

K.P.R. MILL LIMITED

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

Date: June 17, 2019

To,

National Stock Exchange of India Limited,
Exchange Plaza Block G, C 1,
BandraKurla Complex, G Block BKC,
BandraKurla Complex, Bandra East,
Mumbai, Maharashtra – 400051

BSE Limited,
Listing Department,
P.J. Towers, 1st Floor,
Dalal Street, Fort,
Mumbai, Maharashtra – 400001

Dear Sir/Madam,

BSE – 532889 / NSE – KPRMILL

Subject: Submission of the Draft Letter of Offer pertaining to the proposed buyback of upto 37,50,784 fully paid up equity shares of Rs. 5/- each (“Equity Shares”) of K.P.R. Mill Limited (“Company”) at a price of Rs. 702 per Equity Share for a maximum amount of Rs. 263,30,50,368 (“Offer Size”) through the tender offer process pursuant to the provisions of Regulation 8(i) of SEBI (Buy-Back of Securities) Regulations, 2018, as amended

This is in regard to the captioned buyback and is further to our letter dated June 10, 2019 whereby we had submitted the Public Announcement.

We are pleased to submit herewith the draft letter of offer dated June 14, 2019 for your reference and dissemination.

Kindly take the above on record

Thanking You,

Yours Faithfully,

For **K.P.R. Mill Limited**



P. Kandaswamy
Company Secretary

Encl: As above

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you, being an Eligible Shareholder of K. P. R. Mill Limited (the “Company”) as on the Record Date in accordance with Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amendments (“Buyback Regulation”). If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or the Manager to the Buyback Offer i.e. IDBI Capital Markets & Securities Limited or the Registrar to the Buyback Offer i.e. Karvy Fintech Private Limited. Please refer to the section on ‘Definition of Key terms’ for the definition of the capitalized terms used herein.



K. P. R. MILL LIMITED

Registered Office: No. 9, Gokul Buildings, A.K.S. Nagar, Thadagam Road, Coimbatore - 641 001, India

Corporate Office: 1st Floor Srivari Shrimat, 1045, Avinashi Road, Coimbatore – 641 018, India

CIN: L17111TZ2003PLC010518

Contact Person: Mr. P. Kandaswamy, Company Secretary

Tel: 0422-2207777 | **Fax:** 0422-2207778 | **Email:** investors@kprmill.com | **Website:** www.kprmilllimited.com

CASH OFFER FOR BUYBACK OF NOT EXCEEDING 37,50,784 (THIRTY SEVEN LAKH FIFTY THOUSAND SEVEN HUNDRED EIGHTY FOUR) FULLY PAID-UP EQUITY SHARES OF FACE VALUE ₹5 EACH, REPRESENTING 5.17% OF THE TOTAL NUMBER OF EQUITY SHARES IN THE ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY, FROM ALL THE EXISTING SHAREHOLDERS/ BENEFICIAL OWNERS OF EQUITY SHARES OF THE COMPANY AS ON THE RECORD DATE i.e. WEDNESDAY, JUNE 19, 2019 ON A PROPORTIONATE BASIS, THROUGH THE “TENDER OFFER” PROCESS AT A PRICE OF ₹702 (RUPEES SEVEN HUNDRED AND TWO ONLY) PER EQUITY SHARE FOR AN AGGREGATE CONSIDERATION NOT EXCEEDING ₹263,30,50,368 (RUPEES TWO HUNDRED SIXTY THREE CRORE THIRTY LAKHS FIFTY THOUSAND THREE HUNDRED SIXTY EIGHT ONLY)

- 1) The Buyback is in accordance with the provisions of Sections 68, 69, 70 and all other applicable provisions of the Companies Act, 2013, as amended, the Companies (Share Capital and Debentures) Rules, 2014, as amended to the extent applicable and in accordance with Article 17 of the Articles of Association of the Company and in accordance with Regulation 4(iv)(a) and other applicable provisions contained in the Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory, regulatory or governmental authorities under applicable laws including but not limited to SEBI, the Stock Exchanges and Reserve Bank of India etc.
- 2) The Buyback Offer Size which is not exceeding ₹263,30,50,368 (Rupees Two Hundred Sixty Three Crore Thirty Lakh Fifty Thousand Three Hundred Sixty Eight only) represents 17.61% and 14.87% of the aggregate of the fully paid-up equity share capital and free reserves (including securities premium account) as per the audited standalone and consolidated financial statements respectively of the Company for the financial year ended March 31, 2019 (i.e. the last audited financial statements available as on the date of the Board Meeting approving the Buyback) and is within the limit of 25% of the aggregate of the fully paid-up equity share capital and free reserves as per the latest standalone and consolidated audited financial statements of the Company as on March 31, 2019.
- 3) The Letter of Offer is sent to the Eligible Shareholders as on the Record Date i.e. **Wednesday, June 19, 2019**
- 4) The procedure for acceptance is set out in paragraph 20 (*Procedure for Tender Offer and Settlement*) on page 35, of this Draft Letter of Offer. The Tender Form is enclosed together with this Draft Letter of Offer.
- 5) For mode of payment of cash consideration to the Eligible Shareholders, please refer to paragraph 20.29 (*Method of Settlement*) on page 41 of this Draft Letter of Offer.
- 6) A copy of the Public Announcement, this Draft Letter of Offer and the Letter of Offer (including Tender Form) is expected to be available on the website of SEBI - <http://www.sebi.gov.in>. and the website of the Company- www.kprmilllimited.com
- 7) Eligible Shareholders are advised to refer to paragraph 17 (*Details of Statutory Approvals*) on page 31 of this Draft Letter of Offer and paragraph 21 (*Note on Taxation*) on page 42 of this Draft Letter of Offer before tendering their Equity Shares in the Buyback.

BUYBACK OPENS ON: [●], 2019

BUYBACK CLOSSES ON: [●], 2019

(LAST DATE/TIME OF RECEIPT OF COMPLETED APPLICATION FORMS AND OTHER SPECIFIED DOCUMENTS BY THE REGISTRAR: [●], 2019, BY [●] P.M.

MANAGER TO THE BUYBACK OFFER



IDBI CAPITAL MARKETS & SECURITIES LIMITED

6th Floor, IDBI Tower,
WTC Complex, Cuffee Parade,
Mumbai- 400 005

Contact person: Apurva Bholay/Anusha Shetty

Tel: +91 (22) 2217 1700

Fax: +91 (22) 2215 1787

Email: kpr.buyback@idbicapital.com

Website: www.idbicapital.com

SEBI Registration No.: INM000010866

Validity Period: Permanent Registration

CIN: U65990MH1993GOI075578

REGISTRAR TO THE BUYBACK OFFER



KARVY FINTECH PRIVATE LIMITED

Karvy Selenium, Tower B, Plot No- 31 & 32, Financial District,
Nanakramguda, Serilingampally Hyderabad,
Rangareddi TG 500032

Contact Person: M Murali Krishna

Tel.: 040-6716 2222

Fax.: 040-2343 1551

Email: kprmill.buyback@karvy.com

Website: www.karvyfintech.com

SEBI Registration Number: INR000000221

Validity Period: Permanent Registration

CIN: U67200TG2017PTC117649

TABLE OF CONTENTS

1.	SCHEDULE OF THE ACTIVITIES FOR THE BUYBACK OFFER.....	3
2.	DEFINITION OF KEY TERMS.....	3
3.	DISCLAIMER CLAUSE.....	6
4.	TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING.....	7
5.	DETAILS OF PUBLIC ANNOUNCEMENT.....	12
6.	DETAILS OF THE BUYBACK.....	12
7.	AUTHORITY FOR THE BUYBACK.....	14
8.	NECESSITY OF THE BUYBACK.....	15
9.	MANAGEMENT DISCUSSION AND ANALYSIS OF THE LIKELY IMPACT OF BUYBACK ON THE COMPANY.....	15
10.	BASIS OF CALCULATING BUYBACK PRICE.....	20
11.	SOURCES OF FUNDS FOR THE BUYBACK.....	21
12.	DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT TO BE DEPOSITED THEREIN.....	21
13.	CAPITAL STRUCTURE AND SHAREHOLDING PATTERN.....	21
14.	BRIEF INFORMATION ABOUT THE COMPANY.....	23
15.	FINANCIAL INFORMATION ABOUT THE COMPANY.....	27
16.	STOCK MARKET DATA.....	29
17.	DETAILS OF STATUTORY APPROVALS.....	31
18.	DETAILS OF REGISTRAR TO THE BUYBACK OFFER.....	31
19.	PROCESS AND METHODOLOGY FOR THE BUYBACK.....	32
20.	PROCEDURE FOR TENDER OFFER AND SETTLEMENT.....	35
21.	NOTE ON TAXATION.....	42
22.	DECLARATION BY THE BOARD OF DIRECTORS.....	45
23.	AUDITORS CERTIFICATE.....	46
24.	DOCUMENTS FOR INSPECTION.....	49
25.	DETAILS OF COMPLIANCE OFFICER.....	49
26.	DETAILS OF THE REMEDIES AVAILABLE TO THE SHAREHOLDERS/ BENEFICIAL OWNERS.....	50
27.	DETAILS OF INVESTOR SERVICE CENTRES.....	50
28.	DETAILS OF MANAGER TO THE BUYBACK OFFER.....	50
29.	DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE DRAFT LETTER OF OFFER.....	51

1. SCHEDULE OF THE ACTIVITIES FOR THE BUYBACK OFFER

Activity	Date	Day
Date of Board Meeting approving the proposal of the Buyback	April 29, 2019	Monday
Date of declaration of results of postal ballot for special resolution by the Equity shareholders of the company, approving the Buyback	June 7, 2019	Friday
Date of Public Announcement for Buyback	June 7, 2019	Friday
Date of publication of the Public Announcement for the Buyback	June 10, 2019	Monday
Record Date for determining the Buyback Entitlement and the names of Eligible Shareholders	June 19, 2019	Wednesday
Date of Opening of the Buyback Offer	[•]	[•]
Date of Closing of the Buyback Offer	[•]	[•]
Last date of receipt of the completed Tender Forms and other specified documents by the Registrar	[•]	[•]
Last date of verification of Tender Forms by the Registrar	[•]	[•]
Last date of intimation regarding acceptance / non- acceptance of tendered Equity Shares by the Registrar	[•]	[•]
Last date of settlement of bids on the Stock Exchange	[•]	[•]
Last date of dispatch of share certificate(s) by RTA/ payment to shareholders/ return of unaccepted demat shares by Stock Exchanges to Shareholder Broker/ Eligible Shareholders	[•]	[•]
Last date of extinguishment of Equity Shares	[•]	[•]

2. DEFINITION OF KEY TERMS

This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or specified otherwise, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the Buyback Regulations, the Companies Act, 2013, the Depositories Act, and the rules and regulations made thereunder.

Term	Description
Acceptance	Acceptance of Equity Shares, tendered by Eligible Shareholders in the Buyback Offer
Acquisition Window	The facility for acquisition of Equity Shares through mechanism provided by the Designated Stock Exchange in the form of a separate window in accordance with the SEBI Circulars
Additional Shares / Additional Equity Shares	Additional Equity Shares tendered by an Eligible Shareholder over and above the Buyback Entitlement of such Equity Shareholder upto the Eligible Equity Shares
Articles/ AOA	Articles of Association of the Company
Board Meeting	Meeting of the Board of Directors held on April 29, 2019 approving the proposal for the Buyback Offer
Board/ Board of Directors/ Director(s)	Board of directors of the Company (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized 'Committee' thereof)
BSE	BSE Limited
Buyback/ Buyback Offer/ Offer/ Buyback Offer Size	Buyback of not exceeding 37,50,784 (Thirty Seven Lakh Fifty Thousand Seven Hundred and Eighty Four) Equity Shares at a price of ₹702 (Rupees Seven Hundred and Two only) per Equity Share for an aggregate consideration not exceeding ₹263,30,50,368/- (Rupees Two Hundred Sixty Three Crore Thirty Lakh Fifty Thousand Three Hundred and Sixty Eight only), excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, goods and services tax, stamp duty, etc
Buyback Committee/Committee	The Buyback Committee of the Board, constituted and authorized for the purposes of the Buyback by way of a resolution of the Board dated April 29, 2019

Term	Description
Buyback Entitlement	The number of Equity Shares that an Eligible Shareholder is entitled to tender in the Buyback Offer, based on the number of Equity Shares held by such Eligible Shareholder on the Record Date and the ratio/percentage of Buyback applicable in the category to which such Eligible Shareholder belongs
Buyback Closing Date	[●], 2019
Buyback Opening Date	[●], 2019
Buyback Regulations	Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 as amended from time to time
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Clearing Corporation / ICCL	Indian Clearing Corporation Limited
Company/K.P.R. Mill/ "we"	K.P.R. Mill Limited, unless the context states otherwise
Companies Act, 1956	The Companies Act, 1956, as amended (to the extent applicable)
Companies Act, 2013	The Companies Act, 2013, as amended
Company's Broker	IDBI Capital Markets & Securities Limited
Depositories	Collectively, NSDL and CDSL
Designated Stock Exchange	The designated stock exchange for the Buyback, being, BSE
DIN	Director Identification Number
Draft Letter of Offer/ Offer Document/ DLoF	This Draft Letter of Offer dated June 14, 2019 filed with SEBI through the Manager to the Buyback Offer, containing disclosures in relation to the Buyback as specified in Schedule III of the Buyback Regulations
DP	Depository Participant
DTAA	Double Taxation Avoidance Agreement
Eligible Equity Shares	Eligible Equity Shares means the lower of: (i) Total number of Equity Shares held by an Eligible Shareholder as on the Record Date; or (ii) Total number of Equity Shares tendered by an Eligible Shareholder.
Equity Shares/ Shares	Fully paid-up equity shares of face value ₹ 5 each of the Company
Equity Shareholders/ Shareholders	Holders of the Equity Shares of the Company and includes beneficial owner(s) thereof
Eligible Shareholder(s)	All shareholders / beneficial owner(s) of Equity Shares of the Company as on Record Date i.e. Wednesday, June 19, 2019.
Escrow Account	The escrow account titled "[●]" opened with the Escrow Agent in terms of the Escrow Agreement
Escrow Agent	[●]
Escrow Agreement	The escrow agreement dated [●] entered into between the Company, Escrow Agent and the IDBI Capital Markets & Securities Limited
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended
FII(s)	Foreign Institutional Investor(s)
FPI(s)	Foreign Portfolio Investor(s)
Form / Tender Form	Form of Acceptance-cum-Acknowledgement to be filled in by the Eligible Shareholders to participate in the Buyback
Financial Year/Fiscal/FY	Period of 12 months ended March 31 of that particular year
HUF	Hindu Undivided Family
Income Tax Act	The Income Tax Act, 1961, as amended
Letter of Offer	Letter of Offer dated [●] to be filed with SEBI containing disclosures in relation to the Buyback as specified in the Buyback Regulations, including comments received from SEBI on the Draft Letter of Offer
LTCCG	Long-term Capital Gains
Ltd.	Limited
Manager / Manager to the Buyback Offer / IDBI	IDBI Capital Markets & Securities Limited
Non-Resident Shareholders	Includes Non-Resident persons and bodies corporate, Non-Resident Indians (NRI), FII(s), FPI(s) and erstwhile OCBs
NRE	Non Residents External
NRI	Non Resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies

Term	Description
Offer Period / Tendering Period	Period of 10 working days from the date of opening of the Buyback Offer till its closure (both days inclusive)
Offer Price / Buyback Offer Price/ Buyback Price	Price at which Equity Shares will be bought back from the Eligible Shareholders i.e. ₹702 (Rupees Seven Hundred and Two only) per Equity Share, payable in cash
PAN	Permanent Account Number
Promoters and Promoter Group	Promoter and promoter group as have been disclosed under the filings made by the Company under the listing agreement/ Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Public Announcement / PA	The public announcement, made in accordance with the Buyback Regulations, dated June 7, 2019, published in all editions of Financial Express (English National daily), Jansatta (Hindi National daily) and Coimbatore edition of Makkal Kural (Regional Language daily) on June 10, 2019
Ratio of Buyback	The ratio of the Buy-back: (i) in case of Small Shareholders, [●] Equity Shares for every [●] Equity Shares held by such Small Shareholder on the Record Date; and (ii) for Eligible Shareholders other than Small Shareholders, [●] Equity Shares for every [●] Equity Shares held by such Eligible Shareholder on the Record Date
RBI	Reserve Bank of India
Record Date	The date for the purpose of determining the entitlement and the names of the Equity Shareholders, to whom the Letter of Offer and Tender Form will be sent and who are eligible to participate in the Buyback Offer in accordance with Buyback Regulations. This date shall be Wednesday, June 19, 2019.
Registrar to the Buyback Offer/ Registrar	Karvy Fintech Private Limited
SEBI	Securities and Exchange Board of India
SEBI Circulars	Tendering of Equity Shares by Shareholders and settlement of the same, through the stock exchange mechanism as specified by SEBI in the circular bearing number CIR/ CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular no. CFD/DCR2/CIR/P/2016/131 dated December 09, 2016
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Shareholder Broker	A stock broker (who is a member of the BSE and/or NSE) of an Eligible Shareholder, through whom the Eligible Shareholder wants to participate in the Buyback
Small Shareholder	An Eligible Shareholder, who holds Equity Shares of market value not more than two lakh rupees, on the basis of closing price on the recognized stock exchange registering the highest trading volume, as on Record Date i.e. Wednesday, June 19, 2019.
STCG	Short-term Capital Gains
Stock Exchanges	BSE and NSE, being the stock exchanges where the Equity Shares of the Company are listed
Tender Form	Form of Acceptance-cum-Acknowledgement
Tender Offer	Method of buyback as defined in Regulation 2(1)(q) of the Buyback Regulations
TRS	Transaction Registration Slip
Working Day	Working day shall have the meaning ascribed to it under the Buyback Regulations

3. DISCLAIMER CLAUSE

As required, a copy of this Draft Letter of Offer has been submitted to Securities and Exchange Board of India (SEBI). It is to be distinctly understood that submission of this Draft Letter of Offer to SEBI should not, in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the Buyback commitments or for the correctness of the statements made or opinions expressed in this Draft Letter of Offer. The Manager to the Buyback Offer, IDBI Capital Markets & Securities Limited has certified that the disclosures made in this Draft Letter of Offer are generally adequate and are in conformity with the provisions of the Companies Act, 2013 and the Buyback Regulations. This requirement is to facilitate Eligible Shareholders to take an informed decision for tendering their Equity Shares in the Buyback.

