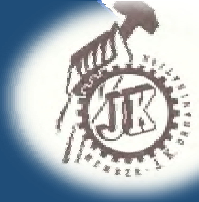




# J. K. COTTON LIMITED

*100<sup>th</sup> Annual Report*

*2022-23*



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# Corporate Information



## BOARD OF DIRECTORS

**Mr. Abhishek Singhania**  
(Chairman & Managing Director)

**Mr. Ashish Singh Chauhan**  
(Non- Executive, Non-Independent Director)

**Mr. Maneesh Mansingka**  
(Non- Executive, Non-Independent Director)

**Mr. Mayank Khanna**  
(Non- Executive, Independent Director)

**Mr. Satish Chandra Gupta**  
(Non- Executive, Non-Independent Director)

**Mr. Tarun Garg**  
(Non- Executive, Independent Director)

## CHIEF FINANCIAL OFFICER

Mr. Sushil Kumar Goyal

## COMPANY SECRETARY

Ms. Swati Srivastava

## REGISTRAR AND SHARE TRANSFER AGENT

Alankit Assignments Limited

## OFFICES

### REGISTERED OFFICE

Kamla Tower, Kanpur

## COMPANY WEBSITE

[www.jkcotton.com](http://www.jkcotton.com)

## BANKERS :

Allahabad Bank  
ICICI Bank Ltd.  
IDBI Bank Ltd.  
Punjab National Bank  
State Bank of India  
HDFC Bank

## AUDITORS

### STATUTORY AUDITORS FOR FY 2022-23

M/S P.L. Tandon & Company, Chartered Accountant, (FRN - 000186C)

### FOR FY 2023-24

M/S S S Kothari Mehta & Company, Chartered Accountant, (FRN: 000756N) (Appointed w.e.f. August 29,2023)

### COST AUDITORS

M/s Jitender, Navneet & Company, Cost Accountants, (FRN: 000119)

### SECRETARIAL AUDITOR

M/s. Varuna Mittal & Associates, Company Secretaries, (FRN: S2020DE762400)

### INTERNAL AUDITOR

M/s O. P. Bagla & Co., Chartered Accountants, (FRN: 000018N/N500091)



## Our Board of Directors



**Mr. Abhishek Singhania**

**Chairman & Managing Director**



**Mr. Maneesh Mansingka**

**Non-Executive Director**



**Mr. Satish Chandra Gupta**

**Non-Executive Director**



**Mr. Ashish Singh Chauhan**

**Non-Executive Director**



**Mr. Mayank Khanna**

**Independent Director**



**Mr. Tarun Garg**

**Independent Director**



### COMMITTEES



Chairperson



Member

Stakeholders  
Relationship  
Committee

Corporate Social  
Responsibility  
Committee

Audit  
Committee

Nomination and  
Remuneration Committee

# I Board of Directors

## *Mr. Abhishek Singhania*

Chairman & Managing Director



Mr. Abhishek Singhania is the Promoter, Chairman & Managing Director of J. K. Cotton Limited and scion of one of the best-known business families of India. He is the cofounder & has served as Managing Director of JK Technosoft Ltd ('JKT') and leads the company's global operations together with the Board and Management Team.

He has invaluable experience within JK Organization companies, handling various aspects of J K businesses, managing business units and operations as well as spearheading successful national and international expansion programs.

He has rich experience in the manufacturing & IT services industry and multi-dimensional expertise in basic & core sector industries such as - textiles, synthetic fibres, cement and chemical processing, both in continuous as well as discrete manufacturing,

Mr. Singhania has deep insights in Software Development Life Cycle (SDLC), Project Management, Strategic Planning, Business Development, Thought Leadership.

Mr. Singhania spearhead in Carving new business opportunities and managing strategic investments in Defence & Aerospace, Digital Manufacturing (3D & Processing), Digital Transformation through acquisitions.

He is an alumnus of IMD Business School.

## *Mr. Maneesh Mansingka*

Non-Executive, Non-Independent Director



Mr. Maneesh Mansingka is a Non-Executive Non-Independent Director of our Company. He was appointed on the Board of our Company on May 07, 2022.

