

K G DENIM LIMITED

CIN : L17115TZ1992PLC003798

THEN THIRUMALAI

METTUPALAYAM - 641 302.

COIMBATORE DISTRICT

TAMILNADU, INDIA.

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Denim

Phone : 0091-4254-304000
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K G DENIM LIMITED

(CIN: L17115TZ1992PLC003798)

Registered office: Then Thirumalai, Jadayampalayam, Coimbatore Tamil Nadu - 641 302

Tele. No. (04254) 235401 / 235240, **Website :** www.kgdenim.com

Email: cskgdl@kgdenim.in

Contact person: Mr. M. Balaji, Company Secretary & Compliance Officer

PUBLIC ANNOUNCEMENT

FOR THE ATTENTION OF EQUITY SHAREHOLDERS/BENEFICIAL OWNERS OF K G DENIM LIMITED FOR BUYBACK OF EQUITY SHARES THROUGH THE TENDER OFFER ROUTE UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUYBACK OF SECURITIES) REGULATIONS, 2018

This Public Announcement (the “**Public Announcement**”) is being made pursuant to the provisions of Regulation 7(i) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (the “**Buyback Regulations**”) for the time being in force including any statutory modifications and amendments from time to time and contains the disclosures as specified in Schedule II to the Buyback Regulations.

OFFER FOR BUYBACK OF UPTO 25,00,000 FULLY PAID UP EQUITY SHARES OF KG DENIM LIMITED (“KG DENIM/ THE COMPANY”) OF FACE VALUE OF `10 (INDIAN RUPEES TEN ONLY) EACH AT A PRICE OF ` 40/- (RUPEES FORTY ONLY) PER FULLY PAID UP EQUITY SHARE IN CASH ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER ROUTE USING THE STOCK EXCHANGE MECHANISM.

i) Details of the Buyback offer.

The Board of Directors (the “**Board**”, which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized committee thereof) of K G Denim passed a resolution on November 14, 2018 (“**Board Meeting**”) to approve the proposal of buyback of upto **25,00,000** fully paid-up equity shares of face value of `10 each (“**Shares**” or “**Equity Shares**”) from the equity shareholders of the Company as on Record Date (hereinafter defined), on a proportionate basis, through **tender offer route** at a price of ` 40/- (**Rupees Forty Only**) per Equity Share (“**Buyback Price**”/“**Buyback Offer Price**”) payable in cash, for an aggregate maximum consideration not exceeding ` **10,00,00,000/- (Rupees Ten Crores Only)** excluding the transaction costs viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc. (the “**Buyback Offer Size**”).



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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, as amended (the “Companies Act”), the Companies (Share Capital and Debentures) Rules, 2014, as amended (the “Share Capital Rules”) to the extent applicable and in accordance with Article 44 of the Articles of Association of the Company, and subject to the provisions of the Buyback Regulations and such other approvals, permissions as may be required from time to time from the Stock Exchange i.e BSE Ltd where the Equity Shares of the Company are listed and from any other statutory and/or regulatory authority, as may be required and which may be agreed to by the Board and/or any committee thereof. The Buyback would be undertaken in accordance with SEBI 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 (the “SEBI Circulars”), which prescribes mechanism for acquisition of shares through stock exchange. In this regard, the Company will request BSE to provide the acquisition window. For the purpose of this Buyback, BSE would be the Designated Stock Exchange.

The Buyback is subject to receipt of any approvals, permissions and sanctions of statutory, regulatory or governmental authorities as may be required under applicable laws including but not limited to Securities and Exchange Board of India (“SEBI”) and i.e BSE Limited (the “BSE”/ “Stock Exchange”).

The Buyback offer size is `10,00,00,000/- (Rupees Ten Crores Only) which is 9.26% of the fully paid-up equity share capital and free reserves as per the audited standalone financial statements of the Company for the financial year ended March 31, 2018 (the last audited financial statements available as on the date of the Board Meeting approving the Buyback) and is within the statutory limits of 10% of the fully paid-up equity share capital and free reserves as per audited standalone financial statements of the Company under the Board of Directors approval route as per the provisions of the Companies Act. Further the Company proposes to Buyback up to 25,00,000 Equity Shares representing 9.75% of the total number of fully paid up Equity Shares of the Company, which is within the 25% limit as per the provisions of the Companies Act.