It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in this Draft Letter of Offer, the Manager to the Buyback Offer is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose. The Manager to the Buyback Offer, IDBI Capital Markets & Securities Limited has furnished to SEBI a due diligence certificate dated June 14, 2019 in accordance with Buyback Regulations which reads as follows:

“We have examined various documents and materials contained in the annexure to the Letter of Offer, as part of the due-diligence carried out by us in connection with the finalization of the Public Announcement dated June 7, 2019 and the Letter of Offer. On the basis of such examination and the discussions with the Company, we hereby state that:

- *The Public Announcement and the Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback offer.*
- *All the legal requirements connected with the said Buyback offer including Securities Exchange Board of India (Buy-Back of Securities) Regulations, 2018, have been duly complied with.*
- *The disclosures in the Public Announcement and the Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the Eligible Shareholders of the Company to make a well informed decision in respect of the captioned Buyback Offer.*
- *Funds used for Buyback shall be as per the provisions of the Companies Act, 2013, as amended”*

The filing of the Letter of Offer with SEBI does not, however, absolve the Company from any liabilities under the provisions of the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.

Promoters/ Board of Directors declare and confirm that no information/ material likely to have a bearing on the decision of Eligible Shareholders has been suppressed/ withheld and/ or incorporated in the manner that would amount to mis-statement/ misrepresentation and in the event of it transpiring at any point of time that any information/ material has been suppressed/ withheld and/ or amounts to a mis-statement/ misrepresentation, the Promoters/ Board of Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act, 2013, Buyback Regulations and other applicable laws and regulations.

Promoters/ Board of Directors also declare and confirm that funds borrowed from the banks and financial institutions will not be used for the Buyback.

Disclaimer for U.S. Persons:

The information contained in this Draft Letter of Offer is exclusively intended for persons who are not US Persons as such term is defined in Regulations of the US Securities Act of 1933, as amended, and who are not physically present in the United States of America. This Draft Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in the United States of America or in any other jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Draft Letter of Offer are requested to inform themselves about and to observe any such restrictions.

Disclaimer for Persons in other foreign countries:

This Draft Letter of Offer together with the Public Announcement that was published in connection with this Buyback, has been prepared for the purposes of compliance with the Buyback Regulations. Accordingly, the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. The

Company and the Manager to the Buyback are under no obligation to update the information contained herein at any time after the date of this Draft Letter of Offer. This Draft Letter of Offer does not in any way constitute an offer to sell or an invitation in any form to subscribe/purchase/ sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Draft Letter of Offer are requested to inform themselves about and to observe any such restrictions.

No action has been or will be taken to permit the Buyback in any jurisdiction where action would be required for that purpose. The Letter of Offer will be dispatched to all Equity Shareholders whose names appear on the register of members of the Company, as of the Record Date. However, receipt of the Letter of Offer by any Equity Shareholder in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of the Letter of Offer under any local securities laws), shall not be treated by such Equity Shareholder as an offer being made to them and shall be construed by them as being sent for information purposes only.

Persons in possession of the Letter of Offer are required to inform themselves of any relevant restrictions in their respective jurisdictions. Any Equity Shareholder who tenders his, her or its Equity Shares in the Buyback shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in the Buyback.

Forward Looking Statement:

This Draft Letter of Offer contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases such as 'aim', 'anticipate', 'believe', 'expect', 'estimate', 'intend', 'objective', 'plan', 'project', 'will', 'will continue', 'will pursue' or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, inter alia, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

4. TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING

The Buyback through Tender Offer was considered and approved by the Board of Directors of the Company at their meeting held on Monday, April 29, 2019. The extracts of the minutes of the Board Meeting are as follows:

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 Article 17 of the Articles of Association of the Company, and the provisions of Section 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013 as amended (the “Companies Act”), the Companies (Share Capital and Debentures) Rules, 2014 (the “Share Capital Rules”) to the extent applicable, and in compliance with the SEBI (Buy-back of Securities) Regulations, 2018, as amended (the “Buyback Regulations”), and any statutory modification(s) or re-enactment thereof, for the time being in force and, subject to the approval of shareholders by postal ballot or e-voting and also such other approvals, permissions and sanctions of Securities and Exchange Board of India (“SEBI”), Registrar of Companies, Coimbatore (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 37,50,784 (Thirty seven lakh fifty thousand seven hundred and eighty four) equity shares (representing [5.17%] of the total number of equity shares in the paid-up share capital of the Company) of the face value of ₹5 each ("Equity Shares" or "Shares") at a price of ₹702/- (Rupees Seven hundred and two only) per equity share (the "Buy Back Offer Price") payable in cash for an aggregate consideration not exceeding ₹263,30,50,368/- (Rupees Two hundred sixty three crores thirty lakh fifty thousand three hundred and sixty eight only) (the "Buyback Offer Size") being 17.61% and 14.87% , which is not exceeding 25% of the aggregate of the fully paid-up share capital and free reserves as per the audited standalone and consolidated financials of the Company for the financial year ended March 31, 2019 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 and circular CFD/DCR2/CIR/P/ 2016/131 dated December 09, 2016 or such other mechanism as may be applicable."

RESOLVED FURTHER THAT such Buyback may be made out of the Company's free reserves and / or such other sources 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
 - 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 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 ₹263,30,50,368/- (Rupees Two hundred sixty three crores thirty lakh fifty thousand three hundred and sixty eight only), does not exceed 25% of the aggregate of the fully paid-up share capital and free reserves as per the audited standalone and consolidated financials of the Company for the financial year ended March 31, 2019 (the last audited standalone and consolidated 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. 37,50,784 (Thirty seven lakh fifty thousand seven hundred and eighty four) 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 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 and the date on which the results of the Postal Ballot/ E-voting will be declared, 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 as well as for the year immediately following the date on which the results of the Postal Ballot/ E-voting will be declared approving the Buyback, 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 the date on which the results of the Postal Ballot/ E-voting will be declared; 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 Companies Act, 2013 and Insolvency and Bankruptcy Code 2016 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, as amended and SEBI (Substantial Acquisition of Shares and Takeover) Regulations 2011, as amended ("SEBI Takeover Regulations") as the Board may consider appropriate, from out of its free reserves and/or share premium account and/or surplus and/or cash balances and/ or internal accruals of the Company and/or such other sources or 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 Shri K.P. Ramasamy (Chairman), Shri KPD Sigamani (Managing Director) and Shri P. Nataraj (Managing Director and Chief Executive Officer), be and are hereby authorized to finalise and sign the same, for and on behalf of the Board, and Shri 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 Manager to the Buyback Offer i.e. IDBI Capital Markets & Securities Limited be and is hereby accorded.

RESOLVED FURTHER THAT a Committee be constituted ("Buyback Committee") comprising of Shri K.P. Ramasamy (Chairman), Shri KPD Sigamani (Managing Director) and Shri P. Nataraj (Managing Director and Chief Executive Officer), Shri. PL. Murugappan (Chief Financial Officer), and that Mr. P. Kandaswamy (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) appointment of brokers, registrar, advertising agency, escrow bank, compliance officer and other advisors, consultants or representatives;
- b) 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;
- c) to enter into escrow arrangements as may be required in terms of the Buyback Regulations;
- d) 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;
- e) 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;
- f) 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;
- g) 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;
- h) 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;
- i) 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.
- j) 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.
- k) obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law.
- l) 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 and circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016.
- m) 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.
- n) 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.
- o) 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 members.

RESOLVED FURTHER THAT in terms of Regulation 19(3) of the Buyback Regulations, Shri 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 and to do all such acts, deeds and things as may be necessary to give effect to the above resolutions.”

3. TO CONSIDER PASSING OF RESOLUTION BY POSTAL BALLOT/ E-VOTING TO OBTAIN APPROVAL OF SHAREHOLDERS 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 Sections 108 and 110 of the Companies Act, 2013 and other applicable provisions thereof read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 (the “Management Rules”) including any statutory modification or re-enactment thereof for the time being in force, and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, approval of the Board be and is hereby accorded to conduct the Postal Ballot/ E-voting to seek the approval of the shareholders of the Company by Special Resolution 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 FURTHER THAT approval of the Board be and is hereby accorded to the Notice of Postal Ballot along with Explanatory statement to conduct the process of Postal Ballot including but not limited to E-voting to seek the approval of the shareholders of the Company by Special Resolution.

RESOLVED FURTHER THAT, authorization be and is hereby given to Shri KPD Sigamani (Managing Director) and Shri. P. Nataraj (Managing Director and Chief Executive Officer) for making such modifications to the draft Notice of Postal Ballot and the Explanatory Statement, as may be necessary and to do all such acts, deeds and things as may be required or deemed necessary to implement the above resolutions, and to deal all questions or difficulties that may arise in the course of implementing the above resolutions.

RESOLVED FURTHER THAT the tentative calendar of events, as placed before the Board, for implementing, the proposal, be and is hereby approved and Shri KPD Sigamani (Managing Director) and Shri. P. Nataraj (Managing Director and Chief Executive Officer), Shri P. Kandaswamy (Company Secretary), be and are hereby jointly/severally authorized to alter/modify/extend the calendar of events, if thought absolute necessary for implementation of the Resolution.

RESOLVED FURTHER THAT Shri A. Vetrivel , Practicing Chartered Accountant, who has given his consent to act as Scrutinizer, if so appointed, be and is hereby appointed as Scrutinizer to conduct the postal ballot/ e-voting at such remuneration and out of pocket expenses, as may be determined by either Shri KPD Sigamani (Managing Director) or Shri. P. Nataraj (Managing Director and Chief Executive Officer) of the Company, excluding incidental expenses, which will be reimbursed by the Company.

RESOLVED FURTHER THAT Shri K. Radhakrishnan, Practicing Company Secretary, be and is hereby authorized to do all such acts, deeds and things as may be necessary to conduct the Postal Ballot/E-voting process in a fair and transparent manner and to submit its final report, ballot papers and other related papers and registers to the Board of Directors of the Company within the specified time period.

RESOLVED FURTHER THAT Karvy Fintech Private Limited, be and is hereby authorised as the Agency to provide e-voting facility to all shareholders of the Company.

RESOLVED FURTHER THAT the Notice be given to every shareholder of the Company and voting rights of such shareholder be reckoned as on the 30.04.2019

RESOLVED FURTHER THAT Shri P. Kandaswamy, Company Secretary, be and is hereby authorized to retain custody of postal ballot/ e-voting forms and other records received from the scrutinizer after the scrutinizer has submitted his report on the scrutiny to the Board of Directors.

RESOLVED FURTHER THAT Shri. P. Nataraj (Managing Director and Chief Executive Officer), be and is hereby authorized to declare the results of the postal ballot/ e-voting process.

RESOLVED FURTHER THAT Shri P. Kandaswamy, Company Secretary, of the Company be and is hereby authorised to issue the said Postal Ballot Notice to all the shareholders of the Company whose names appears as on the cut-off date, and is hereby authorised to make necessary filings with the stock exchanges, Registrar of Companies, Coimbatore , or any other regulatory authority, and for publication of advertisements in the newspaper specifying inter alia the date of completion of dispatch of postal ballots/ e-voting instructions.

5. DETAILS OF PUBLIC ANNOUNCEMENT

In accordance with the provisions of Regulation 7(i) of the Buyback Regulations, the Company has made a Public Announcement dated June 7, 2019 in relation to the Buyback which was published on June 10, 2019 in the following newspapers. The Public Announcement was issued within two working days from the date of declaration of the postal ballot including electronic voting results for approving Buyback i.e June 7, 2019.

Publication	Language	Editions
Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Makkal Kural	Tamil	Coimbatore Edition

The Company will publish further notices or corrigenda, if any, in the above mentioned newspapers.

A copy of the Public Announcement is available on the SEBI website at www.sebi.gov.in and the website of the Company i.e. www.kprmilllimited.com.

6. DETAILS OF THE BUYBACK

The Board of Directors of K.P.R. Mill Limited on April 29, 2019, has passed a resolution subject to the approval of the shareholders of the Company by way of a special resolution through postal ballot (including e-voting) to buyback Equity Shares of the Company not exceeding 37,50,784 (Thirty Seven Lakh Fifty Thousand Seven Hundred and Eighty Four) fully paid-up Equity Shares of face value ₹5 each from all the existing shareholders / beneficial owners of Equity Shares of the Company as on Record Date, on a proportionate basis, through the “Tender Offer” process, at a price of ₹702 (Rupees Seven Hundred and Two only) per Equity Share payable in cash, for an aggregate consideration not exceeding ₹263,30,50,368/- (Rupees Two Hundred Sixty Three Crore Thirty Lakh Fifty Thousand Three Hundred and Sixty Eight only).

The Buyback is in accordance with the provisions of Article 17 of the Articles of Association of the Company, Section 68, 69, 70 and all other applicable provisions if any, of the Companies Act, 2013, as amended, the Companies (Share Capital and Debentures) Rules, 2014 (the “Share Capital Rules”) and the provisions contained in the Buyback Regulations.

The shareholders of the Company approved the Buyback, by way of a special resolution, through postal ballot (including e-voting) pursuant to the Postal Ballot Notice (the “Postal Ballot”) dated April 29, 2019, the results of which were announced on June 7, 2019.

The Buyback is subject to approvals as may be necessary, from time to time from statutory authorities including but not limited to SEBI, BSE and NSE.

The Buyback Offer Size represents 17.61% and 14.87% of the aggregate of the fully paid-up equity share capital and free reserves (including securities premium account) as per the audited standalone and consolidated financial statements respectively of the Company for the financial year ended March 31, 2019, (the last audited financial statements available as on the date of the Board Meeting approving the Buyback) and is within the statutory limits of 25% of the aggregate of the fully paid-up equity share capital and free reserves as per audited standalone and consolidated financial statements of the Company, under the Tender

offer approval route as per the provisions of the Buyback Regulations. The maximum number of Equity Shares proposed to be bought back represents 5.17% of the total number of Equity Shares in the issued, subscribed and paid-up equity share capital of the Company.

The maximum amount required by the Company for the said Buyback will not exceed ₹263,30,50,368/- (Rupees Two Hundred Sixty Three Crore Thirty Lakh Fifty Thousand Three Hundred and Sixty Eight only) and is within permitted limits.

The funds for the Buyback will be met out of internally generated cash resources of the Company. The Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited balance sheet. The Company confirms that as required under Section 68(2) (d) of the Companies Act, 2013, 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.

The Buyback shall be on a proportionate basis from all the Equity Shareholders of the Company through the “**Tender Offer**” process, as prescribed under Regulation 4(iv)(a) of the Buyback Regulations. Additionally, the Buyback shall be, subject to applicable laws, facilitated by tendering of Equity Shares by such Shareholders and settlement of the same, through the stock exchange mechanism as specified in SEBI Circulars.

The Buyback Offer Size does not include any other expenses incurred or to be incurred for the Buyback like SEBI filing fees, Stock Exchanges fees, advisors fees, Public Announcement publication expenses, printing & dispatch expenses and other incidental & related expenses.

The aggregate shareholding of the promoters and promoter group of the Company (“**Promoters and Promoter Group**”), the directors of the Promoters and Promoter Group companies holding Equity Shares and of persons who are in control of the Company, as on the date of the Board Meeting i.e. Monday, April 29, 2019 is given below:

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

S. No.	Name of shareholder	Number of Equity Shares held	Number of Equity Shares held in dematerialized form	Percentage of issued Equity Share capital
	INDIVIDUALS			
1.	Sri. K. P. Ramasamy	1,56,70,141	1,56,70,141	21.60
2.	Smt. K.R. Parvathi	17,87,615	17,87,615	2.46
3.	Sri KPD Sigamani	1,56,70,141	1,56,70,141	21.60
4.	Smt. D. Radhamani	17,89,004	17,89,004	2.47
5.	Sri P. Nataraj	1,56,70,141	1,56,70,141	21.60
6.	Smt. N. Jayanthi	17,89,004	17,89,004	2.47
7.	Sri. C.R. Anandakrishnan	1,390	1,390	0.002
	CORPORATE			
8.	K.P.R. Developers Limited	20,37,162	20,37,162	2.81
	Total	5,44,14,598	5,44,14,598	74.99

b. Shareholding of directors of the Promoters and Promoter Group entity (i.e. K. P. R. Developers Limited) in the Company:

Sr. No.	Name of the Shareholders	Designation	No. of Equity Shares held	Percentage of issued Equity Share capital
1.	Sri KPD Sigamani	Director	1,56,70,141	21.60
2.	Sri P. Nataraj	Director	1,56,70,141	21.60
3.	Sri. K. P. Ramasamy	Director	1,56,70,141	21.60
	Total		4,70,10,423	64.80

No Equity Shares or other specified securities in the Company were either purchased or sold by person referred above during a period of six months preceding the date of the Board Meeting i.e. April 29, 2019

and from the date of Board Meeting till the date of the Public Announcement.

In terms of the Buyback Regulations, under the Tender Offer route, the promoters and promoter group of the Company have an option to participate in the Buyback. In this regards, certain members of the Promoters and Promoter Group of the Company have expressed their intention, vide their letters, each dated April 29, 2019 to participate in the Buyback and tender up to an aggregate maximum of 1,30,94,011 (One Crore Thirty Lakh Ninety Four Thousand and Eleven only) Equity Shares as detailed below or such lower number of Equity Shares in accordance with the Buyback Regulations in the following manner:

Sr. No.	Name of the Shareholders	Maximum number of Equity Shares intended to tender
1.	Sri.K.P.Ramasamy	39,17,535
2.	Smt.K.R.Parvathi	4,46,904
3.	Sri.KPD Sigamani	39,17,535
4.	Smt.D.Radhamani	4,47,251
5.	Sri.P.Nataraj	39,17,535
6.	Smt.N.Jayanthi	4,47,251
	Total	1,30,94,011

The pre-Buyback shareholding of Promoters and Promoter Group of the Company is 74.99 % of the total paid-up equity share capital of the Company and assuming that the response to the Buyback is 100% (full acceptance) from all the Eligible Shareholder in proportion of their respective Buyback Entitlement, post-Buyback shareholding of Promoters and Promoter Group will be [●]% of the total paid-up equity share capital of the Company. For details with respect to aggregate shareholding of Promoters and Promoter Group post-Buyback please refer paragraph 13.4 of this Draft Letter of Offer

The Promoters and Promoter Group of the Company vide their letters dated April 29, 2019 have undertaken and confirmed that in case their shareholding goes beyond 75%, post Buyback, they will reduce their shareholding in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended, within the time period prescribed under Rule 19A of Securities Contract (Regulation) Rules, 1957 ("SCRR") to ensure compliance with the minimum public shareholding prescribed under the SCRR.

Further, the Promoters and Promoter Group vide their letters dated April 29, 2019 has also confirm that in case the total Promoters and Promoter Group shareholding goes beyond 75%, post Buyback, they will reduce their shareholding to the extent required, in accordance with timelines specified in proviso to Regulation 10(4)(c) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended i.e. within a period of ninety days from the date of closure of the Buyback offer, to ensure compliance with the minimum public shareholding requirements.

