any rights or privileges (including any copyrights or trademarks) which may be deemed necessary and convenient for any businesses which the Company is privileged to carry on and to purchase, acquire, construct, maintain or alter any buildings necessary or convenient for any of the purposes of the Company.*
- (7) *To search for, get, work, raise, make merchantable, sell and deal in iron, coal, coke, mineral oil, iron-stone, limestone, line, brickearths, bricks, pipes, tiles, fireclay, firebricks and other metals, minerals and substances and to manufacture and sell patent fuels. To work mines and mining rights in under or upon the lands and properties for the time being belonging to the Company and to mine, quarry, crush, wash, smelt, reduce or otherwise treat and render marketable and sell or dispose of the produce or of any mines, quarries, mining rights, bricks-fields, and oil wells whether belonging to the Company or not.*
- (8) *To sink wells and shafts, lay down pipes, construct, maintain and improve any or all of them and other works incidental thereto calculated directly or indirectly to advance the interests of the Company and to pay and contribute to the construction, maintenance and improvement of any such works.*
- (9) *To purchase, build, hire, charter, freight or otherwise own, hold or use in any manner for the benefit of the Company and dispose of steam and other ships and vessels and their appurtenances or any interests or shares in any such ships.*
- (10) *To enter into any contract or arrangement of other dealing for conduct of the business of the Company or any part thereof.*
- (A) *To guarantee the payment of money unsecured or secured by or payable under or in respect of promissory notes, bonds, debentures, debenture- stocks, contracts, mortgages, charges, obligations, instruments and securities of any company or of any authority, supreme, municipal, local or otherwise or of any person whomsoever, whether incorporated or not incorporated, and generally to guarantee or become sureties for the due payment of any loans or the performance of any contracts or obligations.*
- (11) *To carry on any other business which may seem to the Company capable of being conveniently carried or in connection with the above or calculated directly or indirectly to render profitable or enhance the value of any of the Company's property or rights.*
- (A) *To amalgamate with the Company any other company whose objects are or include objects similar to those of the Company whether by sale or purchase (for fully or partly paid up shares or otherwise) of the undertaking subject to the liabilities of this or any such other company as aforesaid with or without winding up or by sale or purchase*

(for fully or partly paid up shares or otherwise) of all shares or stock of this or any such other company as aforesaid or by partnership or any other manner.

- (12) To draw, make, accept, endorse, discount, execute, and issue promissory notes, bills of exchange, bundles, bills of lading, warrants, debentures and other negotiable or transferable instruments.*
- (13) To invest the moneys of the Company not immediately required upon such investments as may be from time to time determined or place the same on deposit account with any bank or banks.*
- (14) To act as managing agents, agents or brokers and as trustees for any person, firm or company and to undertake, to prepare sub-contracts and also to act in any of the businesses of the Company through or by means of agents, brokers, sub-contractors or others.*
- (15) To borrow for the purposes of the Company on mortgage of its property or otherwise, or on any part thereof, or on any bond, promissory note, debentures or deposits receipts payable to bearer or otherwise, or on all or any of them, and at such rates of interest and for such period or periods, and repayable in such manner and generally on such terms as the Directors shall determine, any sum or sums or money and to pay the same as and when, and on such terms as the Directors may considered desirable, and to re-borrow the same or any part thereof on all or any of such securities. To issue mortgages, bonds, promissory notes, debentures or deposits receipts as aforesaid, on such terms and conditions as the Directors shall determine.*
- (16) To enter into and to complete conveyances, dispositions, assignments, transfers, leases, contracts of co-partnery, agreements, licenses and other contracts on writing of every descriptions requisite for or incidental to or connected with any of the Company's objects or conducive to the attainment thereof.*
- (17) To refer to arbitration and to bring, conduct, defend, compromise and abandon legal and other proceedings and claim by, for and against the company or concerning to its affairs.*
- (18) To pay commission to brokers and others for underwriting, placing, selling or guaranteeing the subscription of any shares, debentures, debenture-stock or securities of this Company or of any company promoted by this Company.*
- (19) To provide for the welfare of the employees or ex-employees of the Company and the wives, widows and families of the dependants or connections of such persons, by building or contributing for the building of houses, dwellings or chawls, or by grants of money, pensions, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds or trusts and by providing or subscribing or contributing –towards places of instruction and recreation, hospitals and dispensaries, medical and other attendant and other assistance as the Company shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or of public and general utility or otherwise.*
 - (A) To sell or dispose of the whole or any part of the undertaking or of any of the undertakings of the Company for such consideration as the Company may deem fit.*
 - (B) To amalgamate with any other company or body of persons engaged in any business which this Company is authorized to carry on.*
- (20) To distribute among the Members of the Company in kind any property of the Company and in particular any shares, debentures, debenture-stock or security of other companies belonging to this Company or of which this Company may have the power of disposing.*
- (21) To remunerate officials and servants of the Company and others out of the profits of the Company or otherwise as the Company may think fit.*