The maximum amount required by the Company for the said Buyback aggregating to `10,00,00,000/- (Rupees Ten Crores 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 confirms that as required under Section 68(2)(d) of the Companies Act and Regulation 4(ii) of Buyback Regulations, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the fully paid-up share capital and free reserves after the Buyback.

The buyback price is `40/- (Rupees Forty Only) per equity share. The Buyback Price has been arrived at after considering various factors including, but not limited to the trends in the volume weighted average market prices of the Equity Shares on BSE where the Equity Shares are listed, the networth of the Company, price earnings ratio, impact on other financial parameters and the possible impact of Buyback on the earnings per Share. The shares are being offered for buyback at a premium of 11.11% over the closing price of equity shares on BSE on the date of Board meeting to consider the proposal for buyback.



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The Buyback shall be on a proportionate basis from all the Equity Shareholders of the Company through the "Tender Offer" route, as prescribed under Regulation 4(iv)(a) of the Buyback Regulations. (Please see paragraph xvi below for details regarding record date and share entitlement for tender in the Buyback)

The Buyback Offer Size does not include the transaction costs viz. brokerage, applicable taxes such as securities transaction tax, GST, stamp duty, filing fees, advisors' fees, brokerage, public announcement expenses, printing and dispatch expenses and other incidental and related expenses.etc..

A copy of this Public Announcement is available on the Company's website (www.kgdenim.com) and is expected to be available on the website of SEBI (www.sebi.gov.in) during the period of the Buyback and on the website of BSE (www.bseindia.com).

ii) Necessity for the buyback

The buyback is being undertaken by the Company after taking into account the strategic and operational capital needs in short, medium and long term and for returning surplus funds which are over and above its ordinary capital requirement and in excess of any current investment plan to the shareholders in an effective and efficient manner.

The buy-back is a more efficient form of distributing surplus cash to the equity shareholders compared to other alternatives including interim dividend, inter-alia, for the following reasons:

- The buy-back gives an option to the equity shareholders to either participate in the buy-back and receive cash in lieu of Equity Shares accepted under the buy-back or not participate in the buy-back and enjoy a resultant increase in their percentage shareholding in the Company post the buy-back;
- The buy-back helps to return surplus cash to its shareholders, in proportion to their shareholding, thereby, enhancing the overall returns to shareholders;
- The buy-back would help in improving certain key financial ratios of the Company;
- It helps to optimize the capital structure
- To mitigate the effects of short term market volatility
- Provides an opportunity for shareholders holding equity shares in physical form to tender the equity shares through stock exchange mechanism

The Buyback involves allocation of higher of number of equity shares as per their entitlement or 15% of the number of equity shares which the Company proposes to Buyback reserved for small shareholders. The Company believes that this reservation for small shareholders would benefit a large number of public Shareholders, who would get classified as "Small Shareholders";



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iii) Maximum amount required under the buy-back & its percentage of the total paid-up capital and free reserves and the sources of funds from which the buyback would be financed:

Pursuant to Section 68 (2) (c) or (b) (i & ii) of the Companies Act, 2013 and Regulation 4 of Buyback Regulations, a Company can buyback 25% or less of the aggregate paid up share capital and free reserves as per last standalone audited financials. The proposed buyback shall be for upto ` 10,00,00,000/- (Rupees Ten Crores Only) amounting to 9.26 % of the paid up share capital and free reserves as on March 31, 2018 and therefore the Buyback offer size is within the statutory limits of 10% of the aggregate of the fully paid-up equity share capital and free reserves as per standalone audited financial statements of the Company under the Board of Directors approval route as per the provisions of the Companies Act and Buyback Regulations. This amount excludes any transaction costs such as securities transaction tax, GST, stamp duty, filing fees, advisors' fees, brokerage, public announcement expenses, printing and dispatch expenses and other incidental and related expenses.

Further, the number of Equity Shares that can be bought back in any financial year cannot exceed 25% of the total paid-up equity capital of the Company in that financial year. Accordingly, the maximum number of Equity Shares that can be bought back in the current financial year is 64,13,476 Equity Shares. Since the Company proposes to buyback up to **25,00,000** Equity Shares, the same is within the aforesaid 25% limit.

The funds for the implementation of the proposed Buyback will be sourced out of the free reserves of the Company and no funds will be borrowed from Banks and Financial Institutions for 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 details of such transfer shall be disclosed in its subsequent audited financial statement.