Mr. Mansingka has over two decades of successful management experience. He is a inspiring and motivational leader with first-rate interpersonal skills and the ability and passion to develop the vision of any company he manages.

Mr. Mansingka has rich experience in establishing successful manufacturing businesses in Agri- commodity in Joint ventures. He has expertise in setting up joint ventures with Fortune 500 companies such as Bunge Ltd and Noble Group Ltd.



He was also awarded with the Globe oil young entrepreneur award in 2005 at the International Seminar organized by Solvent Extractors Association of India.

Mr. Maneesh Mansingka holds a bachelor's degree of Commerce from Sydenham College, Mumbai and has completed a Management Development Programme for Edible Oil Industry from IIM-Ahmedabad. He has also done an executive education programme on Managerial Finance from Harvard University, Boston.

***Mr. Satish Chandra Gupta***  
Non-Executive, Non-Independent  
Director



Mr. Satish Gupta is an IT industry veteran. With over 55 years of experience, he brings a wealth of knowledge and market perspective to the table.

Satish is an IT industry veteran. With over 56 years of experience, he brings a wealth of knowledge and market perspective to the table. He started his career with IBM World Trade Corporation in India in 1965. After spending 13 years in IBM, he moved to CMC Limited and spent another 12 years in CMC. He joined JK Technosoft Limited (JKT) in the year 1990 and since then he is continuing with JK Group. Currently, he is Executive Director of JKT and is also on the board of various public and private companies.

***Mr. Ashish Singh Chauhan***  
Non-Executive, Non-Independent  
Director



Mr. Ashish Singh Chauhan is graduated in Bachelor of Science, Licentiate from IRDA (Life Insurance) and is DOEACC "A" level qualified.

He has over 18 years vast experience in operations and has been associated with companies like TATA AIG Life Insurance Company Ltd., Bajaj Allianz Life Insurance Co. Ltd. and Shriram Group.

***Mr. Mayank Khanna***  
Non-Executive, Independent Director



Mr. Mayank Khanna has done schooling from the prestige boarding school The Scindia School, Gwalior.

He is graduated in B.Com from Sydenham College of Commerce & Economics, Bombay and holds Diploma in European Marketing from ESC, Rouen, France.

Mr. Mayank Khanna also persuaded MBA in Marketing from Swinburne University, Melbourne, Australia.

### *Mr. Tarun Garg*

**Non-Executive, Independent Director**



Mr. Tarun Garg holds a bachelor's degree of Commerce from Kanpur University and has experience in field of finance and management. He has done his masters in Garment Manufacturing technology from NIFT, New Delhi.

Mr. Tarun Garg is an industrialist with an experience of more than 21 years in textile industry. He is the owner of Tarun Textiles and specializes in Management, Marketing Strategy and Leadership.

# Notice of 100<sup>th</sup> AGM

Notice is hereby given that the 100<sup>th</sup> Annual General Meeting (AGM) of J. K. Cotton Limited will be held on Wednesday, September 27, 2023 at 03.00 PM (IST) through video conferencing (VC)/ Other Audio Visual Means ("OAVM") to transact the following business in conformity with the regulatory provisions and circulars issued by the Ministry of Corporate Affairs:

## **ORDINARY BUSINESS**

### **1. To receive, consider and adopt**

- a) **the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and the Auditor's thereon; and**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** the audited standalone financial statements of the Company for the financial year ended March 31, 2023 together with the reports of Board of Directors and Auditor's thereon, be and are hereby received, considered and adopted."

- b) **the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023, together with the Report of the Auditor's thereon.**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** the audited consolidated financial statements of the Company for the financial year ended March 31, 2023 together with the report of the Auditor's thereon, be and are hereby received, considered and adopted."