Pursuant to the proposed Buyback and depending on the response to the Buyback, the voting rights of the Promoters in the Company may increase or decrease from the existing 74.99% holding in the total paid-up equity share capital of the Company as on date of the Board Meeting i.e. April 29, 2019. The Promoters and Promoter Group of the Company are already in control over the Company and therefore such increase/decrease in voting rights of the Promoters and Promoter Group will not result in any change in control over the Company.

7. AUTHORITY FOR THE BUYBACK

The Buyback is in accordance with the provisions of Article 17 of the Articles of Association of the Company, Section 68, 69, 70 and all other applicable provisions if any, of the Companies Act, 2013 as amended, the Companies (Share Capital and Debenture) Rules, 2014 and the provisions contained in the Buyback Regulations.

The Buyback is subject to approvals as may be necessary, from time to time from statutory authorities including but not limited to SEBI, BSE and NSE.

The Board of Directors at their meeting on April 29, 2019 passed a resolution approving buyback of Equity Shares of the Company and sought approval of its Shareholders, by a special resolution, through Postal Ballot Notice dated April 29, 2019, the results of which were announced on June 7, 2019.

8. NECESSITY OF THE BUYBACK

Share buyback is the acquisition by a company of its own shares. The objective is to return surplus cash to the members holding equity shares of the Company. The Board at its meeting held on Monday, the April 29, 2019, considered the accumulated free reserves as well as the cash liquidity reflected in the latest audited standalone as well as consolidated financial statements for the financial year ended March 31, 2019 and considering these, the Board decided to allocate a sum of ₹263,30,50,368 (Rupees Two Hundred Sixty Three Crore Thirty Lakh Fifty Thousand Three Hundred and Sixty Eight only) for returning to the members holding equity shares of the Company through the Buyback.

After considering several factors and benefits to the members holding equity shares of the Company, the Board decided to recommend Buyback of not exceeding 37,50,784 (Thirty Seven Lakh Fifty Thousand Seven Hundred And Eighty Four only) Equity Shares (representing 5.17% of the total number of equity shares in the paid up share capital of the Company) at a price of ₹702 (Rupees Seven Hundred and Two Only) per equity share for an aggregate consideration of ₹263,30,50,368 (Rupees Two Hundred Sixty Three Crore Thirty Lakh Fifty Thousand Three Hundred and Sixty Eight only). Buyback is a more efficient form of returning surplus cash to the members holding equity shares of the Company, inter-alia, for the following reasons:

- i. The Buyback will help the Company to return surplus cash to its members holding equity shares broadly in proportion to their shareholding, thereby, enhancing the overall return to members;
- ii. The Buyback, which is being implemented through the Tender Offer route as prescribed under the Buyback Regulations, would involve allocation of higher number of shares as per their entitlement or 15% of the number of shares to be bought back, reserved for the small shareholder. The Company believes that this reservation for small shareholders would benefit a large number of public shareholders, who would get classified as “small shareholder”;
- iii. The Buyback may help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders’ value;
- iv. The Buyback gives an option to the members holding equity shares of the Company, who can choose to participate and get cash in lieu of equity shares to be accepted under the Buyback offer or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post the Buyback offer, without additional investment.
- v. Optimizes the capital structure.

9. MANAGEMENT DISCUSSION AND ANALYSIS OF THE LIKELY IMPACT OF BUYBACK ON THE COMPANY

9.1 We believe the Buyback is not likely to cause any material impact on the profitability/ earnings of the Company except a reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. Assuming there is full response to the Buyback to the extent of 100%, the funds deployed by the Company towards the Buyback would be ₹263,30,50,368/- (Rupees Two Hundred Sixty Three Crore Thirty Lakh Fifty Thousand Three Hundred and Sixty Eight only) excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, goods and services tax, stamp duty, etc.). This shall impact the investment income earned by the Company, on account of reduced amount of funds available for investments.

9.2 We believe the Buyback will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations. The Buyback is expected to contribute to the overall enhancement of shareholder value and result in an increase in the return on equity of the Company.

9.3 In terms of the Buyback Regulations, under the Tender Offer process, the promoters and promoter group of the Company has the option to participate in the Buyback. In this regards, certain members of the Promoters and Promoter Group of the Company have expressed their intention, vide their letters, each dated April 29, 2019 to participate in the Buyback and tender up to an aggregate maximum of 1,30,94,011 (One Crore Thirty Lakh Ninety Four Thousand and Eleven) Equity Shares as detailed below or such lower number of Equity Shares in accordance with the Buyback Regulations in the following manner:

S. No.	Name of Promoters & Promoter Group Participating in the Buyback Offer	Maximum number of Equity Shares intended to tender
1.	Sri.K.P.Ramasamy	39,17,535

S. No.	Name of Promoters & Promoter Group Participating in the Buyback Offer	Maximum number of Equity Shares intended to tender
2.	Smt.K.R.Parvathi	4,46,904
3.	Sri.KPD Sigamani	39,17,535
4.	Smt.D.Radhamani	4,47,251
5.	Sri.P.Nataraj	39,17,535
6.	Smt.N.Jayanthi	4,47,251
Total		1,30,94,011

The Buyback of Equity Shares will not result in a change in control or otherwise affect the existing management structure of the Company.

- 9.4 Since the entire shareholding of the Promoters & Promoter Group participating in the Buyback is in demat mode, the details of the date and price of acquisition/ sale of entire Equity Shares that the said Promoters & Promoter Group have acquired/sold till date as per the information provided by Promoters & Promoter Group, each vide their letters, dated April 29, 2019, are set-out below:

(i) *KPD Sigamani*

Date of Transaction	No. of Equity Shares	Acquisition/ Sale Consideration (₹)	Nature of Transaction/Consideration
March 19, 2003	360 ⁽¹⁾	36,000	Allotment pursuant to subscription to Memorandum and Articles of Association
March 31, 2005	37,933 ⁽¹⁾	94,83,250	Further allotment to the promoters
February 15, 2006	72,651	Nil	Consideration for purchase of Business of K.P.R Knits
February 15, 2006	(48,434)	57,92,706	Transfer to Mr.K.P.Ramasamy & Mr. P. Nataraj
October 06, 2006	37,87,337	Nil	Allotment pursuant to Merger ⁽²⁾
November 14, 2006	(2,21,486)	13,28,18,510	Transfer to private equity investors
March 1, 2007	39,72,998	Nil	Bonus issue
November 16, 2008	10,000	4,72,238	Purchase in open market
November 20, 2008	20,000	9,84,665	Purchase in open market
September 17, 2009	50,000	39,38,990	Purchase in open market
October 16, 2009	10,117	8,02,115	Purchase in open market
October 17, 2009	32,088	25,46,478	Purchase in open market
04 June, 2010	858	1,26,576	Purchase in open market
July 06, 2012	29,000	28,83,944	Purchase in open market
July 09, 2012	29,300	29,13,778	Purchase in open market
February 20, 2013	1,275	1,57,356	Purchase in open market
Pursuant to resolution passed by members through Postal ballot including E-voting process declared on November 15, 2016, sub division One Equity Share of ₹10/-each in the Company to Two Equity Shares of ₹5/- each.			
February 13, 2017	(3,04,149)	20,07,38,340	Sold in buyback of shares of the Company
April 03, 2017	(3,119) ⁽⁴⁾	19,59,920 ⁽³⁾	Sold in open market
April 06, 2018	(2,69,859)	21,85,85,790	Sold in buyback of shares of the Company
June 05, 2018	(10,000) ⁽⁴⁾	56,62,967 ⁽³⁾	Sold in open market
Total Current Holding	1,56,70,141		

(1) On December 23, 2005, one Equity Share of the Company of ₹100 sub-divided into 10 Equity Shares of ₹10 each.

(2) Allotment pursuant to a scheme of arrangement approved by the High Court of Judicature at Madras in relation to the merger of K.P.R. Mill Private Limited and K.P.R. Spinning Mill Private Limited with and into the Company.

(3) Net of brokerage charges.

(4) To comply with buyback regulations

(ii) P. Nataraj

Date of Transaction	No. of Equity Shares	Acquisition/ Sale Consideration (₹)	Nature of Transaction/Consideration
March 19, 2003	360 ⁽¹⁾	36,000	Allotment pursuant to subscription to Memorandum and Articles of Association
March 31, 2005	37,933 ⁽¹⁾	94,83,250	Further allotment to the promoters
February 15, 2006	24,217	28,96,353	Transfer from Mr. KPD Sigamani
October 06, 2006	38,26,987	Nil	Allotment pursuant to Merger ⁽²⁾
November 14, 2006	(2,61,589)	15,68,67,076	Transfer to private equity investors
March 1, 2007	39,72,545	Nil	Bonus issue
November 16, 2008	8,973	4,23,740	Purchase in open market
November 20, 2008	32,870	16,18,297	Purchase in open market
September 22, 2009	50,000	39,39,088	Purchase in open market
September 25, 2009	3,157	2,46,339	Purchase in open market
October 14, 2009	27,205	30,98,326	Purchase in open market
04 June, 2010	863	1,27,314	Purchase in open market
July 06, 2012	29,000	28,55,818	Purchase in open market
July 09, 2012	29,300	28,76,309	Purchase in open market
February 20, 2013	1,275	1,57,356	Purchase in open market
Pursuant to resolution passed by members through Postal ballot including E-voting process declared on November 15, 2016, sub division One Equity Share of ` 10/-each in the Company to Two Equity Shares of ` 5/- each.			
February 13, 2017	(3,04,115)	20,07,15,900	Sold in buyback of shares of the Company
April 03, 2017	(1,351)	8,48,980 ⁽³⁾	Sold in open market
April 06, 2018	(2,69,859)	21,85,85,790	Sold in buyback of shares of the Company
June 05, 2018	(10,000) ⁽⁴⁾	56,62,967 ⁽³⁾	Sold in open market
Total Current Holding	1,56,70,141		

(1) On December 23, 2005, one Equity Share of the Company of ₹100 sub-divided into 10 Equity Shares of ₹10 each.

(2) Allotment pursuant to a scheme of arrangement approved by the High Court of Judicature at Madras in relation to the merger of K.P.R. Mill Private Limited and K.P.R. Spinning Mill Private Limited with and into the Company.

(3) Net of brokerage charges

(4) To comply with buyback regulations

(iii) K. P. Ramasamy

Date of Transaction	No. of Equity Shares	Acquisition/ Sale Consideration (₹)	Nature of Transaction/Consideration
March 19, 2003	360 ⁽¹⁾	36,000	Allotment pursuant to subscription to Memorandum and Articles of Association
March 31, 2005	37,934 ⁽¹⁾	94,83,500	Further allotment to the promoters
February 15, 2006	24,217	28,96,353	Transfer from Mr. KPD Sigamani
October 06, 2006	38,29,000	Nil	Allotment pursuant to Merger ⁽²⁾
November 14, 2006	(2,63,635)	15,80,94,000	Transfer to private equity investors
March 01, 2007	39,72,522	Nil	Bonus issue
November 16, 2008	10,000	4,72,238	Purchase in open market
November 20, 2008	20,000	9,84,665	Purchase in open market
September 17, 2009	52,350	39,35,055	Purchase in open market
October 14, 2009	39,855	33,54,090	Purchase in open market
June 06, 2010	860	1,26,871	Purchase in open market
July 06, 2012	30,000	29,23,120	Purchase in open market
July 09, 2012	28,300	28,14,332	Purchase in open market
February 20, 2013	1,275	1,57,676	Purchase in open market
Pursuant to resolution passed by members through Postal ballot including E-voting process declared on November 15, 2016, sub division One Equity Share of ₹10/-each in the Company to Two Equity Shares of ₹5/- each.			

Date of Transaction	No. of Equity Shares	Acquisition/ Sale Consideration (₹)	Nature of Transaction/Consideration
February 13, 2017	(3,04,114)	20,07,15,240	Sold in buyback of shares of the Company
April 03, 2017	(1,254)	7,87,976 ⁽³⁾	Sold in open market
April 06, 2018	(2,69,859)	21,85,85,790	Sold in buyback of shares of the Company
June 05, 2018	(10,000) ⁽⁴⁾	56,62,967 ⁽³⁾	Sold in open market
Total Current Holding	1,56,70,141		

(1) On December 23, 2005, one Equity Share of the Company of ₹100 sub-divided into 10 Equity Shares of ₹10 each.

(2) Allotment pursuant to a scheme of arrangement approved by the High Court of Judicature at Madras in relation to the merger of K.P.R. Mill Private Limited and K.P.R. Spinning Mill Private Limited with and into the Company.

(3) Net of brokerage charges.

(4) To comply with buyback regulations

(iv) N. Jayanthi

Date of Transaction	No. of Equity Shares	Acquisition/ Sale Consideration (₹)	Nature of Transaction/Consideration
July 21, 2003	360 ⁽¹⁾	36,000	Allotment
March 31, 2005	27,500 ⁽¹⁾	68,75,000	Further allotment to the promoters
October 06, 2006	4,90,013	Nil	Allotment pursuant to Merger ⁽²⁾
November 14, 2006	(30,791)	1,84,64,439	Transfer to private equity investors
March 1, 2007	7,37,822	Nil	Bonus issue
July 17, 2007	(4,43,560)	4,43,560	Sale to private equity shareholder
August 08, 2007	(90,242)	90,243	Sale to private equity shareholder
Pursuant to resolution passed by members through Postal ballot including E-voting process declared on November 15, 2016, sub division One Equity Share of ₹10/-each in the Company to Two Equity Shares of ₹5/- each.			
February 13, 2017	(35,240)	2,32,58,400	Sold in buyback of shares of the Company
April 03, 2017	(28,651)	1,80,03,545 ⁽³⁾	Sold in open market
April 06, 2018	(30,789)	2,49,39,090	Sold in buyback of shares of the Company
Total Current Holding	17,89,004		

(1) On December 23, 2005, one Equity Share of the Company of ₹100 sub-divided into 10 Equity Shares of ₹10 each.

(2) Allotment pursuant to a scheme of arrangement approved by the High Court of Judicature at Madras in relation to the merger of K.P.R. Mill Private Limited and K.P.R. Spinning Mill Private Limited with and into the Company.

(3) Net of brokerage charges

(v) K. R. Parvathi

Date of Transaction	No. of Equity Shares	Acquisition/ Sale Consideration (₹)	Nature of Transaction/Consideration
July 21, 2003	360 ⁽¹⁾	36,000	Allotment
March 31, 2005	27,500 ⁽¹⁾	68,75,000	Further allotment to the promoters
October 06, 2006	4,88,000	Nil	Allotment pursuant to Merger ⁽²⁾
November 14, 2006	(28,753)	1,72,42,312	Transfer to private equity investors
March 1, 2007	(360)	Nil	Gift to Mr. C. R. Anandakrishnan
March 1, 2007	7,37,487	Nil	Bonus issue
July 17, 2007	(4,43,560)	4,43,560	Sale to private equity shareholder
August 08, 2007	(90,243)	90,243	Sale to private equity shareholder
Pursuant to resolution passed by members through Postal ballot including E-voting process declared on November 15, 2016, sub division One Equity Share of ₹10/-each in the Company to Two Equity Shares of ₹5/- each.			
February 13, 2017	(35,216)	2,32,42,560	Sold in buyback of shares of the Company
April 03, 2017	(28,746)	1,80,63,686 ⁽³⁾	Sold in open market
April 06, 2018	(30,765)	2,49,19,650	Sold in buyback of shares of the Company
Total Current Holding	17,87,615		

- (1) On December 23, 2005, one Equity Share of the Company of ₹100 sub-divided into 10 Equity Shares of ₹10 each.
- (2) Allotment pursuant to a scheme of arrangement approved by the High Court of Judicature at Madras in relation to the merger of K.P.R. Mill Private Limited and K.P.R. Spinning Mill Private Limited with and into the Company.
- (3) Net of brokerage charges.

(vi) **D. Radhamani**

Date of Transaction	No. of Equity Shares	Acquisition/ Sale Consideration (₹)	Nature of Transaction/Consideration
July 21, 2003	360 ⁽¹⁾	36,000	Allotment
March 31, 2005	27,500 ⁽¹⁾	68,75,000	Further allotment to the promoters
October 06, 2006	5,29,663	Nil	Allotment pursuant to Merger ⁽²⁾
November 14, 2006	(70,891)	4,25,11,206	Transfer to private equity investors
March 1, 2007	7,37,372	Nil	Bonus issue
July 17, 2007	(4,43,560)	4,43,560	Sale to private equity shareholder
August 08, 2007	(90,243)	90,243	Sale to private equity shareholder
Pursuant to resolution passed by members through Postal ballot including E-voting process declared on November 15, 2016, sub division One Equity Share of ₹10/-each in the Company to Two Equity Shares of ₹5/- each.			
February 13, 2017	(35,207)	2,32,36,620	Sold in buyback of shares of the Company
April 03, 2017	26,882	1,68,91,911 ⁽³⁾	Sold in open market
April 06, 2018	(30,789)	2,49,39,090	Sold in buyback of shares of the Company
Total Current Holding	17,89,004		

- (1) On December 23, 2005, one Equity Share of the Company of ₹100 sub-divided into 10 Equity Shares of ₹10 each.
- (2) Allotment pursuant to a scheme of arrangement approved by the High Court of Judicature at Madras in relation to the merger of K.P.R. Mill Private Limited and K.P.R. Spinning Mill Private Limited with and into the Company.
- (3) Net of brokerage charges.

9.5 Assuming that certain members of Promoters and Promoter Group as referred in paragraph 9.3 of this Draft Letter of Offer, tender up to an aggregate maximum of 1,30,94,011 (One Crore Thirty Lakh Ninety Four Thousand and Eleven) Equity Shares in the Buyback (in accordance with the declaration provided by them) and if

- All the public Shareholders participate upto their entitlement (full acceptance), then the aggregate shareholding of the Promoters & Promoter Group, post Buyback will increase from [●]% (i.e. as on Record Date) to [●]% and the aggregate shareholding of the public in the Company shall decrease from [●]% to [●]% of the post Buyback Equity Share capital of the Company; or
- None of the public shareholders participate, then the aggregate shareholding of the Promoters and Promoter Group, post Buyback will decrease from [●]% (i.e. as on Record Date) to [●]% and the aggregate shareholding of the public in the Company shall increase from [●]% (i.e. as on Record Date) to [●]% of the post Buyback Equity Share capital of the Company.

9.6 Consequent to the Buyback and based on the number of Equity Shares bought back from the Non-Resident Shareholders, FIIs, FPIs, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, the shareholding pattern of the Company would undergo a change. The FIIs/ FPIs are advised to ensure that their investment in the Company continue to be within the limit prescribed under applicable laws, post completion of the Buyback.

9.7 The debt-equity ratio post Buyback will be compliant with the permissible limit of 2:1 prescribed by Section 68 of the Companies Act, even if the response to the Buyback is to the extent of 100% (full acceptance).