The Company confirms that as required under Section 68(2) (d) of the Companies Act and Regulation 4 (ii) of Buyback Regulations, the ratio of the aggregate of secured and unsecured debts owed by the Company will not be more than twice the paid up equity share capital and free reserves after the Buyback.

iv) Maximum buy-back Price and the basis of arriving at the Maximum buy-back price:

The buyback price shall be ` 40/- (Rupees Forty Only) per equity share. The Buyback Price has been arrived at after considering various factors including, but not limited to the trends in the volume weighted average market prices of the Equity Shares on BSE Limited ("BSE") where the Equity Shares are listed, the networth of the Company, price earnings ratio, impact on other financial parameters and the possible impact of Buyback on the earnings per Share. The shares are being offered for buyback at a premium of 11.11% over the closing price of equity shares on BSE on the date of Board meeting to consider the proposal for buyback.



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v) **Number of shares that the Company proposes to buy-back and the time limit for completing the buy-back:**

The Company proposes to buyback up to 25,00,000 fully paid up Equity Shares of face value ` 10/- per equity shares.

vi) **Method to be adopted of buy back**

The equity shares shall be purchased through buyback by the Company using 'Tender Offer' route as prescribed under "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular no. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular no. CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 following the procedure prescribed in the Companies Act 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.

vii) a) **The aggregate shareholding of the promoter and of the directors of the promoters, where the promoter is a company and of the persons who are in control of the Company as on the date of the meeting of board of directors (i.e November 14, 2018) is as follows:**

a.1. The aggregate shareholding of the Promoter and Promoter Group and the persons who are in control of the company are as under:

Sr.no	Name of Shareholder	No. of Shares held	Percentage (%)
1	KG Baalakrishnan	25,78,560	10.05
2	B Sathyabama	18,86,500	7.35
3	B Sriramulu	22,08,659	8.61
4	B Srihari	22,31,859	8.70
5	T Anandhi	1,50,000	0.58
6	Nirupa Sriramulu	1,69,185	0.66
7	Deepika Karthikeyan	72,600	0.28
8	Pranav Sriraman	67,736	0.26
9	Adhya Srihari	52,050	0.20
10	Sri Kannapiran Mills Limited	30,65,183	11.95
11	KG Fabriks Limited	2,00,000	0.78
12	Ganapathykumaran Investments Private Limited	10,14,255	3.95
13	Kumaranganapathy Investments Private Limited	8,82,707	3.44
14	G Bakthavathsalam	1,04,609	0.41
15	B Dhanalakshmi	1,73,400	0.68
16	R Vasanthi	1,74,100	0.68
	Total	1,50,31,403	58.59



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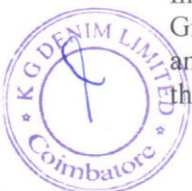
a.2. The aggregate shareholding of the directors of the promoters, where the promoter is a company:

Sr. no	Name of the promoter Company	Name of Director	No. of Shares held in KG Denim Ltd	Percentage (%)
1	Sri Kannapiran Mills Limited	1) KG Baalakrishnan	25,78,560	10.05
		2) G Bakthavathsalam	1,04,609	0.41
		3) B Sriramulu	22,08,659	8.61
		4) B Srihari	22,31,859	8.70
		5) K N V Ramani	10,000	0.04
		6) A Velusamy	500	Negligible
		7) V Arunachalam	Nil	Nil
		8) K B Nagendra Murthy	Nil	Nil
2	Ganapathykumaran Investments Private Limited	1) B Sathyabama	18,86,500	7.35
		2) B Sriramulu	22,08,659	8.61
		3) B Srihari	22,31,859	8.70
3	Kumaranganapathy Investments Private Limited	1) B Sathyabama	18,86,500	7.35
		2) B Sriramulu	22,08,659	8.61
		3) B Srihari	22,31,859	8.70
4	KG Fabriks Limited	1) KG Baalakrishnan	25,78,560	10.05
		2) A Velusamy	500	Negligible
		3) R Rajesh	Nil	Nil
		4) R Selvakumar	Nil	Nil
		5) V Arunachalam	Nil	Nil
		6) A P Seturaaman	Nil	Nil

b) No Equity Shares of the Company have been purchased/sold by any of the Promoter, and Promoter Group, Directors, of the Promoter Group companies, during the period from six months preceding the date of the Board Meeting at which the Buyback was proposed till the date of this Public Announcement.

viii) Intention of the Promoters and Promoters Group of the Company to tender equity shares for buy-back:

In terms of the Buyback Regulations, under the Tender Offer route, the Promoter and Promoter Group of the Company have the option to participate in the Buyback. In this regard, the Promoter and Promoter Group Members have vide their letters dated November 14, 2018 communicated their intention not to participate in the Buyback



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ix) No Defaults:

The Company confirms that there are no defaults made or subsisting in the repayment of deposits, redemption of debentures or preference shares, payment of dividend to any shareholder or repayment of term loans to any financial institution or banks.

x) Confirmation that the Board of Directors have made full enquiry into the affairs and prospects of the Company and that they have formed the opinion :

The Board of Directors of the Company have confirmed that they have made a full enquiry into the affairs and prospects of the Company and have formed the opinion that:

- a. Immediately following the date of the Board Meeting held on November 14, 2018 with regard to the proposed Buyback , there will be no grounds on which the Company can be found unable to pay its debts;
- b. As regards the Company's prospects for the year immediately following the date of the Board meeting held on November 14, 2018 with regard to the proposed Buyback , approving the Buyback and having regards to the Board's intention with respect to the management of the 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 the Board meeting approving the Buyback;
- c. In forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Companies Act, and the Insolvency and Bankruptcy Code, 2016 (to the extent notified and in force).

xi) The text of the Report dated November 14, 2018 received from Mohan & Venkataraman, Chartered Accountants, the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below

**The Board of Directors
K G Denim Ltd.
Then Thirumalai
Jadayampalayam
Coimbatore 641302**

Dear Sirs /Madam,

Subject: Statutory Auditor's Report in respect of proposed buyback of equity shares by KG Denim Limited ('the Company') in terms of clause (xi) of Schedule I of Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 ("Buyback Regulations").



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1. This Report is issued in accordance with the terms of our engagement letter dated November 10, 2018.
2. The Board of Directors of the Company have approved a proposal for buy-back of Equity shares by the Company at its meeting held on 14th November, 2018 in pursuance of Section 68, 69 and 70 of the Companies Act, 2013 ("the Act") and the Buyback Regulations.
3. We have been requested by the Management of the Company to provide a report on the accompanying Statement of permissible capital payment (including premium) (Annexure A) as at March, 2018 (hereinafter referred together as the "Statement"). This Statement has been prepared by the Management of the Company, which we have initialed for identification purposes only.

Management Responsibility for the Statement

4. The preparation of the Statement in accordance with Section 68(2) of the Act and the compliance with Buy back Regulations is the responsibility of the Management of the Company, including the computation of the amount of the permissible capital payment, 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

5. Pursuant to the requirements of the SEBI Buyback Regulations, it is our responsibility to provide a reasonable assurance:
 - i) Whether we have inquired into the state of affairs of the Company in relation to the audited standalone financial statements as at and for the year ended March 31, 2018.
 - ii) if the amount of permissible capital payment as stated in Annexure A has been properly determined considering the audited standalone financial statements as at March 31, 2018 in accordance with Section 68(2) of the Act; and
 - iii) if the Board of Directors of the Company, in their meeting held on 14th November, 2018 have formed the opinion as specified in Clause (x) of Schedule I to the 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 that date and from the date on which the results of the Board resolution with regards to the proposed buyback are declared.
6. The standalone financial statements referred to in clause 5 above have been audited by us, on which we issued an unmodified audit opinion vide our report dated May 25, 2018. We conducted our audit of standalone financial statements in accordance with Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("the ICAI"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



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7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI ("Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
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.

Opinion

9. Based on enquiries conducted and our examination as above, we report that:
 - i) We have enquired into the state of affairs of the Company in relation to its audited standalone financial statements as at and for the year ended March 31, 2018 which has been approved by the Board of Directors of the Company on May 25, 2018.
 - ii) The amount of permissible capital payment (including premium) towards the proposed buy back of equity shares as computed in the Statement attached herewith, is properly determined in our view in accordance with Section 68(2)(b) of the Act. The amounts of Share Capital and free reserves have been extracted from the audited standalone financial statements of the Company as at and for the year ended March 31, 2018.
 - iii) The Board of Directors of the Company, in their meeting held on November 14, 2018, have formed their opinion as specified in Clause (x) of Schedule I to the SEBI Buyback Regulations, on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the date of passing the Board Meeting resolution dated November 14, 2018 and from the date on which the results of the Board resolution with regards to the proposed buyback are declared.