(22) To create or modify trusts or settlements for public charities or for public religious and charitable purposes including trusts or settlements for relief of poverty, education, medical relief and the advancement of any other object of general public utility of religious or charitable nature.

(A) To undertake, carryout, promote and sponsor rural development including any programme for promoting the social and economic welfare of or uplift of the public or any rural area and to incur any expenditure or any programme of rural development to assist execution and promotion thereof either directly or through an independent agency as recognized or approved by Central or State Government or any authority specified by the Government in that behalf or established under any law for the time being in force.

Without prejudice to the generality of the foregoing programme of rural development shall also include any programme for promoting the social and economic welfare of or uplift of the public in any rural area which the Directors consider likely to promote and assist rural development and that the words "rural area" include such areas as may be regarded as rural areas under Section 35CC or any other appropriate Section of the Income-Tax Act, 1961 in force or that may be enforced hereafter, or any other law relating to the rural development for the time being in force or as may be regarded by the Directors as rural areas and the Directors may at their discretion in order to implement any of the above mentioned subjects or purposes transfer without consideration or at such fair or concessional value as the Directors may think fit and divest the ownership of any property of the Company to or in favour of any public or local body or authority or Central or State Government or any public institutions.

(23) To do all or any of the matters hereby authorized in any part of the world or either alone or in conjunction with any other company, association, firm, person, or persons and either as principals, agents, contractors or otherwise.

(24) To do all such other things as are incidental or conducive to the attainment of the before mentioned objects or any of them and so that the various businesses or objects specified shall be regarded as independent objects and in no wise restricted by reference to the name of the Company or to the businesses or objects contained in any other paragraph.

MANAGEMENT

As per the Articles of Association of the Company, the Board of Directors of the Company shall consists of not less than 3 (Three) and not more than 15 (Fifteen) Directors. The Board of Directors of the company presently consists of 8 (Eight) Directors. The following table sets forth the details regarding the Board of Directors of the Company as on the date of the Letter of Offer :

SL. No.	Name, Father's Name, Address, Occupation, Term and DIN	Age	Nationality	Other Directorships, Partnerships and trusteeships
1.	Shri Abhishek Singhania S/o Late Govind Hari Singhania Address: 3, Barakhamba Road, New Delhi – 110001 Occupation: Industrialist Date of Appointment: 1 st April, 2021 DIN: 00087844 Designation: Chairman & Managing Director	48 years	Indian	<ul style="list-style-type: none"> • Neumesh Labs Private Limited • Nebula3D Services Private Limited • Adharshila Estates Private Limited • Diensten Tech Limited • Dwarikadhish Finance and Investment Company Private Limited • J K India Limited • J.K. Org Limited • J.K. Traders Limited • Jaykay Enterprises Limited • Udbhav Finance and Investment Company Private Limited • J K Technosoft Limited • PGA Securities Private Limited • Manphul Trading and Finance Company Private Limited • Merchants' Chamber of Uttar Pradesh • Uttar Pradesh Cricket Association.
2.	Shri Vedang Hari Singhania S/o Shri Abhishek Singhania Address: 3, Barakhamba Road,	23 years	Indian	<ul style="list-style-type: none"> • J.K. TRADERS LIMITED • DIENSTEN TECH LIMITED