9.8 In compliance with regulation 24(i)(b) of the Buyback Regulations the Company shall not issue any equity shares or other securities (including by way of bonus) till the date of closure of the Buyback.

9.9 The Company shall not raise further capital for a period of one year from the closure of Buyback Offer except in discharge of its subsisting obligations.

9.10 Salient financial parameters consequent to the Buyback based on the audited financial statements as on March 31, 2019 of the Company are as under:

Parameters	Standalone		Consolidated	
	Pre-Buyback	Post- Buyback*	Pre-Buyback	Post- Buyback*
Net worth (₹ in Crore)	1,511.20	1,247.89	1,790.17	1,526.86
Return on Net worth (%)	19.13	23.17	18.71	21.93
Earnings Per Share (₹) (of ₹ 5 each)	39.82	42.02	46.12	48.67
Book Value per Share (₹)	208.27	181.35	246.72	221.90
P/E as per the latest audited financial results	14.41	13.65	12.44	11.79
Total Debt/ Equity Ratio	0.43	0.52	0.48	0.56

* Assuming full acceptance of Equity Shares in the Buyback offer in the ratio of Buyback

Note:

1. Net worth = Equity Capital + Reserves & Surplus – Miscellaneous Expenditure.
2. Total Debt = Long Term Borrowings + Short Term Borrowings + Current Maturities of Long Term Borrowings.

Key Ratios basis:

Earnings per Share- Basic (₹)	Net profit attributable to the equity shareholders / Weighted average number of Shares outstanding during the year
Book Value per Share (₹)	(Paid up Capital + Reserves and Surplus) / No. of Equity Shares Subscribed
Return on Net Worth excluding revaluation reserves (%)	Net Profit After Tax/ Net Worth excluding revaluation reserves
Debt- Equity Ratio	Long Term Debt/ Net Worth
P/E ratio	Closing price as on March 29, 2019 (i.e. on BSE ₹573.75 / Earnings per share

10. BASIS OF CALCULATING BUYBACK PRICE

- 10.1 The Buyback price of ₹702 (Rupees Seven Hundred and Two only) per Equity Share has been arrived at after considering various factors such as the average closing prices of the Equity Shares of the Company on Stock Exchanges where the Equity Shares of the Company are listed, the net worth of the Company and the impact of the Buyback on the key financial ratios of the Company.
- 10.2 The Buyback Offer Price of ₹702 (Rupees Seven Hundred Two only) per Equity Share represents (i) premium of 23.15% on BSE and 22.90 % on NSE over the volume weighted average price of the equity Shares on BSE and NSE respectively for 2 weeks preceding the date of intimation to the BSE and NSE for the Board Meeting to consider the proposal of the Buyback; (ii) premium of 22.63% on BSE and 22.18% on NSE over the closing market price of the Equity Shares on BSE and NSE as on the date of the intimation to BSE and NSE for the Board Meeting to consider the proposal of the Buyback.
- 10.3 For trends in the market price of the Equity Shares, please refer to paragraph 16 (Stock Market Data) of this Draft Letter of Offer.
- 10.4 The closing market price of the Equity Shares one day prior to the intimation to Stock Exchanges for the Board Meeting for considering the Buyback was ₹572.45 and ₹574.55 on BSE and NSE, respectively as the date of intimation to the Stock Exchanges was a non-trading day.
- 10.5 The book value of the Company pre-Buyback as on March 31, 2019 was ₹208.27 and ₹246.72 on standalone and consolidated basis respectively which will decrease to ₹181.35 and ₹221.90 post-Buyback Offer on standalone and consolidated basis respectively based on the assumption mentioned in notes to table on salient financial parameters in paragraph 9.10 of this Draft Letter of Offer.
- 10.6 The earning per share of the Company pre-Buyback as on March 31, 2019 was ₹39.82 and ₹46.12 on standalone and consolidated basis respectively which will increase to ₹42.02 and ₹48.67 post-Buyback Offer on standalone and consolidated basis respectively based on the assumption mentioned in notes to table on salient financial parameters in paragraph 9.10 of this Draft Letter of Offer.

- 10.7 The Return of Net-worth of the Company pre Buyback as on March 31, 2019 was 19.13% and 18.71% on standalone and consolidated basis respectively which will increase to 23.17% and 21.93% post-Buyback Offer on standalone and consolidated basis respectively based on the assumption of full acceptance of the Buyback and subject to the notes mentioned to table on salient financial parameters in paragraph 9.10 of this Draft Letter of Offer.

11. SOURCES OF FUNDS FOR THE BUYBACK

- 11.1 Assuming full acceptance, the funds that would be employed by the Company for the purpose of the Buyback of 37,50,784 (Thirty Seven Lakh Fifty Thousand Seven Hundred and Eighty Four) Equity Shares at a price of ₹702 (Rupees Seven Hundred and Two only) per Equity Share would be ₹263,30,50,368/- (Rupees Two Hundred Sixty Three Crores Thirty Lakh Fifty Thousand Three Hundred And Sixty Eight only) (excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, goods and services tax, stamp duty, etc.).
- 11.2 The Buyback shall be made out of the free reserves of the Company as at March 31, 2019 (i.e. the last audited standalone financial statements available as on the date of Board Meeting recommending the proposal of the Buyback). The Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited balance sheet.
- 11.3 The funds for the Buyback will be met out of internally generated cash resources of the Company. The Company does not intend to raise additional debt for the explicit purposes of the Buyback. Accordingly, borrowed funds will not be used for the Buyback. However, if required, the Company may borrow funds in the ordinary course of its business.
- 11.4 This Buyback is not likely to cause any material impact on the earnings of the Company.

12. DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT TO BE DEPOSITED THEREIN

- 12.1 In accordance with Regulation 9 (xi) of the Buyback Regulations, an Escrow Agreement will be entered into amongst the Company, the Manager to the Buyback Offer and the Escrow Agent on [●].
- 12.2 In accordance with the Buyback Regulations, the Company proposed to open an Escrow Account in the name and style “[●]” bearing account number [●] with the Escrow Agent, namely, [●] having its registered office situated at [●]. The Company will deposit ` [●] in the Escrow Account, in terms of the Buyback Regulations. The Manager to the Buyback will be empowered to operate the Escrow Account in accordance with the Buyback Regulations.
- 12.3 SPSM & Co, Chartered Accountants (Firm Reg. No. 011493S) having its office at No. 5, N.P.Plaza, 2nd Street, Binny Compound, Tirupur- 641 601; Contact Person: P. Sivasubramani (Membership No.: 213664), Tel. No: 0421 4323227/97894 54227 have certified, vide their certificate dated June 6, 2019 that the Company has adequate financial resources for fulfilling all obligations under the Buyback Offer.
- 12.4 Based on the above certificate, the Manager to the Buyback Offer has satisfied itself about the ability of the Company to implement the Buyback Offer in accordance with the Buyback Regulations.

13. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

- 13.1 The present capital structure of the Company, is as follows:

Particulars	Aggregate value at face value (₹ in Crore)
Authorised share capital	
9,00,00,000 Equity shares of ₹5 each with voting rights	45.00
10,00,000 7% Redeemable cumulative Non-convertible Preference shares of ₹ 100 each	10.00
Issued, subscribed and paid up share capital before the Buyback	
7,25,60,784 Equity Shares of ₹ 5 each, fully paid up	36.28
Issued, subscribed and paid up share capital after the Buyback	
6,88,10,000 Equity Shares of ₹5 each, fully paid up	34.41

*Assuming full acceptance of Equity Shares in the Buyback Offer in the Ratio of Buyback

- 13.2 Except as stated below, the Company has not bought back any Equity Shares under any buyback programme during 3 years preceding the date of Public Announcement (i.e. June 7, 2019):

No. of Equity Shares bought back	Buyback Price per Equity Shares (₹)	Offer Opening Date	Offer Closing Date
13,35,000	810	March 16, 2018	April 2, 2018
14,70,000	660	January 23, 2017	February 6, 2017

- 13.3 As on the date of the publication of Public Announcement (i.e. June 10, 2019), there are no outstanding preference shares, partly paid-up Equity Shares or outstanding convertible instruments or calls in arrears.
- 13.4 The shareholding pattern of the Company pre-Buyback, as on record date i.e. June 19, 2019, as well as the post Buyback (assuming full acceptance of the Buyback) shareholding, is as shown below:

Particulars	Pre Buyback		Post Buyback*	
	No. of Equity Shares	% of the existing Equity Share Capital	No. of Equity Shares	% of the post Buyback Equity Share Capital
Promoters and Promoter Group	[●]	[●]	[●]	[●]
Foreign Investors (including Non Resident Indians, FIIs, FPIs and Foreign Mutual Funds)	[●]	[●]	[●]	[●]
Financial Institutions/ Banks/ Mutual Funds promoted by Banks/ Institutions	[●]	[●]		
Other (public, public bodies corporate etc.)	[●]	[●]		
Total	[●]	[●]	[●]	[●]

*Assuming full acceptance of Equity Shares in the Buyback Offer in the Ratio of Buyback

- 13.5 Assuming that certain members of Promoters and Promoter Group as referred in paragraph 9.3 of this Draft Letter of Offer, tender up to an aggregate maximum of 1,30,94,011 (One Crore Thirty Lakh Ninety Four Thousand and Eleven) Equity Shares in the Buyback (in accordance with the declaration provided by them), the aggregate shareholding of the Promoters and Promoter Group, post Buyback will increase to [●]% of the post Buyback equity share capital of the Company, if all the public Shareholders participate upto their entitlement (full acceptance) and will reduce to [●]% of the post Buyback equity share capital of the Company if none of the public shareholders participate in the Buyback Offer.

- 13.6 No shares or other specified securities in the Company were either purchased or sold by the Promoters and Promoter Group during the period of six months preceding the date of the Board Meeting at which the Buyback was approved i.e. April 29, 2019.

Subsequent to the date of Board Meeting, till the date of this Draft Letter of Offer, the Promoters and Promoter Group of the Company has not entered into any transactions in relation to the Equity Shares of the Company.

- 13.7 No Equity Shares have been purchased/ sold/ transferred by the Promoters and Promoter Group of the Company during the period of twelve months preceding the date of publication of the Public Announcement (i.e. June 10, 2019) except as disclosed as under:

Date of Transaction	Aggregate number of Equity Shares purchased or sold	Nature of Transaction	Maximum Price (₹)	Date of Maximum Price	Minimum Price (₹)	Date of Minimum Price
KPD Sigamani						
June 05, 2018	10,000	Sold in open market	587.25*	June 05, 2018	562.00*	June 05, 2018

Date of Transaction	Aggregate number of Equity Shares purchased or sold	Nature of Transaction	Maximum Price (₹)	Date of Maximum Price	Minimum Price (₹)	Date of Minimum Price
P. Nataraj						
June 05, 2018	10,000	Sold in open market	587.25*	June 05, 2018	562.00*	June 05, 2018
K. P. Ramasamy						
June 05, 2018	10,000	Sold in open market	587.25*	June 05, 2018	562.00*	June 05, 2018

**As the transaction was executed on the stock exchanges, the shares were sold at difference prices. The maximum price and minimum price for the transaction are disclosed.*

- 13.8 There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Companies Act, 2013.
- 13.9 The Company shall not issue any Equity Shares including by way of bonus, from the date of publication of the Public Announcement till the date of closure of this Buyback.

14. BRIEF INFORMATION ABOUT THE COMPANY

- 14.1 The Company was incorporated as K.P.R. Cotton Mills Private Limited on March 19, 2003 under the Companies Act, 1956. Subsequently, the name of the Company was changed to K.P.R. Mill Private Limited and the status of the Company was also changed to public limited company following a merger and pursuant to a scheme of arrangement approved by High Court of Judicature at Madras on August 19, 2006 with effect from April 01, 2005. The Company's registered office is situated at No. 9, Gokul Buildings, A.K.S. Nagar, Thadagam Road, Coimbatore - 641 001, India. The Company's corporate office is situated at 1st Floor, Srivari Shrimat, 1045, Avinashi Road, Coimbatore - 641 018, India. The Company's Corporate Identity Number (CIN) is L17111TZ2003PLC010518.
- 14.2 The Company is one of the largest vertically integrated apparel manufacturing company in India. The Company produces yarn, knitted grey & dyed fabric and readymade garments. The Company has eleven state of the art production facilities in the state of Tamil Nadu and one in Karnataka. Company has established an apparel manufacturing unit at Ethiopia. The products of the Company are exported to over 30 countries. The Company meets its power requirement through its captive green power plant i.e. wind power plant based in Tamil Nadu and co-generation power unit in Karnataka, India which is housed under the subsidiary of the Company i.e. K.P.R. Sugar Mill Limited. The Company adheres to various CSR activities besides better corporate governance practices. The Company continuously invest in welfare of its employees. The Company has offered higher education and vocational facilities to over 24,000 employees.
- 14.3 The Equity Shares of the Company are listed on BSE and NSE.

Performance of the Company in brief:

- 14.4 For the financial years ended March 31, 2019, March 31, 2018 and 2017, the Company recorded total revenue from operations of ₹ 3,384.01 crore, ₹ 3,024.42 crore and ₹ 2,816.60 crore respectively and Profit after tax of ₹ 334.87 crore, ₹ 290.38 crore and ₹ 286.82 crore, respectively on consolidated basis.
- 14.5 Details of changes in share capital of the Company since incorporation are as follows:

Date of Issue/ Allotment	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Consideration in Cash/ other than cash	Cumulative No. of Equity Shares	Equity Share Capital (₹)	Cumulative Equity Share Capital (₹)	Reason for allotment
March 19, 2003	1,080	100	100	Cash	1,080	1,08,000	1,08,000	Subscription to Memorandum and Articles of Association

July 21, 2003	1,080	100	100	Cash	2,160	1,08,000	2,16,000	Allotment to certain members of Promoter Group
August 29, 2003	1,540	100	100	Cash	3,700	1,54,000	3,70,000	Allotment to K.P.R. Mill Private Limited
March 31, 2005	1,96,300	100	250	Cash	2,00,000	1,96,30,000	2,00,00,000	Further allotment to the Promoter and certain member of Promoter Group
December 23, 2005	20,00,000	10	-	-	20,00,000	2,00,00,000	2,00,00,000	Sub-division of equity shares of face value ` 100 each into face value of ` 10 each
February 15, 2006	72,651	10	119.60	Consideration other than cash	20,72,651	7,26,510	2,07,26,510	Allotment as consideration for the purchase of the business of K.P.R. Knits(1)
October 6, 2006	1,29,51,000	10	NA	Consideration other than cash	1,50,23,651	12,95,10,000	15,02,36,510	Allotment pursuant to order of High Court of Judicature at Madras in relation to the merger of K.P.R. Mill Private Limited and K.P.R. Spinning Mill Private Limited with and into the Company(2)
October 6, 2006	(15,400)	10	-	-	1,50,08,251	(1,54,000)	15,00,82,510	Cancellation of the equity shares held by K.P.R. Mill Private Limited pursuant to merger of K.P.R. Mill Private Limited with and into the Company
November 14, 2006	8,77,145	10	599.67	Cash	1,58,85,396	87,71,450	15,88,53,960	Allotment to private equity investor
March 1, 2007	1,58,85,396	10	NA	Consideration other than cash	3,17,70,792	15,88,53,960	31,77,07,920	Bonus issue of equity shares in the ratio of 1:1
August 20, 2007	59,12,100	10	225	Cash	3,76,82,892	5,91,21,000	37,68,28,920	Initial public offering

November 30, 2016	3,76,82,892	5	NA	Sub-division	7,53,65,784	37,68,28,920	37,68,28,920	Sub-division of equity shares of face value ` 10 each into face value of ₹5 each
February 16, 2017	(14,70,000)	5	660	Cash	7,38,95,784	(73,50,000)	36,94,78,920	Company bought back equity shares
April 13, 2018	(13,35,000)	5	810	Cash	7,25,60,784	(66,75,000)	36,28,03,920	Company bought back equity shares

(1) Allotment to Mr. KPD Sigamani as the proprietor of K.P.R. Knits.

(2) Allotment to Promoters, Mr. K.P. Ramasamy (38,29,000 equity shares), Mr. KPD Sigamani (37,87,337 equity shares), Mr. P. Nataraj (38,26,987 equity shares) and their respective spouses, Mrs. K. R. Parvathi (4,88,000 equity shares), Mrs. D. Radhamani (5,29,663 equity shares) and Mrs. N. Jayanthi (4,90,013 equity shares) pursuant to a scheme of arrangement approved by the High Court of Judicature at Madras in relation of K.P.R. Mill Private Limited and K.P.R. Spinning Mill Private Limited.