Restriction on Use

This report has been issued at the request of the Company solely for use of the Company (i) in connection with the proposed buy-back of equity shares of the Company in pursuance to the provisions of Section 68 and other applicable provisions of the Act and the SEBI Buyback Regulations, (ii) 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



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authority as per applicable law and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and (iii) for providing to the Managers, each for the purpose of extinguishment of equity shares and may not be suitable for any other purpose.

For Mohan & Venkataraman
Chartered Accountants
FRN 007321S

V. Karthikeyan
Partner
M No. 208828

Place: Coimbatore
Date: 14th November 2018

Annexure A

K G Denim Limited

Particulars as on March 31, 2018	Amount (` in Lakhs)	Amount (` in Lakhs)
Paid up Share Capital of face value of ` 10 each Including forfeited shares value of ` 1.12 lakhs		2566.51
Free Reserves: -		
a) Securities Premium Reserves	444.44	
b) General Reserves	1555.71	
c) Surplus	6231.35	
Total Free Reserves		8231.50
Total Paid up Capital & Free Reserves		10798.01
Maximum amount permissible for Buyback under Section 68 of the Act i.e 10% of the total Paid up Capital and Free Reserves with Board approval		1079.80

xii) Process and methodology for buyback

The Buyback is open to all Shareholders/beneficial owners of the Company holding Equity Shares either in physical and/or dematerialized form on the Record Date.



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The Buyback shall be implemented using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI Circular (“Stock Exchange Mechanism”) and following the procedure prescribed in the Companies Act and the Buy-back 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.

For implementation of the Buyback, the Company has appointed **Keynote Capitals Limited** as the registered broker to the Company (the “**Company’s Broker**”) to facilitate the process of tendering of Equity Shares through Stock Exchange Mechanism for the Buyback as described below. The contact details of the Company’s Broker are as follows:

Keynote Capitals Limited

Address: The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (W), Mumbai – 400 028

Contact Person: Mr. Alpesh Mehta

Email: alpesh@keynoteindia.net

Tel.: +91-22-30266000

The Company will request BSE Limited to provide a separate acquisition window (“**Acquisition Window**”) to facilitate placing of sell orders by Shareholders who wish to tender Equity Shares in the Buyback. BSE Limited would be the Designated Stock Exchange for this Buyback.

During the tendering period, the order for selling Equity Shares will be placed by Shareholders through their respective stock brokers (“**Seller Broker**”) during normal trading hours of the secondary market. The stock brokers can enter orders for demat shares as well as physical shares.



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xiii) Procedure to be followed by Shareholders holding Equity Shares in the dematerialized form:

Shareholders who desire to tender their Equity Shares in the dematerialized form under Buyback would have to do so through their respective Seller Member by indicating to them the details of Equity Shares they intend to tender under the Buyback.

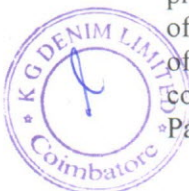
The Seller Broker would be required to place an order/bid on behalf of the Eligible Shareholders who wish to tender Equity Shares in the Buyback using the Acquisition Window of BSE. Before placing the order/bid, the Seller Broker on behalf of Eligible Shareholder would be required to transfer the tendered Equity Shares by using the settlement number and the procedure prescribed by the Clearing Corporation of India Ltd. ("Clearing Corporation") for the transfer of the Equity Shares to the special account of the Clearing Corporation specifically created for the purpose of Buyback ("Special Account"). This shall be validated at the time of order/bid entry. The details of the Special Account of Clearing Corporation shall be informed in the offer opening Circular that will be issued by BSE Limited or Clearing Corporation.

For Custodian Participant orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order by custodian participant. The custodian participant shall either confirm or reject the orders not later than the closing of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, order modification shall revoke the custodian participant confirmation and the revised order shall be sent to the custodian participant again for confirmation.

Upon placing the bid, the Seller Broker shall provide a Transaction Registration Slip ("TRS") generated by the exchange bidding system to the Shareholder. TRS will contain the details of order submitted like Bid ID No., Application No., DP ID, Client ID, No. of Equity Shares tendered etc.

xiv) Procedure to be followed by Registered Shareholders holding Equity Shares in the Physical form:

Shareholders who are holding physical Equity Shares and intend to participate in the Buyback will be required to approach the Seller Broker along with the complete set of documents for verification procedures to be carried out. Such documents include (i) 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 (ii) original share certificate(s), (iii) valid share transfer form(s) duly filled and signed by the transferors (i.e. by all registered shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favor of the Company, (iv) self-attested copy of the shareholder's PAN Card, (v) any other relevant documents such as power of attorney, corporate authorization (including board resolution/specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable. In addition, if the address of the Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.