	New Delhi – 110001 Occupation: Industrialist Date of Appointment: 29 th June, 2021. DIN: 00087844 Designation: Non-Executive Non-Independent Director			
3.	Shri Ashok Gupta S/o Late Shriram Gupta Address: 122/735, F.N. 405, 4th Floor, Gulmohar Garden –II, Shastri Nagar, Kanpur – 208005 (U.P.) Occupation: Professional Date of Appointment: 25 th October, 2012 DIN: 00135288 Designation: Non-Executive, Non-Independent Director	68 years	Indian	<ul style="list-style-type: none"> • Khandelwal Extractions Limited • Jaykay Enterprises Limited • M/s Ashok Gupta & Co.
4.	Shri Jagannath Gupta S/o Late Murli Dhar Gupta Address: 3/169, 3, Vishnupuri, Kanpur – 208002 (U.P.) Occupation: Professional Date of Appointment: 28 th July, 2003 DIN: 00397952 Designation: Independent Director	78 years	Indian	<ul style="list-style-type: none"> • RSPL Limited • Merchants' Chamber of Uttar Pradesh
5.	Shri Krishna Behari Agarwal S/o Late Shiv Narain Agarwal Address: 7/177-B, Swaroop Nagar, Kanpur – 208001 (U.P.) Occupation: Professional Date of Appointment: 9 th November, 2010 DIN: 00339934 Designation: Independent Director	82 years	Indian	<ul style="list-style-type: none"> • Jaykay Enterprises Limited • J.K. Cement Limited • Key Corp Limited • Jaykaycem (Central) Limited
6.	Shri Ravindra Kumar Tandon S/o Late Brijendra Kumar Tandon Address: 117/17/K, Sarvodaya Nagar, Kakadeo, Kanpur – 208005 (U.P.) Occupation: Professional Date of Appointment: 30 th September, 2014 DIN: 00159472 Designation: Independent Director	68 years	Indian	<ul style="list-style-type: none"> • Jaykay Enterprises Limited
7.	Shri Krishna Das Gupta S/o Late Tulsi Ram Gupta Address: Flat -107, Ratan Bhawan, 7/108A, Swaroop Nagar, Kanpur – 208002 Occupation: Ex-Government Official Date of Appointment: 30 th September, 2014 DIN: 00374379 Designation: Independent Director	78 years	Indian	<ul style="list-style-type: none"> • PTC Industries Limited • EMA India Limited • Ruchi Infrastructure Limited • Ruchi Renewable Energy Private Limited
8.	Shri Sanjay Jain S/o Shri Suresh Chand Jain Address: R/o 263 SFS Hauz Khas Appt Hauz Khas New Delhi Delhi India- 110016 Occupation: Consultant Date of Appointment: 29 th June, 2021 DIN: 01014176 Designation: Non-Executive, Non-Independent Director			<ul style="list-style-type: none"> • Shree Shubham Logistics Limited • Taj Capital Partners Private Limited • Pga Securities Private Limited • Sarth Agbev And Energy Private Limited

SUMMARY OF FINANCIAL INFORMATION

The following table set forth the summary of financial information derived from the Financial Statements of the Company for the preceding three financial years ended 31st March, 2019, 31st March, 2020 and 31st March, 2021 prepared in accordance with the Companies Act, 2013.

BALANCE SHEET

Particulars	As at 31st March, 2021 (Audited)	As at 31st March, 2020 (Audited)	As at 31st March, 2019 (Audited)
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	23,57,77,500	23,57,77,500	23,57,77,500
(b) Other Equity	39,45,20,192	25,10,22,106	27,90,78,780
	63,02,97,692	48,67,99,606	51,48,56,280
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	43,81,72,000	43,81,72,000	43,81,72,000
(b) Long Term provisions	75,98,942	74,42,129	65,10,392
	44,57,70,942	44,56,14,129	44,46,82,392
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings			2,00,00,000
(ii) Trade Payables	16,08,67,170	18,34,88,077	10,53,51,287
(iii) Other Financial Liabilities	5,21,19,390	5,26,82,763	5,21,32,508
(b) Other Current Liabilities	1,51,08,89,476	1,49,55,58,361	1,42,67,03,190
(c) Short Term Provisions	2,66,000	2,40,000	82,000
(d) Current Tax Liabilities (Net)	2,01,37,525	--	--
	1,74,42,79,561	1,73,19,69,201	1,60,42,68,985
TOTAL	2,82,03,48,195	2,66,43,82,936	2,56,38,07,657
II. ASSETS			
Non-current Assets			
(a) Property, Plant and Equipment	8,71,40,156	9,04,62,398	25,10,20,401
(b) Other Intangible Assets	1,91,616	3,67,543	3,80,916
(c) Financial Assets			
(i) Others	98,91,576	97,16,092	94,92,719
(d) Deferred Tax Assets (net)	2,70,31,033	7,43,20,917	2,51,23,493
(e) Other Non Current Assets	--	--	--
	12,42,54,381	17,48,66,950	28,60,17,529
Current Assets			
(a) Inventories	1,98,87,81,320	2,13,45,79,869	1,99,17,23,251
(b) Financial Assets			
(i) Investments	--	--	2,59,62,568
(ii) Cash & Cash Equivalents	6,33,06,125	3,48,27,503	4,13,94,874
(iii) Bank balances	49,48,47,175	17,27,72,478	14,56,06,259
(iv) Loans & Advances	8,11,40,030	5,90,00,000	--
(v) Others	1,19,25,335	87,82,528	72,45,789
(c) Current Tax Assets (Net)	--	1,67,60,543	1,59,14,425
(d) Other Current Assets	5,60,93,829	6,27,93,065	4,99,42,962
	2,69,60,93,814	2,48,95,15,986	2,27,77,90,128
TOTAL	2,82,03,48,195	2,66,43,82,936	2,56,38,07,657