14.6 The Board of Directors of the Company as on the date of publication of Public Announcement (i.e. June 10, 2019) was as under:

S. No	Name, Qualification, Occupation, Age and DIN	Designation	Director on the Board since:	Other Directorships
1.	Mr. K. P. Ramasamy, Qualification: PUC Occupation: Business Age: 69 Years DIN: 00003736	Chairman	March 19, 2003	<ul style="list-style-type: none"> • K.P.R. Sugar Mill Limited • Jahnvi Motor Private Limited • K.P.R. Developers Limited • Quantum Knits Private Limited • K.P.R. Cements Private Limited • K.P.R. Agro Farms Private Limited • K.P.R. Holdings private Limited • Galaxy Knits Limited
2.	Mr. KPD Sigamani, Qualification: M.Sc Occupation: Business Age: 65 Years DIN: 00003744	Managing Director	March 19, 2003	<ul style="list-style-type: none"> • K.P.R. Sugar Mill Limited • Jahnvi Motor Private Limited • K.P.R. Developers Limited • Quantum Knits Private Limited • K.P.R. Cements Private Limited • K.P.R. Agro Farms Private Limited • K.P.R. Holdings private Limited • Galaxy Knits Limited
3.	Mr. P. Nataraj, Qualification: F.C.A Occupation: Business Age: 61 Years DIN: 00229137	Managing Director	March 19, 2003	<ul style="list-style-type: none"> • K.P.R. Sugar Mill Limited • Jahnvi Motor Private Limited • K.P.R. Developers Limited • Quantum Knits Private Limited • K.P.R. Cements Private Limited • K.P.R. Agro Farm Private Limited • K.P.R. Holdings private Limited • Galaxy Knits Limited • Confederation of Indian Textile Industry • The cotton textiles Export Promotion council
4.	Dr. K. Sabapathy, Qualification: M.Sc., M.Phil., PhD. Occupation: Industrialist Age: 63 Years DIN: 00001794	Independent Director	February 21, 2007	<ul style="list-style-type: none"> • Coimbatore Capital Limited • Seyyone Software Solutions Private Limited • Seyyone Learning Solutions India private Limited
5.	Mr. G. P. Muniappan, Qualification: M.A. (Economics), C.A.I.I.B	Independent Director	March 24, 2008	<ul style="list-style-type: none"> • K.G. Denim Limited • K.P.R. Sugar Mill Limited • Jahnvi Motor Private Limited

S. No	Name, Qualification, Occupation, Age and DIN	Designation	Director on the Board since:	Other Directorships
	Occupation: Retired RBI Dept. Governor Age: 77 Years DIN: 01653599			<ul style="list-style-type: none"> Quantum Knits Private Limited
6.	Mr. K.N.V. Ramani, Qualification: B.L., M.A Occupation: Advocate Age: 87 Years DIN: 00007931	Independent Director	June 27, 2008	<ul style="list-style-type: none"> LGB Forge Limited Sri Kannapiran Mills Limited K.G. Denim Limited Bannari Amman Spinning Mills Limited Shiva Texyarn Limited Shiva Mills Limited
7.	Mr. A.M. Palanisamy, Qualification: F.C.A Occupation: Industrialist Age: 68 Years DIN: 00112303	Independent Director	February 22, 2010	<ul style="list-style-type: none"> Kovai Medical Center and Hospital Limited Aerospace Materials Private Limited Kenforte infosystems Private Limited Innotex materials private Limited Aadhira CNC products private Limited
8.	Mr. C. R. Anandkrishnan, Qualification: M.B.A Occupation: Business Age: 41 Years DIN: 00003748	Executive Director	January 31, 2011	<ul style="list-style-type: none"> K.P.R. Sugar Mill Limited Jahnvi Motor Private Limited
9.	Mr. C. Thirumurthy, Qualification: B.L., F.C.S Occupation: Practising Company Secretary Age: 59 Years DIN: 00001991	Independent Director	January 31, 2011	<ul style="list-style-type: none"> NIL
10.	Dr. S. Ranganayaki, Qualification: MBBS Occupation: Doctor Age: 66 Years DIN: 07116244	Independent & Woman Director	March 12, 2015	<ul style="list-style-type: none"> K.P.R. Sugar Mill Limited Jahnvi Motor Private Limited Quantum Knits Private Limited
11.	Mr. P. Selvakumar, Qualification: M.com Occupation: Employment Age: 44 Years DIN: 07228760	Whole-Time Director	July 27, 2015	<ul style="list-style-type: none"> K.P.R. Sugar Mill Limited Quantum Knits Private Limited
12.	Mr. E. K. Sakthivel, Qualification: MBA Occupation: Business Age: 35 Years DIN: 01876822	Executive Director	March 09, 2016	<ul style="list-style-type: none"> NIL

14.7 There are no change in the Board of Directors during the last 3 years from the date of the publication of the Public Announcement (i.e. June 10, 2019).

14.8 The buyback will not result in any benefit to the Directors of the Company/ Promoters and Promoter Group and person in control of the Company/ group companies except to the extent of their intention to participate in the Buyback and actual participation in the Buyback and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which will lead to reduction in the Equity Share Capital post Buyback.

Except as stated below, no directors of the Company hold any Equity Shares as on the date of Public Announcement (i.e. June 7, 2019):

S. No.	Name of Director	No. of Equity Shares held	No. of Equity Shares held in dematerialized form	Percentage of issued Equity Share capital
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1.	Sri. K. P. Ramasamy	1,56,70,141	1,56,70,141	21.60
2.	Sri KPD Sigamani	1,56,70,141	1,56,70,141	21.60
3.	Sri P. Nataraj	1,56,70,141	1,56,70,141	21.60
4.	Sri. C.R. Anandakrishnan	1,390	1,390	0.002
5.	Sri. C. Thirumurthy	10	10	Negligible

15. FINANCIAL INFORMATION ABOUT THE COMPANY

15.1 The salient financial information of the Company, as extracted from the audited standalone financial statements for last three financial years viz. 2019, 2018 and 2017 is detailed below:

(₹ in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
	(Audited)	(Audited)	(Audited)
Revenue from Operations	2,978.53	2,511.52	2,219.14
Other Income	37.37	15.07	27.12
Total Income	3,015.90	2,526.59	2,246.26
Total Expenses excluding Depreciation	2,471.46	2,081.57	1,773.49
Interest	35.86	30.49	45.03
Depreciation	95.83	104.97	117.43
Exceptional Items: Expense / (Income)	-	-	-
Profit Before Tax	412.75	309.56	310.31
Provision for Tax (including Deferred Tax)	123.64	84.59	71.89
Profit/(Loss) discontinuing operation	-	-	-
Profit/ (Loss) After Tax	289.11	224.97	238.42
Paid-up Equity Share Capital	36.28	36.95	36.95
Reserve & Surplus, excluding revaluation reserves & Misc. expenditures to the extent not written off	1,474.92	1,299.77	1,081.11
Net worth, excluding revaluation reserves & Misc. expenditures to the extent not written off	1,511.20	1,336.72	1,118.06
Total Debt, excluding working capital loans	101.26	118.01	183.32

15.2 Financial Ratios for the last three financial years viz. Fiscal 2019, 2018 and 2017 based on standalone basis are as under:

Particulars	For the year ended March 31, 2019 (Audited)	For the year ended March 31, 2018 (Audited)	For the year ended March 31, 2017 (Audited)
Earnings per Share (₹)*	39.82	30.44	31.71
Debt/ Equity Ratio	0.07	0.09	0.16
Book Value (₹ per Share)*	208.27	180.89	151.30
Return on Net worth (%)	19.13	16.83	21.32
Total Debt/ Net worth (%)	0.43	0.26	0.44

Notes:

1. Net worth = Equity Capital + Reserves & Surplus – Miscellaneous Expenditure
2. Total Debt = Long Term Borrowings + Short Term Borrowings + Current Maturities of Long Term Borrowings

Key Ratios basis:

Earnings per Share- Basic (₹)	Net profit attributable to the equity shareholders / Weighted average
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	number of Shares outstanding during the year
Book Value per Share (₹)	(Paid up Equity Share Capital + Reserves and Surplus) / No. of Equity Shares Subscribed
Return on Net worth excluding revaluation reserves (%)	Net Profit After Tax/ Net Worth excluding revaluation reserves
Debt- Equity Ratio	Term Debt/ Net Worth

15.3 The salient financial information of the Company, as extracted from the audited consolidated financial statements for last three financial years viz. 2019, 2018 and 2017 is detailed below:

(₹ in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
	(Audited)	(Audited)	(Audited)
Revenue from Operations	3,384.01	3,024.42	2,816.60
Other Income	36.90	14.20	27.49
Total Income	3,420.91	3,038.62	2,844.09
Total Expenses excluding Depreciation	2,772.26	2,449.12	2,253.35
Interest	48.94	51.56	64.45
Depreciation	131.13	139.85	149.39
Exceptional Items: Expense / (Income)	-	-	-
Profit Before Tax	468.58	398.02	376.90
Provision for Tax (including Deferred Tax)	133.71	107.64	90.08
Profit/(Loss) discontinuing operation	-	-	-
Profit/ (Loss) After Tax	334.87	290.38	286.82
Paid-up Equity Share Capital	36.28	36.95	36.95
Reserve & Surplus, excluding revaluation reserves & Misc. expenditures to the extent not written off	1,753.89	1,533.03	1,249.01
Net worth, excluding revaluation reserves & Misc. expenditures to the extent not written off	1,790.17	1,569.98	1,285.96
Total Debt, excluding working capital loans	165.54	187.39	305.24

15.4 Financial Ratios for the last three financial years viz. Fiscal 2019, 2018 and 2017 based on consolidated basis are as under:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
	(Audited)	(Audited)	(Audited)
Earnings per Share (₹)	46.12	39.30	38.17
Debt/ Equity Ratio	0.09	0.14	0.24
Book Value (₹ per Share)	246.71	212.46	174.02
Return on Net worth (%)	18.71	18.50	22.30
Total Debt/ Net worth (%)	0.48	0.43	0.61

Notes:

1. Net worth = Equity Capital + Reserves & Surplus – Miscellaneous Expenditure
2. Total Debt = Long Term Borrowings + Short Term Borrowings + Current Maturities of Long Term Borrowings

15.5 The debt equity ratio of the Company based on the audited standalone and consolidated financial statements for the year ended March 31, 2019 is as following

Parameters	Standalone		Consolidated	
	Pre-Buyback	Post-Buyback*	Pre- Buyback	Post-Buyback*
Total Debt/ Equity Ratio	0.43	0.52	0.48	0.56

*(Assuming full acceptance of Equity Shares in the Buyback Offer in the ratio of Buyback)

Ratio basis:

1. Net worth = Equity Capital + Reserves & Surplus – Miscellaneous Expenditure.
2. Total Debt = Long Term Borrowings + Short Term Borrowings + Current Maturities of Long Term Borrowings.
3. Debt- Equity Ratio= Total Debt/ Net Worth

15.6 Buyback is in compliance with Regulation 4(ii) of Buyback Regulations on both standalones as well as consolidated basis

15.7 The Company shall comply with the SEBI Takeover Regulations, as may be applicable. The Company hereby declares that it has complied with Sections 68, 69 and 70 of the Companies Act, 2013 and the rules made thereunder

16. STOCK MARKET DATA

16.1 The Company's Equity Shares are currently traded under the trading code(s) 532889 at BSE and KRPMILL at NSE

16.2 The Company's Equity Shares are listed on BSE and NSE. The maximum volume of trading in the Equity Shares of the Company is recorded on NSE. The high, low and average market prices in preceding three financial years (April to March period) and the monthly high, low and average market prices for the six months preceding the date of publication of the Public Announcement (i.e. June 10, 2019) from December 2018 to May 2019 and the corresponding volumes on the BSE and NSE is as follows:

For NSE:

Period	High* (₹)	Date of High	Number of Shares traded on that date	Low* (₹)	Date of Low	Number of shares traded on that date	Average Price* (₹)	Total volume of traded in the period (Shares)
PRECEDING 3 YEARS								
April 1, 2018 – March 31, 2019	739.00	June 25, 2018	37,697	511.20	January 14, 2019	181,767	606.91	8,662,292
April 1, 2017 – March 31, 2018#	884.00	June 08, 2017	60,132	629.05	March 28, 2018	19,413	755.28	8,061,774
April 1, 2016 – March 31, 2017	1271.55	September 27, 2016	6,374	530.15	January 13, 2017	16,974	887.71	72,15,399
PRECEDING 6 MONTHS								
December 2018	590.95	December 04, 2018	22,283	553.00	December 28, 2018	24,903	572.48	3,90,149
January 2019	564.75	January 03, 2019	11,910	511.20	January 14, 2019	1,81,767	535.25	9,29,032
February 2019	541.90	February 15, 2019	13,022	514.05	February 08, 2019	7,310	528.86	6,61,719
March 2019	609.95	March 12, 2019	50,418	531.00	March 01, 2019	13,784	575.23	5,92,041
April 2019	647.00	April 26, 2019	75,054	560.05	April 03, 2019	1,30,839	583.65	9,08,031

Period	High* (₹)	Date of High	Number of Shares traded on that date	Low* (₹)	Date of Low	Number of shares traded on that date	Average Price* (₹)	Total volume of traded in the period (Shares)
May 2019	632.95	May 30, 2019	6,244	572.50	May 14, 2019	29,458	604.68	7,88,814

Source: www.nseindia.com

*High and Low price for the period are based on intra day prices and Average Price is based on average of closing price.

The face value of Equity Shares of the Company was sub-divided from ₹10/- each equity shares to ₹5/- each equity shares on November 29, 2016.

For BSE:

Period	High* (₹)	Date of High	Number of Shares traded on that date	Low* (₹)	Date of Low	Number of shares traded on that date	Average Price* (₹)	Total volume of traded in the period (Shares)
PRECEDING 3 YEARS								
April 1, 2018 – March 31, 2019	713.00	April 26, 2018	965	512.95	January 14, 2019	191	607.30	1,268,626
April 1, 2017 – March 31, 2018#	882.00	June 08, 2017	5,100	630.00	March 26, 2018	6,268	755.12	25,33,711
April 1, 2016 – March 31, 2017	1,274.00	September 27, 2016	1,310	549.75	January 13, 2017	2,385	886.79	14,90,358
PRECEDING 6 MONTHS								
December 2018	589.95	December 07, 2018	5,108	552.10	December 28, 2018	4,022	571.83	53,539
January 2019	564.50	January 01, 2019	222	512.95	January 14, 2019	2,868	535.49	42,607
February 2019	541.20	February 25, 2019	4,982	513.00	February 07, 2019	388	528.74	93,355
March 2019	618.00	March 13, 2019	1,439	532.50	March 01, 2019	392	576.26	41,051
April 2019	648.00	April 26, 2019	8,615	555.20	April 01, 2019	905	582.95	63,667
May 2019	631.20	May 30, 2019	501	573.00	May 14, 2019	2,437	604.42	2,96,340

Source: www.bseindia.com

* High and Low price for the period are based on intra day prices and Average Price is based on average of closing price.

#The face value of Equity Shares of the Company was sub-divided from ₹10/- each equity shares to ₹5/- each equity shares on November 29, 2016.

16.3 The closing market price of the Equity Shares of the Company:

- (a) The closing market price of the Equity Shares of the Company as on April 26, 2019 i.e. the trading day before April 29, 2019, being the date of Board Meeting approving the Buyback was ₹ 644.90 per Equity Share on BSE and ₹ 643.05 per Equity Share on NSE.
- (b) No Equity Shares were traded on BSE and NSE on the date of Board Meeting approving the Buyback i.e. April 29, 2019.
- (c) The closing market price of the Equity Shares of the Company as on April 30, 2019 i.e. the trading day after April 29, 2019, being the date of Board Meeting approving the Buyback was ₹ 599.10 per Equity Share on BSE and ₹ 599.75 per Equity Share on NSE

17. DETAILS OF STATUTORY APPROVALS

- 17.1 The Buyback Offer is subject to approval, if any required, under the provisions of the Companies Act, 2013, FEMA, the Buyback Regulations and/or such other applicable rules and regulations in force for the time being.
- 17.2 Non-Resident Shareholders (excluding OCBs) permitted under the automatic process prescribed under applicable FEMA and the rules and regulations framed thereunder read with the consolidated Foreign Direct Investment policy issued by the Government of India, are not required to obtain approvals from RBI, subject to the adherence to pricing guidelines, documentation and reporting requirements for such transfers as specified by RBI.
- 17.3 By agreeing to participate in the Buyback, the NR and NRI shareholders give the Company the authority to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reporting, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting, if required by the Company
- 17.4 Erstwhile OCB are required to obtain specific prior approval from RBI for tendering Equity Shares in the Buyback Offer. The Company shall not accept Equity Shares from OCB Shareholders in respect of whom such RBI approval is required and copies of such approvals are not submitted.
- 17.5 As on date, there are no other statutory or regulatory approvals required to implement the Buyback Offer, other than that indicated above. If any statutory or regulatory approval becomes applicable subsequently, the Buyback Offer will be subject to such statutory or regulatory approval(s). In the event of any delay in receipt of any statutory / regulatory approvals, changes to the proposed timetable of the Buyback Offer, if any, shall be intimated to the Stock Exchanges.
- 17.6 The Board at its meeting held on April 29, 2019 approved the proposal for the Buyback. The Equity Shareholders approved the Buyback by way of a special resolution through postal ballot, the results of which were announced on June 7, 2019

18. DETAILS OF REGISTRAR TO THE BUYBACK OFFER

Eligible Shareholders are required to submit their form(s) with their broker for bidding. After entering a valid bid, the Seller Broker/Eligible Shareholder shall send the Tender Form, TRS and other documents by super scribing the envelope as “**K.P.R. Mill Limited Buyback Offer 2019**” to the Registrar to the Buyback Offer either by registered post/courier or hand delivery at their below office, so that the same are received within 2 (two) days from the Buyback Closing Date i.e. [●]:



Karvy Fintech Private Limited

Karvy Selenium, Tower B, Plot No- 31 & 32, Financial District,
Nanakramguda, Serilingampally Hyderabad Rangareddi TG 500032

Contact Person: Murali Krishna M

Tel: +91 40 6716 2222

Fax: +91 40 2343 1551

E-mail: kpr Mills.buyback@karvy.com

Website: www.karvyfintech.com

SEBI Registration No.: INR000000221

Validity Period: Permanent Registration

CIN: U67200TG2017PTC117649

TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE COMPANY OR TO THE MANAGER TO THE BUYBACK OFFER.

ELIGIBLE SHAREHOLDERS ARE ADVISED TO ENSURE THAT THE TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS ARE COMPLETE IN ALL RESPECTS; OTHERWISE THE SAME ARE LIABLE TO BE REJECTED.

PLEASE NOTE THAT IT IS NOT MANDATORY FOR ELIGIBLE SHAREHOLDERS HOLDING AND TENDERING EQUITY SHARES IN DEMAT FORM TO SUBMIT THE TENDER FORM AND THE TRS.

19. PROCESS AND METHODOLOGY FOR THE BUYBACK

19.1 The Company proposes to buyback not exceeding 37,50,784 (Thirty Seven Lakh Fifty Thousand Seven Hundred Eighty Four) Equity Shares from the Eligible Shareholders of the Company, on a proportionate basis, through the Tender Offer process at a price of ₹702 (Rupees Seven Hundred and Two only) per Equity Share, payable in cash for an aggregate consideration not exceeding of ₹263,30,50,368/- (Rupees Two Hundred Sixty Three Crore Thirty Lakh Fifty Thousand Three Hundred Sixty Eight only) excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, Goods and Service Tax, stamp duty, etc. The maximum number of Equity Shares proposed to be bought back represents 5.17% of the total number of Equity Shares in the paid-up share capital of the Company. The Buyback is in accordance with the provisions of Section 68, 69, 70 and all other applicable provisions, if any, of the Companies Act 2013 and rules made thereunder, in accordance with Article 17 of the Articles of Association of the Company and the Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to SEBI, Stock Exchanges, RBI etc. The Equity Shareholders approved the Buyback by way of a special resolution through postal ballot, the results of which were announced on June 7, 2019. The Buyback Offer Size represents 17.61% and 14.87% of the aggregate of the fully paid-up equity share capital and free reserves (including securities premium account) as per the audited standalone and consolidated financial statements respectively of the Company for the financial year ended March 31, 2019, (the last audited financial statements available as on the date of the Board Meeting approving the Buyback) and is within the limit of 25% of aggregate of the fully paid-up share capital and free reserves as per the last audited standalone and consolidated financials of the Company as on March 31, 2019.

The Company expresses no opinion as to whether Eligible Shareholders should participate in the Buyback and, accordingly, Eligible Shareholders are advised to consult their own advisors to consider participation in the Buyback.