K G DENIM LIMITED

CIN : L17115TZ1992PLC003798

THEN THIRUMALAI

METTUPALAYAM - 641 302.

COIMBATORE DISTRICT

TAMILNADU, INDIA.

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Denim

Phone : 0091-4254-304000
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finance@kgdenim.in



Based on these documents, the concerned Seller Broker shall place the bid on behalf of Shareholders holding Equity Shares in physical form using the Acquisition Window of BSE Limited. Upon placing the bid, the Seller Broker shall provide a TRS generated by the exchange bidding system to the Shareholder. TRS will contain the details of order submitted like Folio No., Certificate No., Distinctive No., No. of Equity Shares tendered etc.

The Seller Broker/Shareholder has to deliver the original share certificate(s) & documents (as mentioned above) along with TRS either by registered post or courier or hand delivery to the Registrar to the Buy Back i.e Cameo Corporate Services Limited (the “Registrar”) at the address mentioned at paragraph xviii below, details of which will be included in the Letter of Offer) within 2 (two) days of bidding by Seller Broker. The envelope should be superscribed as “**K G Denim Buyback Offer**”. One copy of the TRS will be retained by the Registrar to the Buy Back and it will provide acknowledgement of the same to the Seller Broker/Shareholder.

Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for buyback by the Company shall be subject to verification as per the Buy-back Regulations and any further directions issued in this regard. Registrar to the Buy Back will verify such bids based on the documents submitted on a daily basis and till such time BSE Limited shall display such bids as ‘Unconfirmed Physical Bids’. Once, Registrar to the Buy Back confirms the bids it will be treated as ‘Confirmed Bids’

Modification/cancellation of orders will be allowed during the tendering period of the Buyback.

The cumulative quantity tendered shall be made available on the website of BSE Limited-www.bseindia.com throughout the trading session and will be updated at specific intervals during the tendering period.

xv) Method of settlement

Upon finalization of the basis of acceptance as per Buy-back Regulations:

- The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- The Company will pay the consideration to the Company’s Broker who will transfer the funds pertaining to the Buyback to the Clearing Corporation’s Bank account as per the prescribed schedule. For Equity Shares accepted under the Buyback, the Clearing Corporation’s will make direct funds payout to the respective Shareholders. If the respective Shareholder’s bank account details are not available or if the fund transfers instruction is rejected by RBI/Bank, due to any reason, then such funds will be transferred to the concerned Seller Brokers settlement bank account for onward transfer to such respective Shareholders.



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- c) The Equity Shares bought back in the demat form would be transferred directly to the demat account of the Company opened for the Buy Back (the "Company Demat Account") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Company Demat Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Stock Exchange.
- d) The Shareholders will have to ensure that they keep the depository participants ("DP") account active and unblocked to receive credit in case of return of the equity shares, due to rejection or due to non-acceptance of shares under the Buyback.
- e) Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Shareholders would be returned to the Selling Broker by Clearing Corporation in payout. Any excess physical Equity Shares pursuant to proportionate acceptance/rejection will be returned to the Shareholders directly by Registrar to the Buy Back. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted equity shares, in case the equity shares accepted by the Company are less than the equity shares tendered in the Buy Back by the equity shareholders holding equity shares in the physical form.
- f) The Seller Broker would issue contract note & pay the consideration for the Equity Shares accepted under the Buyback and return the balance unaccepted Equity Shares to their respective clients. Company Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
- g) Shareholders who intend to participate in the Buyback should consult their respective Seller Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Seller Broker upon the selling Shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the selling Shareholders from their respective Seller Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Shareholders.
- h) The Equity Shares lying to the credit of the Company Demat Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buy-back Regulations.

xvi) Record date and shareholder entitlement.

- a) As required under the Buyback Regulations, the Company has fixed **November 30, 2018** as the record date (the "**Record Date**") for the purpose of determining the entitlement and the names of the Shareholders, who are eligible to participate in the Buyback. The Equity Shares proposed to be bought back by the Company, as part of this Buyback shall be divided into two categories:
- (a) reserved category for Small Shareholders (A "**Small Shareholder**" is defined in the



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Buyback Regulations as a shareholder of a company, who holds shares or other specified securities whose market value, on the basis of closing price of shares or other specified securities, on the recognized stock exchange in which highest trading volume in respect of such securities, as on record date is not more than two lakh rupee and (b) the general category for all other Shareholders, and the entitlement of a Shareholder in each category shall be calculated accordingly.