STATEMENT OF PROFIT AND LOSS

	As on 31st March, 2021 (Audited)	As on 31st March, 2020 (Audited)	As on 31st March, 2019 (Audited)
I. Revenue from Operations	65,86,91,268	23,08,29,126	14,84,57,763
II. Other Income	4,69,50,058	3,06,55,898	2,72,06,251
III. Total Revenue (I + II)	70,56,41,326	26,14,85,024	17,56,64,014
IV. Expenses			
(a) Changes in Inventories of finished goods, work-in-progress and stock in trade	14,57,98,549	(14,28,56,618)	(18,28,61,388)
(b) Employee benefits expense	1,43,92,658	1,16,94,129	1,11,08,150
(c) Finance Costs	1,80,00,000	1,80,00,000	1,85,98,368
(d) Depreciation and Amortization Expenses	43,21,437	26,48,775	18,79,754
(e) Cost of construction & Development Expenses	17,73,45,541	26,89,74,998	24,19,76,230
(f) Other Expenses	12,04,69,349	5,18,26,012	6,50,17,054
Total Expenses	48,03,27,534	21,02,87,296	15,57,18,168
V. Profit / (Loss) before tax (III-IV)	22,53,13,792	5,11,97,728	1,99,45,846
VI. Transfer from Capital Reserve	10,80,69,265	2,83,19,267	3,69,93,580
VII. Profit before tax (V-VI)	33,33,83,057	7,95,16,995	5,69,39,426
VIII. Tax Expense:			
Current Tax	3,43,00,000	--	--
Less: MAT credit entitlement	2,55,00,000	--	--
Deferred Tax	7,31,45,707	(4,91,97,423)	(2,83,02,977)
IX. Profit / (Loss) for the year from continuing operations	25,14,37,350	12,87,14,418	8,52,42,403
X. Profit / (Loss) from discontinued operations	--	(12,71,93,723)	(4,05,34,329)
XI. Profit / (Loss) for the year	25,14,37,350	15,20,695	4,47,08,074

TERMS OF THE ISSUE

The Equity Shares proposed to be issued on a Rights basis, are subject to the terms and conditions contained in this Letter of Offer, the enclosed Composite Application Form (CAF), the Memorandum and Articles of Association of the Company and the provisions of the Companies Act, 2013 and rules made thereunder.

Basis for the issue

The Equity Shares are being offered for subscription for cash to those existing Equity Shareholders whose names appear in the Register of Members of the Company in respect of the Equity Shares held at the close of business hours on 16th August, 2021, the "Record Date".

Rights Entitlement

As your name appears in the Register of Members as an Equity Shareholder of the Company as on the Record date i.e. 16th August, 2021, you are entitled to apply for the number of Equity Shares as set out in the Part A of the enclosed CAF.

PRINCIPAL TERMS OF THE EQUITY SHARES

Face Value	Equity Share is of the face value of Rs. 10/- each.
Issue Price	Rights Equity Shares are being offered at a price of Rs. 27/- each (including premium of Rs.17/- per share).
Entitlement Ratio	The Equity Shares are being offered on Rights basis to the eligible Equity Shareholders in the ratio of 21 (Twenty One) Rights Equity Shares for every 20 (Twenty) Equity Shares held on the Record Date.
Fractional Entitlement	The Rights Equity Shares are being offered on rights basis to the eligible Equity Shareholders in the ratio of 21 (Twenty One) Rights Equity Shares for every 20 (Twenty) Equity shares held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any eligible Equity Shareholder is less than 20 (Twenty) Equity shares or not in the multiple of 20(Twenty), the fractional entitlement of such Equity Shareholder shall be ignored in the computation of Rights Entitlement. However, the eligible Equity shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the allotment of