19.2 The aggregate shareholding of the Promoters and Promoter Group as on Record Date is [●] ([●]) Equity Shares, which represents [●]% ([●] percent) of the existing Equity Share capital of the Company. In terms of the Buyback Regulations, under the Tender Offer process, the promoter and the promoter group of the company has the option to participate in the Buyback. In this regards, certain members of the Promoters and Promoter Group as referred in paragraph 9.3 of this Draft Letter of Offer have expressed their intention, vide its letters, each dated April 29, 2019 to participate in the Buyback and tender up to an aggregate maximum of 1,30,94,011 (One Crore Thirty Lakh Ninety Four Thousand and Eleven only) Equity Shares.

19.3 Assuming that the above stated Promoters and Promoter Group tenders [●] ([●]) Equity Shares in the Buyback (in accordance with the declaration provided by them), the aggregate shareholding of the Promoters and Promoter Group, post Buyback will increase to [●]% of the post Buyback equity share capital of the Company, if all the public Shareholders participate upto their entitlement (full acceptance) and will reduce to [●]% of the post Buyback equity share capital of the Company if none of the public shareholders participate in the Buyback Offer.

19.4 Record Date, Ratio of the Buyback and entitlement of each Shareholder

- a) The Company has fixed Wednesday, June 19, 2019 as the record date (the “Record Date”) for the purpose of determining the entitlement and the names of the shareholders, who will be eligible to participate in the Buyback.
- b) The Equity Shares proposed to be bought back by the Company shall be divided in two categories:
 - Reserved category for Small Shareholders (“**Reserved Category**”); and
 - General category for all Eligible Shareholders other than Small Shareholders (“**General Category**”)

- c) As defined in the Buyback Regulations, a “**Small Shareholder**” is a shareholder who holds Equity Shares having market value, on the basis of closing price on the stock exchanges in which the highest trading volume as on Record Date, of not more than ₹2,00,000 (Rupees Two Lakh only). As on the Record Date, the volume of Shares traded on NSE was [●] shares and on BSE was [●] Shares. Accordingly, [●] being the exchange with highest turnover, the closing price was ₹ [●] and hence all Shareholders holding not more than [●] Equity Shares as on the Record Date are classified as ‘Small Shareholders’ for the purpose of the Buyback Offer.
- d) Based on the above definition, there are [●] Small Shareholders with aggregate shareholding of [●] Shares, as on Record Date, which constitutes [●]% of the outstanding paid up equity share capital of the Company and [●]% of the number of [●] Equity Shares which are proposed to be bought back as part of this Buyback Offer.
- e) In compliance with Regulation 6 of the Buyback Regulations, the reservation for the Small Shareholders, will be [●] Equity Shares which is higher of:
- Fifteen percent of the number of Equity Shares which the Company proposes to Buyback i.e. 15% of [●] Equity Shares which works out to [●] Equity Shares; or
 - The number of Equity Shares entitled as per their shareholding as on Record Date [i.e. $([●]/[●]) \times [●]$] which works out to [●] Equity Shares.

All the outstanding Equity Shares have been used for computing the entitlement of Small Shareholders since the Promoters and Promoter Group also intends to offer Equity Shares held by them in the Buyback..

- f) Based on the above and in accordance with Regulation 6 of the Buyback Regulations, [●] Equity Shares will be reserved for Small Shareholders. Accordingly, General Category shall consist of [●] Equity Shares.
- g) Based on the above entitlements, the Ratio of Buyback for both categories is decided as below:

Category	Ratio of Buyback
Reserved Category	[●] Equity Shares out of every [●] fully paid-up Equity Shares held on the Record Date
General Category	[●] Equity Shares out of every [●] fully paid-up Equity Shares held on the Record Date

The above Ratio of Buyback is approximate and providing indicative Buyback Entitlement. Any computation of entitled Equity Shares using the above Ratio of Buyback may provide a slightly different number due to rounding-off. The actual Buyback Entitlement for Reserved category for Small Shareholders is [●]% and General category for all other Eligible Shareholders is [●].

19.5 Fractional Entitlements

If the Buyback Entitlement, after applying the above mentioned ratios to the Equity Shares held on Record Date, is not a round number (i.e. not in the multiple of 1 (one) Equity Share) then the fractional entitlement shall be ignored for computation of Buyback Entitlement to tender Equity Shares in the Buyback Offer, for both categories of Eligible Shareholders.

On account of ignoring the fractional entitlement, those Small Shareholders who hold [●] or less Equity Shares as on Record Date will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender Additional Equity Shares as part of the Buyback Offer and will be given preference in the Acceptance of one Equity Share, if such Small Shareholders have tendered for Additional Equity Shares. The Company shall make best efforts subject to Buyback Regulations in accepting Equity Shares tendered by such Eligible Shareholder to the extent possible and permissible.

19.6 Basis of Acceptance of Equity Shares validly tendered in the Reserved Category

Subject to the provisions contained in this Draft Letter of Offer, the Company will accept the Shares tendered in the Buyback Offer by the Small Shareholders in the Reserved Category in the following order of priority:

- a) Full acceptance (i.e. 100%) of Shares from Small Shareholders in the Reserved Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.
- b) Post the acceptance as described in paragraph 19.6 (a) above, in case, there are any Shares left to be bought back from Small Shareholders in the Reserved Category, the Small Shareholders who were entitled to tender zero Shares (on account of ignoring the fractional entitlement), and have tendered Additional Shares, shall be given preference and one Equity Share each from the Additional Shares tendered by these Small Shareholders shall be bought back in the Reserved Category.
- c) Post the acceptance as described in paragraph 19.6 (a) and (b) above, in case, there are any validly tendered unaccepted Shares in the Reserved Category (**“Reserved Category Additional Shares”**) and Shares left to be bought back in Reserved Category, the Reserved Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per Shareholder shall be equal to the Reserved Category Additional Shares tendered by the Shareholder divided by the total Reserved Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in Reserved Category. For the purpose of this calculation, the Reserved Category Additional Shares taken into account for such Small Shareholders, from whom one Equity Share has been accepted in accordance with paragraph 19.6 (b) above, shall be reduced by one.
- d) Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 19.6 (c) above, will be made as follows:
 - For any Small Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any Small Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.7 Basis of Acceptance of Equity Shares validly tendered in the General Category

Subject to the provisions contained in this Draft Letter of Offer, the Company will accept the Shares tendered in the Buyback Offer by Eligible Shareholders (other than Small Shareholders) in the General Category in the following order of priority:

- a) Full Acceptance (i.e.100%) of Shares from Eligible Shareholders in the General Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.
- b) Post the acceptance as described in paragraph 19.7 (a) above, in case, there are any validly tendered unaccepted Shares in the General Category (**“General Category Additional Shares”**) and Shares left to be bought back in General Category, the General Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per Eligible Shareholder shall be equal to the General Category Additional Shares validly tendered by the Eligible Shareholders divided by the total General Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in General Category.
- c) Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 19.7 (b) above, will be made as follows:
 - For any Eligible Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any Eligible Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.8 Basis of Acceptance of Shares between Categories

- a) After acceptances of tenders, as mentioned in 19.6 and 19.7 above, in case, there are any Shares left to be bought back in one category ('**Partially filled Category**'), and there are additional unaccepted validly tendered Shares ('**Further Additional Shares**') in the second Category ('**Over Tendered Category**'), then the Further Additional Shares in the Over Tendered Category shall be accepted in a proportionate manner i.e. valid Acceptances per Shareholder shall be equal to the Further Additional Shares validly tendered by an Eligible Shareholder in the Over Tendered Category divided by the total Further Additional Shares in the Over Tendered Category and multiplied by the total Shares left to be bought back in the Partially filled Category.
- b) If the Partially Filled Category is the General Category and the Over Tendered Category is the Reserved Category, then any Small Shareholder who has tendered Additional Shares shall be eligible for priority acceptance of one Equity Shares before acceptance in paragraph 19.8(a) above out of the Shares left to be bought back in the Partially Filled Category, provided no acceptance could take place from such Shareholder in accordance with paragraph 19.6.
- c) Adjustment for fraction results in case of proportionate acceptance, as defined in paragraph 19.8(a) above:
 - For any Eligible Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any Eligible Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.9 For avoidance of doubt, it is clarified that the Shares accepted under the Buyback Offer from each Eligible Shareholder, in accordance with above clauses, shall be lower of the following:

- the number of Shares tendered by the respective Shareholder, and
- the number of Shares held by the respective Shareholder, as on the Record Date.

19.10 For the avoidance of doubt, it is clarified that the Equity Shares tendered by any Eligible Shareholder over and above the number of Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance in accordance with above clauses.

19.11 Clubbing of Entitlements

In order to ensure that the same shareholders with multiple demat accounts/ folios do not receive a higher entitlement under the Small Shareholder category, the Company will club together the Equity Shares held by such shareholders with a common PAN for determining the category (Small Shareholder or General) and entitlement under the Buyback. In case of joint shareholding, the Company will club together the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical. The shareholding of institutional investors like mutual funds, pension funds / trusts, insurance companies, etc. with a common PAN will not be clubbed together for determining the category and will be considered separately where these Equity Shares are held for different schemes and have a different demat account nomenclature based on information prepared by the Registrar as per the shareholder records received from the Depositories. Further, the Equity Shares held under the category of "clearing members" or "corporate body margin account" or "corporate body – broker" as per the beneficial position data as on Record Date with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are assumed to be held on behalf of clients.

20. PROCEDURE FOR TENDER OFFER AND SETTLEMENT

20.1 The Buyback is open to all Equity Shareholders of the Company holding Shares in dematerialised form on the Record Date.

20.2 The Company proposes to effect the Buyback through Tender Offer process, on a proportionate basis. The Letter of Offer and Tender Form, outlining the terms of the Buyback Offer as well as the detailed disclosures as specified in the Buyback Regulations, will be mailed to Eligible Shareholders whose names appear on the register of members of the Company, or who are beneficial owners of Equity Shares as per the records of Depositories, on the Record Date and who have their email IDs registered with the

Company and for all remaining Eligible Shareholders who do not have their email IDs registered with the Company, the Letter of Offer along with Tender Form will be sent physically. However, on receipt of a request by the Registrar to the Buyback to receive a copy of Letter of Offer in physical format from such Eligible Shareholder to whom Letter of Offer and Tender Form were emailed, the same shall be sent physically.

- 20.3 The Company will not accept any Equity Shares offered for Buyback where there exists any restraint order of a Court for transfer / disposal/ sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists.
- 20.4 The Company shall comply with Regulation 24(v) of the Buyback Regulations which states that the Company shall not buyback the locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferrable.
- 20.5 Eligible Shareholders' participation in Buyback will be voluntary. Shareholders can choose to participate, in part or in full, and get cash in lieu of the Shares accepted under the Buyback or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post Buyback, without additional investment. Shareholders may also tender a part of their Buyback Entitlement. Shareholders also have the option of tendering Additional Shares (over and above their Buyback Entitlement) and participate in the shortfall created due to non-participation of some other Shareholders, if any. Acceptance of any Shares tendered in excess of the Buyback Entitlement by the Shareholder, shall be in terms of procedure outlined in paragraph 19 (*Process and Methodology for the Buyback*) of this Draft Letter of Offer.
- 20.6 The Company shall accept all the Equity Shares validly tendered for the Buyback by Eligible Shareholders, on the basis of their Buyback Entitlement as on the Record Date.
- 20.7 Eligible Shareholders will have to transfer the Equity Shares from the same demat account in which they were holding the Equity Shares as on the Record Date and in case of multiple demat accounts, Eligible Shareholders are required to tender the applications separately from each demat account. In case of any changes in the demat account in which the Equity Shares were held as on Record Date, such Eligible Shareholders should provide sufficient proof of the same to the Registrar, and the such tendered shares may be accepted subject to appropriate verification and validation by the Registrar.
- 20.8 As elaborated under Paragraph 19.4(b) above, the Equity Shares proposed to be bought as a part of the Buyback is divided into two categories: (a) Reserved Category for Small Shareholders and (b) the General Category for other Eligible Shareholders, and the Buyback Entitlement of an Eligible Shareholder in each category shall be calculated accordingly.
- 20.9 After accepting the Equity Shares tendered on the basis of Buyback Entitlement, Equity Shares left to be bought as a part of the Buyback, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered, over and above their Buyback Entitlement, by Eligible Shareholders in that category, and thereafter, from Eligible Shareholders who have tendered over and above their Buyback Entitlement, in other category.
- 20.10 The Buyback shall be implemented by the Company using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, circular no. CFD/DCR2/CIR/P/2016/131 dated December 09, 2016, Notice Number 20170202-34 dated February 02, 2017, from BSE and following the procedure prescribed in the Companies Act, 2013 and the Buyback Regulations and as may be determined by the Board (including the Committee authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.
- 20.11 The maximum tender under the Buyback by any Eligible Shareholder cannot exceed the number of Equity Shares held by the Eligible Shareholder as on the Record Date.
- 20.12 For implementation of the Buyback, the Company has appointed IDBI Capital Markets & Securities Limited as the registered broker to the Company (the "**Company's Broker**") through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company's Broker are as follows:

IDBI Capital Markets & Securities Limited

6th Floor, IDBI Tower ,WTC Complex, Cuffe Parade, Mumbai 400 005.

Contact Person: Ms. Charushila Parkar

Tel: +91 (22) 2217 1700; **Fax:** +91 (22) 2215 1787;

Email: charushila.parkar@idbicapital.com; **Website:** www.idbicapital.com;

SEBI Registration Number: INZ000007237; **CIN:** U65990MH1993GOI075578

- 20.13 The Company will request BSE to provide a separate Acquisition Window to facilitate placing of sell orders by the Eligible Shareholders who wish to tender Equity Shares in the Buyback. BSE would be the Designated Stock Exchange for this Buyback Offer. All Eligible Shareholders may place orders in the Acquisition Window, through their respective stock brokers (“**Shareholder Broker**”).
- 20.14 In the event Shareholder Broker(s) of Eligible Shareholder is not registered with BSE then that Eligible Shareholder can approach any BSE registered stock broker and can make a bid by using quick Unique Client Code (“**UCC**”) facility through that BSE registered stock broker after submitting the details as may be required by that stock broker to be in compliance with the SEBI regulations. In case Eligible Shareholder is not able to bid using quick UCC facility through any other BSE registered stock broker then the Eligible Shareholder may approach Company’s Broker to bid by using quick UCC facility.
- 20.15 The Eligible Shareholder approaching BSE registered stock broker (with whom he does not have an account) may have to submit following details:

(a) In case of Eligible Shareholder being an Individual or HUF

(i) If Eligible Shareholder is registered with KYC Registration Agency (“KRA”):

A. Forms required:

- Central Know Your Client (CKYC) form
- Know Your Client (KYC) form

B. Documents required (all documents self-attested):

- Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

(ii) If Eligible Shareholder is not registered with KRA:

A. Forms required:

- CKYC form
- KRA form
- KYC form

B. Documents required (all documents self-attested):

- PAN card copy
- Address proof
- Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

(b) In case of Eligible Shareholder other than Individual and HUF:

(i) If Eligible Shareholder is KRA registered:

A. Form required:

- KYC form

B. Documents required (all documents certified true copy):

- Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)
- Latest list of directors/authorised signatories/partners/trustees
- Latest shareholding pattern
- Board resolution
- Details of ultimate beneficial owner along with PAN card and address proof
- Last 2 years financial statements

(ii) *If Eligible Shareholder is not KRA registered:*

A. Forms required:

- KRA form
- KYC form

B. Documents required (all documents certified true copy):

- PAN card copy of company/ firm/trust
- Address proof of company/ firm/trust
- Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)
- Latest list of directors/authorised signatories /partners/trustees
- PAN card copies & address proof of directors/authorised signatories/partners/trustees
- Latest shareholding pattern
- Board resolution/partnership declaration
- Details of ultimate beneficial owner along with PAN card and address proof
- Last 2 years financial statements
- MOA/Partnership deed /trust deed

It may be noted that above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

20.16 At the beginning of the Tendering Period, the order for buying Equity Shares shall be placed by the Company through the Company's Broker. During the Tendering Period, the order for selling the Shares will be placed in the Acquisition Window by Eligible Shareholders through their respective Shareholder Broker during normal trading hours of the secondary market. In the tendering process, the Company's Broker may also process the orders received from the Shareholders.

20.17 Shareholder Broker can enter orders for dematerialized Shares.

20.18 Modification / cancellation of orders and multiple bids from a single Eligible Shareholder will be allowed during the Tendering Period of the Buyback offer. Multiple bids made by single Eligible Shareholder for selling the Shares shall be clubbed and considered as 'one' bid for the purposes of Acceptance.

20.19 The cumulative quantity tendered shall be made available on BSE website- www.bseindia.com throughout the trading session and will be updated at specific intervals during the Tendering Period.

20.20 All documents sent by the Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.

20.21 Procedure to be followed by Eligible Shareholders holding Equity Shares in the electronic/dematerialised form

Eligible Shareholders who desire to tender their Equity Shares in the electronic form under the Buyback would have to do so through their respective Shareholder Broker by indicating to the concerned Shareholder Broker, the details of Equity Shares they intend to tender under the Buyback. The Shareholder Broker would be required to place a bid on behalf of the Eligible Shareholders who wish to

tender Equity Shares in the Buyback using the acquisition window of the BSE.

The Eligible Shareholder would need to transfer the tendered Equity Shares to the special account of Indian Clearing Corporation Limited (“Clearing Corporation” / “ICCL”), by using the early pay in mechanism as prescribed by the BSE or the Clearing Corporation prior to placing the bid by the Shareholder Broker. This shall be validated at the time of order/bid entry. The details of the settlement number for the Buyback shall be informed in the issue opening circular that will be issued by BSE/ Clearing Corporation. Modification/cancellation of orders will be allowed during the Tendering Period. The details of the special account of the Clearing Corporation shall be informed in the issue opening circular that will be issued by the BSE and/or the Clearing Corporation.

For custodian participant orders for demat Equity Shares, early pay-in is mandatory prior to confirmation of order/bid by custodians. The custodian shall either confirm or reject the orders not later than closing of trading hours on the last day of the Tendering Period (Buyback Closing Date). Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, any order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.

Upon placing the bid, the Shareholder Broker shall provide a Transaction Registration Slip (“TRS”) generated by the exchange bidding system to the Eligible Shareholder on whose behalf the bid has been placed. TRS will contain details of order submitted like Bid ID No., Application No., DP ID, Client ID, Number of Equity Shares tendered etc.

Eligible Shareholders who have tendered their Equity Shares in the Buyback may deliver the Tender Form duly signed (by all Shareholders in case shares are in joint names) in the same order in which they hold the shares, along with the TRS generated by the exchange bidding system either by registered post or courier or hand delivery to the Registrar to the Buyback Offer at the address mentioned on the cover page of this Letter of Offer) not later than 2 (two) days from the Closing Date i.e. [●] (by 5 PM). The envelope should be super scribed as “**K.P.R. Mill Limited Buyback Offer 2019**”. In case of non-receipt of the completed Tender Form and other documents, but receipt of Shares in the special account of the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted, for demat Shareholders.