- b) In accordance with the proviso to Regulation 6 of the Buyback Regulations, 15% (Fifteen per cent) of the number of Equity Shares which the Company propose to Buyback, or number of Equity Shares entitled as per shareholding of Small Shareholders as on the Record Date, whichever is higher, shall be reserved for the Small Shareholders as part of this Buyback.
- c) Based on the shareholding as on the Record Date, the Company will determine the entitlement of each Shareholder to tender their Equity Shares in the Buyback. This entitlement for each Shareholder will be calculated based on the number of Equity Shares held by the respective Shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such Shareholder belongs. The final number of Equity Shares the Company will purchase from the Shareholders will be based on the Equity Shares tendered. Accordingly, in the event of the overall response to the tender offer being in excess of Buyback Offer Size, the Company may not purchase all the Equity Shares tendered by the Shareholders over and above their entitlement.
- d) After accepting the Equity Shares tendered on the basis of entitlement, the Equity Shares left to be bought back, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered over and above their entitlement in the offer by Shareholders in that category, and thereafter from Shareholders who have tendered over and above their entitlement in other category.
- e) The Shareholders' participation in the Buyback will be voluntary. The Shareholders can choose to participate, in full or in part, and get cash in lieu of Equity Shares to be 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. The Shareholders may also tender apart of their entitlement additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other Shareholders, if any.
- f) The maximum tender under the Buyback by any Shareholder cannot exceed the number of Equity Shares held by the Shareholder as on the Record Date.
- g) The Equity Shares tendered as per the entitlement by Shareholders as well as additional Equity Shares tendered, if any, will be accepted as per the procedure laid down in Buyback Regulations.
- h) Detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the Shareholders as on Record Date.



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xvii) Company Secretary and Compliance Officer

The Company has designated Mr. M. Balaji, Company Secretary as the Compliance Officer for the Buyback.

The contact details are as given below

Name	Mr. M. Balaji
Designation	Company Secretary & Compliance Officer
Address	Then Thirumalai, Jadayampalayam, Coimbatore Tamil Nadu - 641 302
Email	cskgdl@kgdenim.in
Contact	(04254) 235401 / 235240

In case of any clarifications or to address investor grievance, the Shareholders may contact the Compliance Officer, from Monday to Friday between 10 am & 5 pm on all working days, at the above mentioned address.

xviii) Investor service centre and Registrar to the Buyback

The Company has appointed Cameo Corporate Services Limited as the Registrars to the Buyback. Their contact details are as under



Cameo Corporate Services Limited

Subramanian Building, No. 1, Club House Road, Chennai, Tamil Nadu – 600 002

Tel: +91-44 - 2846 0390 (5 Lines)

E-mail: investor@cameoindia.com

Contact Person: Ms. Sreepriya .K

xix) Manager to the buyback

The Company has appointed **Keynote Corporate Services Limited** as Manager to the Buyback. Their contact details are as under

KEYNOTE

Keynote Corporate Services Limited,

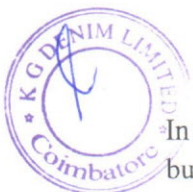
The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai – 400028;

Tel: +91-22- 30266000-3; **Fax:** +91-22- 3026 6088;

E-mail: mbd@keynoteindia.net; **Website:** www.keynoteindia.net;

Contact Person: Ms. Pooja Sanghvi / Mr. Shashank Pisat;

SEBI Registration No.: INM 000003606;



In case of any query, the Shareholders may contact the Registrar to the buyback/ Manager to the buyback, from Monday to Friday between 10 am & 5 pm at the above mentioned addresses.

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xx) Directors' responsibility statement

In terms of Regulation 24(1)(a) of the Buy-Back Regulations, the Board of Directors of the Company accept responsibility for all the information contained in this Public Announcement and confirms that such document contains true, factual and material information and does not contain any misleading information.

For and on behalf of Board of Directors of K G Denim Limited

B Srihari
Managing Director
(DIN: 00002556)

A Velusamy
Director
(DIN: 00002204)

M Balaji
Company Secretary

Place: Coimbatore

Date: November 15, 2018