	<p>one additional Rights Equity Share each if they apply for additional Rights Equity Share each over and above their Rights Entitlements.</p> <p>The Company may issue additional fully paid shares due to rounding off.</p>
Terms of Payment	<p>The Issue Price of Rs. 27/- per Rights Equity Share is payable as under</p> <p>Rs. 18/- on Application.</p> <p>Rs. 9/- on First and Final Call.</p>
Ranking	<p>The Rights Equity Shares presently being issued shall be subject to the provisions of the Memorandum and Articles of Association of the Company. The Equity Shares shall rank pari-passu, in all respects with the existing Equity Shares of the Company except for dividend which, if declared, will be paid on pro-rata basis for the financial year in which they are allotted.</p>
Additional Subscription by the Promoter	<p>The Promoters and Promoter Group intend to subscribe to the full extent of their Rights Entitlement in the issue and do not intend to renounce such rights, except to the extent of renunciation within the Promoters and Promoter Group. In addition to subscription to their Rights Entitlements some of the Promoters and Promoter Group have reserved the right to subscribe to additional Rights Equity Shares for any unsubscribed portion in the Issue in whole or in part as well as applying for Equity Shares renounced by other Shareholders of the Company subject to the terms of the Letter of Offer and applicable Law.</p>
Procedure for Application	<p>The CAF for Equity Shares is attached to this offer document. In case the original CAF is not received by the Investor or is misplaced by the Investor, the Investor may request the Company to issue of a duplicate CAF, by furnishing the Registered Folio No. / DP ID, Client ID and his / her full name and address. In case the signature of the Equity Shareholder(s) does not match with the specimen registered with the Company, the application is liable to be rejected.</p>
Acceptance of the Issue	<p>You may accept the offer to participate and apply for the Equity Shares offered, either in full or in part, by filling Part A of the enclosed CAF and submit the same along with the application money payable by at par Cheque / Demand Draft or online payment to the Registrar & Share Transfer Agent of the Company i.e. Jaykay Enterprises Limited, Unit : J. K. Cotton Limited, Kamla Tower, Kanpur-208001 before the close of the business hours on or before the issue Closing Date or such extended time as may be specified by the Board of Directors of the Company in this regard.</p>
Option available to the Equity Shareholders	<p>The CAF will clearly indicate the number of Equity Shares that the Shareholder is entitled to. If the Equity Shareholder applies for an investment in Equity Shares, then he can: -</p> <ul style="list-style-type: none"> • Apply for his Rights Entitlement of Equity Shares in full; • Apply for his Rights Entitlement of Equity Shares in part; • Apply for his Rights Entitlement of Equity Shares in part and renounce the other part of the Equity Shares; • Apply for his Rights Entitlement in full and apply for additional Equity Shares; • Renounce his Rights Entitlement in full. <p>Renouncees should note that they shall not be able to apply for additional Equity Shares.</p>
Additional Equity Shares	<p>You are eligible to apply for additional Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Equity Shares offered without renouncing them in whole or in part in favor of any other person(s). The applications for additional Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board.</p> <p>If you desire to apply for additional Equity Shares, please indicate your requirement in the place provided for additional Equity Shares in Part A of the CAF.</p>
Renunciation	<p>This issue includes a right exercisable by you to renounce the Equity Shares offered to you either in full or in part in favor of any other person or persons.</p>
Procedure for renunciation	<p><i>To renounce all the Equity Shares offered to an Equity Shareholder in favor of one Renouncee:</i> If you wish to renounce the offer indicated in Part 'A', in whole, please complete Part 'B' of the CAF. In case of joint holding, all joint holders must sign Part 'B' of the CAF. The person in whose favor renunciation has been made should complete and sign Part 'C' of the CAF. In case of joint renouncees, all joint renouncees must sign this part of the CAF.</p> <p><i>To renounce in part / or renounce the whole to more than one person(s):</i> If you wish to either accept this offer in part and renounce the balance or renounce the entire offer under this Issue in favour of two or more renouncees, the CAF must be first split into requisite number of forms. Please indicate your requirement of Split Application Form (SAF) in the space provided for this purpose in Part 'D' of the CAF and return the entire CAF to the Registrar & Share Transfer Agent of the Company i.e. Jaykay Enterprises Limited, Unit : J. K. Cotton Limited, Kamla Tower, Kanpur-208001 so as to reach them latest by the close of business hours on 4th September 2021. On receipt of the required number of SAFs from the Company, the procedure as mentioned in paragraph above shall have to be followed.</p> <p>In case the signature of the Equity Shareholders(s) who has renounced the Equity Shares, does not match with the specimen registered with the Company, the application is liable to be rejected.</p>