The Eligible Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or partial acceptance.

Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders would be returned to them by Clearing Corporation. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Shareholder Broker’s depository pool account for onward transfer to the Eligible Shareholder. In case of custodian participant orders, excess demat Shares or unaccepted demat Shares, if any, will be returned to the respective custodian depository pool account.

Eligible Shareholders shall also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to):

- i. Duly attested power of attorney, if any person other than the Eligible Shareholder has signed the Tender Form;
- ii. Duly attested death certificate and succession certificate/ legal heirship certificate, in case any Eligible Shareholder has expired; and
- iii. In case of companies, the necessary certified corporate authorizations (including board and/ or general meeting resolutions).

20.22 Procedure to be followed by Registered Eligible Shareholders holding Equity Shares in the Physical form

As per the proviso to Regulation 40(1) of the SEBI (LODR) Regulations (notified by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018) read with the press release dated December 3, 2018 issued by SEBI, effective from April 1, 2019, requests for effecting transfer of securities shall not be processed unless the securities are

held in the dematerialized form with a depository. Hence, Public Shareholders desirous of tendering their Equity Shares held in physical form can do so only after the shares are dematerialized and are advised to approach the concerned depository participant to have their Equity Shares dematerialized.

20.23 Additional requirements in respect of tenders by Non-resident shareholders

- a) While tendering their Equity Shares under the Buyback Offer, all Eligible Shareholders being Non-resident Shareholders should provide relevant confirmations/ declarations vide the duly filled-in and signed (by all shareholders in case the Equity Shares are held in joint names) Tender Forms (including a copy of the permission received from RBI wherever applicable). In the event relevant confirmations / declarations are not provided in the Tender Forms or there is ambiguity in the information provided, the Company reserves the right to reject such Tender Forms.
- b) FII/FPI shareholders should also enclose a copy of their SEBI registration certificate.
- c) In case the Equity Shares are held on repatriation basis, the Non-Resident Shareholders should enclose documents in support of the same. Such documents should include:
 - a copy of the permission received by them from RBI at the time of the original acquisition of Shares
 - a letter from the Shareholder's authorized dealer/bank confirming that at the time of acquiring the said Equity Shares, payment for the same was made by the Non-resident shareholder from the appropriate account as specified by RBI in its approval.
 - Any other document which evidences repatriability of sale proceeds in respect of the tendered Shares.

In case the Non-resident shareholder is not in a position to produce supporting documents towards enabling repatriation, the Shares would be deemed to have been acquired on non-repatriation basis and in that case the Non-Resident Shareholder shall submit a consent letter addressed to the Company, allowing the Company to make the payment on a non-repatriation basis in respect of the valid Shares accepted under the Offer i.e. by way of credit to a non-repatriation bank account or issuance of Rupee demand draft.

- a) If any of the above stated documents, as applicable, are not enclosed along with the Tender Form, the Equity Shares tendered under the Buyback Offer are liable to be rejected.

20.24 Non-receipt of the Letter of Offer by, or accidental omission to dispatch the Letter of Offer to any Eligible Shareholder, shall not invalidate the Buyback Offer in any way. Shareholders not receiving the Letter of Offer, if they so desire, may also apply on the Tender Form downloaded from SEBI website (www.sebi.gov.in) or obtain a duplicate copy of the same by writing to the Registrar to the Buyback Offer. Please note that the Company shall accept Equity Shares validly tendered for the Buyback Offer on the basis of their holding and entitlement as appearing in the records of the Company as on the Record Date.

20.25 The acceptance of the Buyback Offer made by the Company is entirely at the discretion of the Eligible Shareholders of the Company. The Company does not accept any responsibility for the decision of any Eligible Shareholder to either participate or to not participate in the Buyback Offer. The Company will not be responsible in any manner for any loss of Share certificate(s) and other documents during transit and the Eligible Shareholders are advised to adequately safeguard their interest in this regard.

20.26 The instructions and authorizations contained in the Tender Form constitute an integral part of the terms of this Buyback Offer.

20.27 **In case of non-receipt of the Letter of Offer / Tender Form:**

An Eligible Shareholder may participate in the Offer by downloading the Tender Form from the website of the Company i.e. www.kprimillimited.com or send an application in writing on plain paper signed by all Eligible Shareholders (in case of joint holding), stating name and address of Shareholder(s), number of Equity Shares held as on the Record Date, Client ID number, DP Name/ID, beneficiary account number, number of Equity Shares tendered for the Buyback.

Eligible Shareholder(s) who intend to participate in the Buyback using the 'plain paper' option as mentioned in this paragraph are advised to confirm their entitlement from the Registrar to the

Buyback Offer, before participating in the Buyback.

Please note that Eligible Shareholder(s) who intend to participate in the Buyback will be required to approach their respective Shareholder Broker (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Shareholder Broker or broker in the electronic platform to be made available by BSE before the Buyback Closing Date, otherwise the same are liable to be rejected.

20.28 Acceptance of orders

The Registrar shall provide details of order Acceptance to Clearing Corporation within specified timelines.

20.29 Method of Settlement

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

- (i) The Company will transfer the funds pertaining to the Buyback to the Clearing Corporation's account as per the prescribed schedule. For Equity Shares accepted under the Buyback, the Shareholder will receive funds payout in their bank account from Clearing Corporation. The payment of consideration to all Shareholders validly participating in the Buyback will be made in Indian National Rupees.
- (ii) The Equity Shares bought back in the demat form would be transferred directly to the escrow account of the Company (the "**Demat Escrow Account**") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of the BSE.
- (iii) Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders would be returned to them by Clearing Corporation. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Shareholder Broker's depository pool account for onward transfer to the Shareholder. In case of custodian participant orders, excess demat Shares or unaccepted demat Shares, if any, will be returned to the respective custodian participant. The custodian participants would return these unaccepted shares to their respective clients on whose behalf the bids have been placed.
- (iv) Every Shareholder Broker who puts in a valid bid on behalf of an Eligible Shareholder, would issue a contract note and pay the consideration for the Equity Shares accepted under the Buyback and return the balance unaccepted Equity Shares to their respective clients. Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
- (vi) Shareholders who intend to participate in the Buyback should consult their respective Shareholder Broker for payment to them of any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Shareholder Broker upon the selling Eligible Shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the selling Shareholders from their respective Shareholder Broker, in respect of accepted Equity Shares, could be net of such costs, applicable taxes charges and expenses (including brokerage) and the Manager to the Buyback and Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Shareholders.
- (vii) The Equity Shares lying to the credit of the Demat Escrow Account will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations and Companies Act, 2013.

20.30 Settlement of Funds/Payment Consideration

The settlements of fund obligation for dematerialised Equity Shares shall be effected as per the SEBI circulars and as prescribed by Exchange and Clearing Corporation from time to time.

For Equity Shares accepted under the Buyback, the Eligible Shareholders holding Equity Shares in

dematerialised form will receive funds payout in the Shareholder's bank account as provided by the Depository system from Clearing Corporation. If Eligible Shareholders' bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any issue then such funds will be transferred to the concerned Shareholder Brokers' settlement bank account for onward transfer to their respective Eligible Shareholders.

20.31 Special Account opened with the Clearing Corporation

The details of transfer of the dematerialised Equity Shares to the special account by trading member or custodians shall be informed in the issue opening circular that will be issued by the BSE or ICCL.

20.32 Rejection Criteria

The Equity Shares tendered by Eligible Shareholders holding shares in dematerialized form would be liable to be rejected on the following grounds:

- a. the Shareholder is not a Eligible Shareholder of the Company as on the Record Date; or
- b. if there is a name mismatch in the dematerialised account of the Shareholder.

21. NOTE ON TAXATION

Disclosures in this paragraph are based on expert opinion sought by the Company.

SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE ASSESSING OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE.

THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE TAX LAWS OF INDIA AND THE REGULATIONS THEREUNDER, THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT TAX IMPLICATIONS.

IN VIEW OF THE PARTICULARISED NATURE OF TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME TAX IN THE CASE OF BUY BACK OF LISTED EQUITY SHARES ON THE STOCK EXCHANGE SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

The below provisions of the Income Tax Act, 1961 ("**Income Tax Act**").

1. CLASSIFICATION OF INCOME

- i. Based on the provisions of the Income Tax Act, shares can be classified under the following two categories:
 - Shares held as investment (Income from transfer taxable under the head "Capital Gains")
 - Shares held as stock-in-trade (Income from transfer taxable under the head "Profits and Gains from Business or Profession")

2. CLASSIFICATION OF SHAREHOLDERS- Shareholders can be classified under the following categories

a. Resident Shareholders being:

- Individuals, Hindu Undivided Family (HUF), Association of Persons (AOP) and Body of Individuals (BOI)
- Others

b. Non Resident Shareholders being:

- Non Resident Indians (NRIs)
- Foreign Institutional Investors (FIIs)
- Others:
 - Company
 - Other than Company

3. SHARES HELD AS INVESTMENT

As per the provisions of the Income Tax Act, where the shares are held as investments, income arising from the transfer of such shares is taxable under the head “Capital Gains”. Capital gains on buyback of shares are governed by the provisions of Section 46A of the Income Tax Act and would attract capital gains in the hands of shareholders as per provisions of Section 48 of the Income Tax Act. The provisions of Buyback tax under Section 115QA in Chapter XIIDA of the Income Tax Act do not apply for shares listed on the stock exchange.

i. Period of holding

The taxability as per the provisions of the Income Tax Act is discussed below.

a. Nature of capital gains as per the provisions of the Income Tax Act.

As per the provisions of the Income Tax Act for the purpose of determining as to whether the capital gains are short-term or long-term in nature:

- Where a capital asset, being listed equity shares of the Company being bought back, is held for a period of less than or equal to 12 months prior to the date of transfer, the same shall be treated as a short-term capital asset, and the gains arising therefrom shall be taxable as short-term capital gains (STCG).
- Similarly, where listed equity shares are held for a period of more than 12 months prior to the date of transfer, the same shall be treated as a long-term capital asset and the gains arising therefrom shall be taxable as long-term capital gains (LTCG).

ii. Buyback of shares through a recognized stock exchange

Where transaction for transfer of such equity shares (i.e. buy back) is entered in to through a recognized stock exchange, they are liable to Securities Transaction Tax (STT). STT is a tax payable in India on the value of securities on every purchase or sale of securities that are listed on the Indian stock exchange. Currently, the STT rate applicable on the purchase or sale of shares on the stock exchange is 0.1% of the value of securities.

The taxability of buyback proceeds in the hands of eligible shareholders should be as under:

- As per the provisions of the ITA as amended by the Finance Act, 2018, the exemption to LTCG provided u/s. 10(38) of ITA has been withdrawn and tax is levied on the LTCG exceeding Rs. 1 Lac in a financial year arising on transfer of listed equity shares @10% without allowing the benefit of indexation. However, gains accrued on such equity shares till 31st January, 2018 have been exempted by providing that the cost of acquisition in respect of such equity shares which would be transferred on or after 1st April, 2018 shall be higher of i) the actual cost of acquisition of such equity shares acquired before 1st February, 2018 or ii) the lower of a) the highest price of such equity shares quoted on the recognized stock exchange on the 31st January, 2018; or b) the actual sale value of such equity shares.

However, as per the draft notification issued on 24th April, 2018, an exemption from the requirement of STT being paid at the time of acquisition of shares, is sought to be provided to certain modes of acquisition including acquisition of shares by a non-resident

under the FDI Policy and acquisition of unlisted of shares subsequently listed on the stock exchange. Once such exceptions are notified, if acquisition is made in such specific mode, the rates specified above shall continue to apply, even if no STT was paid at the time of acquisition of shares.

If STT is not paid at the time of acquisition of the shares being bought back, entire LTCG arising to the shareholder shall be subject to tax @10% under section 112 of the IT Act (or 20% after claiming indexation benefit which is relevant incase of resident shareholders)

- STCG arising from such transaction would be subject to tax @1% under section 118 of the Income Tax Act.
- iii. Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the tax on such STCG taxable under Section 111A of the Income Tax Act. In such cases, where the total income as so reduced by such STCG is below the maximum amount not chargeable to tax, then such STCG shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income tax and on the balance of STCG, if any, income tax @ 15% is charged. In addition to the above STCG tax, surcharge, health and education cess are leviable
- iv. Further in case of Eligible Shareholders being companies as defined under the Income Tax Act, the tax provisions of minimum alternate tax on book profits as provided u/s. 115JB of the Income Tax Act need to be considered depending on their income and losses, etc. for the year.
- v. For non-residents, taxability of capital gains would be subject to beneficial provisions of applicable Double Taxation Avoidance Agreement (“DTAA”) entered into by India with relevant country in which the shareholder is resident but subject to fulfilling relevant conditions and submitting/ maintaining necessary documents prescribed under the Income Tax Act.

As an overall point, since the buyback is undertaken on the stock exchange, such transaction is chargeable to Securities Transaction Tax (“STT”). STT is a tax payable in India on value of securities on every purchase or sale of securities that are listed on the Indian Stock Exchange.

4. SHARES HELD AS STOCK-IN-TRADE

- i. If the shares are held as stock-in-trade by any of the shareholders of the Company, then the gains would be characterized as business income and taxable under the head “Profit and Gains from Business or profession”. In such a case, the provisions of section 46A of the Income Tax Act would not apply.

ii. Resident Shareholders

- For individuals, HUF, AOP, BOI, profits would be taxable at slab rates.
- Domestic company having turnover or gross receipts not exceeding Rs.250 Crore in the previous year i.e. 2016 -17 would be taxable @ 25%
- For persons other than individuals, HUF, AOP, BOI profits would be taxable at the rate of 30%.

iii. Non Resident Shareholders

- For Non Residents, taxability of profits as business income would be subject to beneficial provisions of applicable DTAA entered into by India with relevant shareholder country but subject to fulfilling relevant conditions and submitting/maintaining necessary documents prescribed under the Income Tax Act.
- Where DTAA provisions are not applicable:
 - For non-resident individuals, HUF, AOP ,BOI, profits would be taxable at slab rates
 - For foreign companies ,profits would be taxed in India@40%
 - For other non-resident shareholders, such as foreign firms, profits would be taxed in India@30%

In addition to the above, Surcharge, Education Cess and Secondary and Higher Education Cess are

leviable.

5. TAX DEDUCTION AT SOURCE

i. In case of Resident Shareholders

In absence of any specific provision under the Income Tax Act, the Company is not required to deduct tax on the consideration payable to resident shareholders pursuant to the said Buyback.

ii. In the case of Non-Resident Shareholders

Since the buyback is through the stock exchange, the responsibility of discharge of the tax due on the gains (if any) is primarily on the non-resident shareholder. It is therefore recommended that non-resident shareholder may consult their custodians/authorised dealers/tax advisors appropriately to compute gains (if any) and immediately pay taxes in India (either through deduction at source or otherwise) in consultation with their custodians/ authorized dealers/ tax advisors appropriately.

6. RATE OF SURCHARGE AND CESS

In addition to the above Capital Gain Tax, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable as under:

i. Surcharge:

- In case of domestic companies: Surcharge @ 12% is leviable where the total income exceeds Rs.10 crores and @ 7% where the total income exceeds Rs. 1 crore but uptoRs.10crores.
- In case of companies other than domestic companies: Surcharge @ 5% is leviable where the total income exceeds Rs.10 crores and @ 2% where the total income exceeds Rs.1 crore but upto Rs.10 crores.
- In case of Firms: Surcharge @12% is leviable where the total income exceeds Rs.1 crore.
- In case of other assessee (i.e. other than companies and Firms): Surcharge @ 10% is leviable where the total income exceeds Rs. 50 Lakhs but not more than Rs.1 crore and Surcharge @ 15% is leviable where the total income exceeds Rs.1 Crore.

ii. Cess:

- a. Health and education cess @ 4% is leviable in all cases.

7. GENERAL

- a) The above note on taxation sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the disposal of equity shares.
- b) Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the provisions of the relevant sections under the relevant tax laws.

THE TAX RATE AND OTHER PROVISIONS MAY UNDERGO CHANGES.

SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE ASSESSING OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE.

This note is neither binding on any regulators nor can there be any assurance that they will not take a position contrary to the comments mentioned herein. Hence you should consult with your own tax advisors for the tax provisions applicable to your particular circumstances.

22. DECLARATION BY THE BOARD OF DIRECTORS

Declaration as required under clause (ix) and clause (x) of Schedule I to the Buyback Regulations, as

under:

- i. The Board of Directors of the Company confirms that no not defaulted in the repayment of the deposits accepted either before or after the commencement of the Companies Act, interest payment thereon, redemption of debentures or preference shares or payment of dividend to any shareholder or repayment of any term loan or interest payable thereon to any financial institutions or banking company.
- ii. The Board of Directors of the Company confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed an opinion that:
 - a. immediately following the date of this Board meeting dated April 29,2019 and the date on which the results of the Postal Ballot/ E-voting will be declared, 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 as well as for the year immediately following the date on which the results of the Postal Ballot/ E-voting will be declared approving the Buyback, 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 that date of this Board meeting and the date on which the results of the Postal Ballot/ E-voting will be declared; and
 - c. In forming an opinion as aforesaid, the Board has taken into account the liabilities, as if the Company were being wound up under the provisions of the Companies Act, or Indian Bankruptcy Code 2016 as the case may be, including prospective and contingent.

This declaration is made and issued by the Board of Directors in terms of the resolution passed at its meeting held on April 29, 2019.

For and on behalf of the **Board of Directors of Company**

Sd/- KPD Sigamani Managing Director (DIN: 00003744)	Sd/- P. Nataraj Managing Director (DIN: 00229137)
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23. AUDITORS CERTIFICATE

The text of the report dated April 29, 2019 received from B S R LLP & Co., Chartered Accountants, the Statutory Auditors of the Company addressed to the Board of Directors of the Company is reproduced below:

Quote:

The Board of Directors
K.P.R. Mill Limited
No.9, Gokul Buildings, 1st Floor,
A.K.S Nagar, Thadagam Road,
Coimbatore – 641 001

Dear Sirs / Madam,

Subject: Statutory Auditor's report in respect of proposed buy back of equity shares by K.P.R. Mill Limited as per Clause (xi) of Schedule I to the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended

1. This Report is issued in accordance with the terms of our engagement letter dated April 29, 2019. The Board of Directors of K.P.R. Mill Limited ("the Company") have approved a proposed buy-back of Equity Shares by the Company at its meeting held on April 29, 2019, in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 ("the Act") read with the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended ("SEBI Buyback Regulations").

2. The accompanying Statement of permissible capital payment (including premium) ('Annexure A') as at March 31, 2019 (hereinafter referred to as the "Statement") is prepared by the management of the Company, which we have initialed for identification purposes only.

Management's Responsibility for the Statement

3. The preparation of the Statement in accordance with Section 68(2)(c) of the Act and ensuring compliance with Section 68, 69 and 70 of the Act and SEBI Buyback Regulations, is the responsibility of the Management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditors' Responsibility

4. Pursuant to the requirements of the SEBI Buyback Regulations, it is our responsibility to provide a reasonable assurance whether:
 - i. we have inquired into the state of affairs of the Company in relation to the audited standalone financial statements of the Company for the year ended March 31, 2019;
 - ii. the amount of the permissible capital payment (including premium) as stated in Annexure A for the proposed buy-back of equity shares is properly determined considering the audited standalone financial statements in accordance with Section 68(2)(c) of the Act. and
 - iii. the Board of Directors of the Company in their meeting dated April 29, 2019 have formed the opinion as specified in clause(x) of Schedule I to the SEBI Buyback regulations on reasonable grounds and that the company will not having regard to its state of affairs, be rendered insolvent within a period of one year from the date of passing of board resolution dated April 29, 2019.
5. Our engagement involves performing procedures to obtain sufficient appropriate evidence on the above reporting. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated with the above reporting. Within the scope of our work, we performed the following procedures:
 - I. Examined that the amount of permissible capital payment (including premium) for the buy back as detailed in Annexure A is in accordance with the provisions of Section 68(2)(c) of the Act;
 - II. Inquired into the state of affairs of the Company with reference to the audited standalone financial statements; and
 - III. Examined the Board of Director's declarations for the purpose of buy back and solvency of the Company; and
 - IV. Obtained appropriate representations from the Management of the Company.
6. The standalone financial statements referred to in paragraph 4 above, which we have considered for the purpose of this report, has been approved by the Board of Directors in their meeting held on April 29, 2019 and is subject to approval by the shareholders of the Company in the ensuing Annual General Meeting of the Company. These standalone financial statements have been audited by us and we have issued an unmodified opinion vide our report dated April 29, 2019.
7. We conducted our examination of the Statement in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services engagements
9. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Opinion

10. Based on our performance of the aforesaid procedures, we report that :

(i) we have inquired into the state of affairs of the Company with reference to its audited standalone financial statements as at and for the year ended March 31, 2019; and

(ii) the Board has proposed to buyback the Company's equity shares upto an aggregate amount not exceeding ₹26,331 lakhs/- ("Buyback Offer Size") at a price not exceeding ₹702/- per equity share ("Buyback Offer Price"). The amount of permissible capital payments (including premium) towards the proposed buyback of equity shares as computed in Annexure A, has been properly determined in accordance with Section 68(2)(c) of the Act.

(iii) the Board of Directors of the Company in their meeting held on April 29, 2019 have formed their opinion, as specified in clause (x) of Schedule I to the SEBI Buyback Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of passing of the board resolution dated April 29, 2019.

Restriction on use

11. This report has been issued at the request of the Company solely for use of the Company in relation to (i) to enable the Board of Directors of the Company to include in the public announcement, draft letter of offer, letter of offer and other documents pertaining to buy-back to be sent to the shareholders of the Company or filed with (a) the Registrar of Companies, Securities and Exchange Board of India, stock exchanges, public shareholders and any other regulatory authority as per applicable laws and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and (ii) for providing to the manager, each for the purpose of extinguishment of equity shares and may not be suitable for any other purpose.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: **101248W/W-100022**

Sd/-
S Sethuraman
Partner
Membership No: 203491
ICAI UDIN: 19203491AAAAAE4060
Place: Coimbatore
Date: April 29, 2019

Annexure A – Statement of permissible capital payment (including premium)

Computation of amount of permissible capital payment towards buy back of equity shares of K.P.R. Mill Limited in accordance with Section 68(2)(c) of the Companies Act, 2013 (the "Act") and Regulation 4(i) of the SEBI (Buy-Back of Securities) Regulations, 2018:

Particulars	Amount in INR lakhs as at March 31, 2019	
	Standalone *	Consolidated \$
Paid up equity share capital (72,560,784 Equity Shares of INR 5 each, fully paid up) * [A]	3,628	3,628
Free reserves #:		
-Securities premium *	15,233	19,096
-General reserve *	24,716	24,845
-Retained Earnings *	105,903	129,515
Total free reserves [B]	145,852	173,456
Total [A + B]	149,480	177,084
Maximum amount permissible for buyback as per the Act and SEBI Buyback Regulations (i.e.25% of aggregate of fully paid up equity share capital and free reserves as per audited standalone financial statements as of and for the year ended March 31, 2019)	37,370	

Particulars	Amount in INR lakhs as at March 31, 2019
Amount proposed by Board resolution dated April 29, 2019 approving the buyback, subject to shareholders approval by special resolution	26,331

* the balances have been extracted from the audited standalone financial statements of the Company as at and for the year ended March 31, 2019 which has been approved by the Board of Directors in their meeting held on April 29, 2019 and is subject to approval by the shareholders of the Company in the ensuing Annual General Meeting of the Company.

Free reserves as per sub clause 43 of Section 2 and explanation II to Section 68 of the Act.

\$ the balances have been extracted from the audited consolidated financial statements of the Company as at and for the year ended March 31, 2019 which has been approved by the Board of Directors in their meeting held on April 29, 2019 and is subject to approval by the shareholders of the Company in the ensuing Annual General Meeting of the Company. These balances have been disclosed in the table above for information purpose only and not used as the basis for computation of the maximum amount permissible for buyback as per the Act and SEBI Buyback Regulations.

For K.P.R. Mill Limited

Sd/-

P. Nataraj

Chief Executive Officer & Managing Director

Place: Coimbatore

Date: April 29, 2019

Unquote

24. DOCUMENTS FOR INSPECTION

The following material documents are available for inspection by shareholders of K. P. R. Mill Limited at the Registered Office: No. 9, Gokul Buildings, A.K.S. Nagar, Thadgam Road, Coimbatore – 641 001, India, from 10.00 a.m. to 5.00 p.m. on any day, except Saturdays, Sundays and public holidays, during the Tendering Period.

- i. Copy of the Certificate of Incorporation;
- ii. Memorandum and Articles of Association of K.P.R. Mill Limited;
- iii. Copy of the annual reports K. P. R. Mill Limited for the last three financial years ended March 31, 2017, March 31, 2018 and March 31, 2019, approved by Board of Directors.
- iv. Certified true copy of the resolution passed by the Board of Directors at the meeting held on April 29, 2019 approving proposal for Buyback;
- v. Copy of the special resolution of the Equity Shareholders passed by way of postal ballot, the results of which were announced on June 7, 2019
- vi. Copy of Report dated April 29, 2019 received from B S R LLP & Co., Chartered Accountants, the Statutory Auditors of the Company, in terms of clause (xi) of Schedule I of the Buyback Regulations;
- vii. Copy of Declaration of solvency and an affidavit verifying the same in Form SH-9, as prescribed under section 68(6) of the Companies Act, 2013;
- viii. SEBI Comments vide letter no. [●] dated [●];
- ix. Copy of Escrow Agreement dated [●], 2018 between K.P.R. Mill Limited, [●] and IDBI Capital Markets & Securities Limited;
- x. Copy of the certificate from SPSM & Co., Chartered Accountants, dated June 6, 2019 certifying that the Company has adequate funds for the purposes of Buyback;
- xi. Copy of Public Announcement dated June 7, 2019 published in the newspapers on June 10, 2019 regarding Buyback of Equity Shares;
- xii. Opinion dated June 6, 2019 obtained by the Company on taxation.

25. DETAILS OF COMPLIANCE OFFICER

Mr. P. Kandaswamy, Company Secretary
K.P.R. Mill Limited

1st Floor, Srivari Shrimat, 1045, Avinashi Road, Coimbatore – 641 018, India
Tel: 0422 2207777; Fax: 0422 2207778;
Email: kandaswamy@kprmill.com;
Website: www.kprmilllimited.com

Investor may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e. 10:00 a.m. and 5:00 p.m. on all working days except Saturday, Sunday and Public holidays.

26. DETAILS OF THE REMEDIES AVAILABLE TO THE SHAREHOLDERS/ BENEFICIAL OWNERS

- i. In case of any grievances relating to the Buyback (i.e. non-receipt of the Buyback consideration, Share certificate, demat credit, etc.) the investor can approach the Compliance Officer and/or Manager to the Buyback and/or Registrar to the Buyback for redressal.
- ii. If the Company makes any default in complying with the provisions of Section 68, 69, 70 of the Companies Act, 2013, or the rules made thereunder, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Companies Act, 2013.
- iii. The address of the concerned office of the Registrar of Companies is as follows:

Office of Registrar of Companies Tamil Nadu Coimbatore,
No.7, AGT Business Park, I Floor, Phase II,
Avinashi Road, Civil Aerodrome Post,
Coimbatore- 641014, Tamilnadu

27. DETAILS OF INVESTOR SERVICE CENTRES

In case of any query, the shareholders may also contact the Registrar & Transfer Agent on any day except Saturday, Sunday and Public holidays between 10:00 AM and 5:00 PM at the following address:



Karvy Fintech Private Limited

Karvy Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda,
Serilingampally Hyderabad Rangareddi TG 500032

Contact Person: Murali Krishna M

Tel: 040-67162222

Fax: 040-23431551

E-mail: kprmill.buyback@karvy.com

Website: www.karvyfintech.com

SEBI Registration No.: INR000000221

Validity Period: Permanent Registration

CIN: U67200TG2017PTC117649

28. DETAILS OF MANAGER TO THE BUYBACK OFFER



IDBI Capital Markets & Securities Limited

6th Floor, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005.

Contact Person: Apurva Bholay/Anusha Shetty

Tel: +91 (22) 2217 1700

Fax: +91 (22) 2215 1787

E-mail: kpr.buyback@idbicapital.com

Website: www.idbicapital.com

SEBI Registration No.: INM000010866

Validity Period: Permanent Registration

CIN: U65990MH1993GOI075578

29. DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE DRAFT LETTER OF OFFER

As per Regulation 24(i)(a) of the Buyback Regulations, the Board of Directors of the Company accept full responsibility for the information contained in this Draft Letter of Offer and confirms that the information in this Draft Letter of Offer contain true, factual and material information and does not contain any misleading information. The Draft Letter of Offer is issued under the authority of the Board of Directors by the Buyback Committee through Resolution passed by the Buyback Committee meeting held on April 29, 2019 and the special resolution passed by the Shareholders through postal ballot, the results of which were announced on June 7, 2019.

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

Sd/-
KPD Sigamani
Managing Director
DIN: 00003744

Sd/-
P. Nataraj
Managing Director
DIN: 00229137

Sd/-
P. Kandaswamy
Company Secretary
FCS:2172

Date: June 14, 2019
Place: Coimbatore

Enclosure:

1. Tender Form for Demat Shareholders

**FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT
(FOR EQUITY SHAREHOLDERS HOLDING SHARES IN DEMATERIALIZED FORM)**

Bid Number:

Date:

BUY-BACK OPENS ON:	[●], [●], 2019
BUY-BACK CLOSES ON:	[●], [●], 2019
For Registrar / collection center use	
Inward No.	Date
Status (please tick appropriate box)	
<input type="checkbox"/> Individual	<input type="checkbox"/> FII
<input type="checkbox"/> Foreign Co.	<input type="checkbox"/> NRI/OCB
<input type="checkbox"/> Body Corporate	<input type="checkbox"/> Bank / FI
<input type="checkbox"/> VCF	<input type="checkbox"/> Partnership/LLP
	<input type="checkbox"/> Insurance Co.
	<input type="checkbox"/> FVCI
	<input type="checkbox"/> Pension / PF
	<input type="checkbox"/> Others (specify)
India Tax Residency Status: Please tick appropriate box	
<input type="checkbox"/> Resident in India	<input type="checkbox"/> Non-Resident in India
	<input type="checkbox"/> Resident of _____ (Shareholder to fill the country of residence)
Route of Investment (For NR Shareholders only)	
<input type="checkbox"/> Portfolio Investment Scheme	<input type="checkbox"/> Foreign Investment Scheme

To,
KPR Mill Limited,
No. 9, Gokul Buildings, A.K.S. Nagar,
Thadagam Road, Coimbatore - 641 001, India.
Tel: 0422-2207777 | Fax: 0422-2207778

Dear Sirs,

Sub: Letter of Offer dated [●], 2019 to Buy back up to 37,50,784 Equity Shares of KPR Mill Limited (the “Company”) at a price of ₹ 702/- (Rupees Seven hundred and two only) per Equity Share (the “Buyback Price”) payable in cash

- I / We having read and understood the Letter of Offer issued by the Company hereby tender / offer my / our Equity Shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
- I / We authorize the Company to buyback the Equity Shares offered (as mentioned above) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Shares.
- I / We hereby warrant that the Equity Shares comprised in this Tender Offer are offered for Buyback by me / us free from all liens, equitable interest, charges and encumbrance.
- I / We declare that there are no restraints / injunctions or other covenants of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback and that I / We am / are legally entitled to tender the Equity Shares for Buyback.
- I / We agree that the Company will pay the Buyback Price only after due verification of the validity of documents and that the consideration will be paid as per the Stock Exchange mechanism.
- I / We agree to return to the Company any Buyback consideration that may be wrongfully received by me / us.
- Details of Equity Shares held and tendered / offered for Buyback:

Particulars	In Figures	In Words
Number of Equity Shares held as on Record Date (June 19, 2019)		
Number of Equity Shares Entitled for Buyback (Buyback Entitlement)		
Number of Equity Shares offered for Buyback (Including Additional Shares, if any)		

Note: An Eligible Shareholder may tender Equity Shares over and above his / her Buyback Entitlement. Number of Equity Shares validly tendered by any Eligible Shareholder up to the Buyback Entitlement of such Eligible Shareholder shall be accepted to the full extent. The Equity Shares tendered by any Eligible Shareholder over and above the Buyback Entitlement of such Eligible Shareholder shall be accepted in accordance with Paragraph 19 of the Letter of Offer. Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

- I / We agree that the excess demat Equity Shares or unaccepted demat Shares, if any, tendered would be returned to the Selling Member by Clearing Corporation in payout.
- Applicable for all Non-resident shareholders.
 - I / We undertake to pay income taxes in India on any income arising on such Buyback accordance with prevailing income tax laws in India. I / We also undertake to indemnify the Company against any income tax liability on any income earned on such Buyback of shares by me / us. Details of bank account of the sole or first Shareholder to be incorporated in the consideration warrant (to be mandatorily filled).
 - I / We, being a Non-Resident Shareholder, agree to obtain and submit all necessary approvals, if any and to the extent required from the concerned authorities including approvals from the Reserve Bank of India (“RBI”) under Foreign Exchange Management Act, 1999, as amended (the “FEMA Regulations”) and the rules and regulations framed there under, for tendering Equity Shares in the Buyback, and also undertake to comply with the reporting requirements, if applicable, under the FEMA Regulations and any other rules, regulations and guidelines, in regard to remittance of funds outside India.

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ACKNOWLEDGMENT SLIP: KPR MILL LIMITED – BUYBACK OFFER
(To be filled by the Equity Shareholder) (Subject to verification)

DP ID		Client ID	
Received from Mr./Ms./Mrs.			
Form of Acceptance-cum-Acknowledgement, Original TRS along with:			
No. of Equity Shares offered for Buyback (In Figures)		(in words)	
Please quote Client ID No. & DP ID No. for all future correspondence			Stamp of Broker

10. I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Companies Act, Buyback Regulations and any other applicable laws
11. Non-resident shareholders (including NRIs, OCBs and FIIs) are requested to enclose a consent letter indicating the details of transfer i.e. number of Equity Shares to be transferred, the name of the investee company whose shares are being transferred i.e. "KPR Mill Limited" and the price at which the Equity Shares are being transferred i.e. "Price determined in accordance with the Buyback Regulations" duly signed by the shareholder or his/its duly appointed agent and in the latter case, also enclose the power of attorney.
12. Details of Account with Depository Participant (DP):

Name of the Depository (tick whichever is applicable)		NSDL		CDSL
Name of the Depository Participant				
DP ID No.				
Client ID No. with the DP				

13. Equity Shareholders Details:

Particulars	First/Sole Holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Full Name(s) Of the Holder				
Signature(s)*				
PAN				
Address of the Sole/First Equity Shareholder				
Telephone No. of Sole/First Equity Shareholder		Email ID of Sole/First Equity Shareholder		

* Corporate must affix rubber stamp and sign.

Instructions:

This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form

- This Offer will open on [●], [●], 2019 and close on [●], [●], 2019
- This Tender form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form.
- Shareholders who desire to tender their equity shares in the dematerialized form under the Buyback would have to do so through their respective Selling Member by indicating the details of equity shares they intend to tender under the Buyback offer.
- Shareholders may submit their duly filled Tender Form to the office of Registrar to the Buyback Offer (as mentioned in Paragraph 18 of the Letter of Offer) only post placing the bid via the Seller Member.
- In case any registered entity that has merged with another entity and the merger has been approved and has come into effect but the process of getting the successor company as the registered shareholder is still incomplete, then such entity along with the Tender Form should file a copy of the following documents:
 - Approval from the appropriate authority for such merger;
 - The scheme of merger; and
 - The requisite form filed with MCA intimating the merger.
- The Buyback shall be rejected for demat shareholders in case of receipt of the completed Tender Form and other documents but non-receipt of Shares in the special account of the Clearing Corporation or a non-receipt of valid bid in the exchange bidding system.**
- The shares in the Offer shall be rejected if the tenderer is not an Eligible Shareholder of the Company as on the Record date or if there is a name mismatch in the demat account of the Shareholder
- The Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Buyback as may be decided by the Company / Registrar to the Buyback, in accordance with the Buyback Regulations.
- Eligible Shareholders to whom the Offer is made are free to tender shares to the extent of their entitlement in whole or in part or in excess of their entitlement, but not exceeding their holding as on Record Date.
- All documents sent by Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
- By agreeing to participate in the Buyback the NR and NRI shareholders give the Company the authority to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reporting, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting, if required by the Company.

All capitalised items not defined herein shall have the meaning ascribed to them in the Letter of Offer.

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ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK AT THE FOLLOWING ADDRESS QUOTING YOUR CLIENT ID AND DP ID:

Investor Service Centre: KPR Mill Limited - Buyback offer

Karvy Fintech Private Limited

Karvy Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally Hyderabad, Rangareddi TG 500032

Contact Person: M Murali Krishna

Tel: 040-6716 2222; Fax: 040-2343 1551; E-mail: kprmill.buyback@karvy.com

Website: www.karvyfintech.com; SEBI Registration Number: INR00000221

CIN: U67200TG2017PTC117649