Renouncee(s)	The person(s) in whose favor the Equity Shares are renounced should fill in and sign Part 'C' of the CAF and submit the entire CAF to the Company on or before the Issue Closing Date along with the application money in full.
Change and / or introduction of Additional holders	<p>If you wish to apply for Equity Shares jointly with any other person(s), not more than three, who is / are not already a joint holder with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed.</p> <p>However, this right of renunciation is subject to the express condition that the Board of Directors of the Company shall be entitled in its absolute discretion to reject the request for allotment from the renouncee(s) without assigning any reason therefor.</p>
Availability of duplicate CAF	In case the original CAF is not received or is misplaced by the Investor, the Investor may write to the Registrar and Share Transfer Agent of the Company or e-mail at investorservices@jaykayenterprises.com furnishing the Registered Folio No. / DP ID, Client ID and his / her full name and address and the Company will issue a duplicate CAF on the request of the Investor. Please note that the request for duplicate CAF should reach the Company within 7 days from the issue opening date. Please note that those who are making the application in the duplicate form should not utilize the original CAF for any purpose including renunciation, even if it is received / found subsequently. If the Investor violates such requirements, he / she shall face the risk of rejection of both the Applications.
Last date for Application	The last date for submission of the duly filled in CAF is 15 th September, 2021.
Basis of Allotment	<p>Subject to the provisions contained in the 'Letter of Offer', the Articles of Association of the Company, the Board will proceed to allot the Equity Shares in the following order of priority:</p> <p>(a) <i>Full Allotment</i> to those Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the renouncee(s) who has / have applied for Equity Shares renounced in their favor, in full or in part.</p>
	<p>(b) Allotment to the Equity Shareholders who having applied for all the Equity Shares offered to them as part of the Issue and have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there is an under-subscribed portion after making full allotment in (a) and (b) above. The allotment of such Equity Shares will be at the sole discretion of the Board of Directors of the Company.</p> <p>Renouncees should note that they shall not be able to apply for any additional Equity Shares. After taking into account allotment to be made under (a) to (b) above, if there is any unsubscribed portion, the same shall be deemed to be unsubscribed. The Promoters and Promoter Group collectively intend to subscribe to the full extent of their Rights Entitlement in the Issue and may also consider applying for additional Equity Shares as well as applying for Equity Shares renounced by other Shareholders of the Company subject to the terms of the Letter of Offer and applicable law.</p>
Mode of payment for Resident Equity Shareholders / Investors	<p>Investors should ensure that all Cheques / Demand Drafts accompanying the CAF are drawn in favor of 'J.K. COTTON LIMITED' and crossed 'A/c Payee only' and are payable at par. The payment can also be made electronically by NEFT or RTGS and the Bank details for remittance of payment are as under: -</p> <p>Name of Bank: Indian Bank</p> <p>Address of Bank Branch: Kanpur Main, 15/287, Civil Lines, Post Box No. 2, Kanpur Uttar Pradesh 208001</p> <p>Account Number: 50301500476</p> <p>Type of Account: Current Account</p> <p>IFS Code: IDIB000K586</p> <p>MICR No.: 226019161</p> <p>Investors remitting payment electronically should ensure that the copy of the bank acknowledgement confirming online payment accompanies the CAF.</p>
Minimum Subscription	If the Company does not receive the minimum subscription of 90% of the issue even after the disposition of undersubscribed portion of the Rights Issue by the Board, the Company shall forthwith refund the entire subscription amount received within 15 days from the Issue Closing Date. If such money is not repaid within 8 days from the day the Company becomes liable to repay it (i.e. 15 days after the Issue Closing Date) the Company and every Director of the Company who is an officer in default shall, on and from expiry of 8 days, be jointly and severally liable to repay the money with interest as prescribed under the applicable provisions of the Companies Act, 2013.

DECLARATION

We hereby certify that no statement made in the Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the Rules made thereunder. We further certify that all legal requirements connected with the issue as also the guidelines, instructions issued by the Government and any other competent Authority in this behalf, have been duly complied with. We further certify that all disclosures made in the Letter of Offer are true and correct.

Place : Kanpur
Date : 9th August, 2021

For J.K. Cotton Limited

(Ashok Gupta)
Director
DIN: 00135288