### **2. To appoint a director in place of Mr. Satish Chandra Gupta (DIN 01595040), who retires by rotation and, being eligible, offers himself for re-appointment as a Director liable to be retire by rotation.**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 152 and all other applicable provisions of the Companies Act, 2013, Mr. Satish Chandra Gupta (DIN 01595040), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

## **SPECIAL BUSINESS**

### **3. Appointment of Statutory Auditor to fill Casual Vacancy**

To consider the appointment of M/s S S Kothari Mehta & Company, Chartered Accountants (FRN: 000756N) as Statutory Auditors of the Company w.e.f. 29<sup>th</sup> August, 2023 till the conclusion of 100th Annual General Meeting arising out of the casual vacancy caused by the resignation of M/s. P.L. Tandon & Company, Chartered Accountants (Firm Registration No.000186C) and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139(8) of the Companies Act, 2013 read with the applicable Rules of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, and all other applicable provisions, if any, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and upon recommendation of the Audit Committee and Board of Directors through resolution passed on 29<sup>th</sup> August, 2023 M/s S S Kothari Mehta & Company, Chartered Accountants (FRN: 000756N), be and are hereby



appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. P.L. Tandon & Company, Chartered Accountants (Firm Registration No.000186C).

**RESOLVED FURTHER THAT** M/s S S Kothari Mehta & Company, Chartered Accountants (FRN: 000756N), be and are hereby appointed as Statutory Auditors of the Company from 29<sup>th</sup> August, 2023, until the conclusion of the ensuing Annual General Meeting of the Company, at a remuneration as may be mutually agreed to, between the Board of Directors and M/s S S Kothari Mehta & Company, Chartered Accountant, plus applicable taxes, out-of-pocket expenses, travelling and other expenses, in connection with the work of audit to be carried out by them.”

**4. Appointment of Statutory Auditor**

To consider the appointment of M/s S S Kothari Mehta & Company, Chartered Accountants (FRN: 000756N), Statutory Auditors of the Company for a continuous period of five (05) years and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to provisions of Section 139,142 and all other applicable provisions of the Companies Act, 2013 read with the applicable Rules of the Companies (Audit and Auditors) Rules 2014, as amended from time to time, and all other applicable provisions, if any, (including any statutory modification(s) or re-enactment thereof, for the time being in force), and upon recommendation of the Audit Committee and Board of Directors through resolution passed on 29<sup>th</sup> August,2023, M/s S S Kothari Mehta & Company, Chartered Accountants (FRN:000756N) be and are hereby appointed as the Statutory Auditor of the Company for a continuous term of five (05) consecutive year to hold office from the conclusion of ensuing 100<sup>th</sup> Annual General Meeting till the conclusion of 105<sup>th</sup> Annual General Meeting, at a remuneration as may be mutually agreed to, between the Board of Directors and M/s S S Kothari Mehta & Company, Chartered Accountants, plus applicable taxes, out of pocket expenses, travelling and other expenses, in connection with the work of audit to be carried out by them”.

**5. Ratification of remuneration payable to Cost Auditor for the F.Y. 2022-23**

**To ratify the remuneration payable to the Cost Auditor appointed by the Board of Directors of the Company for the financial year 2022-23 pursuant to Section 148 and all other applicable provisions of Companies Act, 2013, by passing with or without modification(s), the following resolution as Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014 and other applicable provisions of the Companies Act, 2013, the remuneration of Rs.1,50,000/-(Rupees One Lakh and Fifty Thousand Only) excluding applicable Tax payable to M/s Jitender, Navneet & Company, Cost Accountants, Kanpur, for conducting cost audit of the Company for the financial year 2022-23, as approved by the Board of Directors of the Company, be and is hereby ratified.”

**6. Ratification of remuneration payable to Cost Auditor for the F.Y. 2023-24**

**To ratify the remuneration payable to the Cost Auditor appointed by the Board of Directors of the Company for the financial year 2023-24 pursuant to Section 148 and all other applicable provisions of Companies Act, 2013, by passing with or without modification(s), the following resolution as Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014 and other applicable provisions of the Companies Act, 2013, the remuneration of Rs.1,50,000/-(Rupees One Lakh and Fifty Thousand Only) excluding applicable Tax payable to M/s Jitender, Navneet & Company, Cost Accountants, Kanpur, for conducting cost audit of the Company for the financial year 2023-24, as approved by the Board of Directors of the Company, be and is hereby ratified.”

**7. Appointment of Mr. Tarun Garg (DIN: 00637800) as an Independent Director**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 149,150,152 and 161(1) and any other applicable provisions of the Companies Act, 2013 (“the Act”) read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) Mr. TARUN GARG (DIN: 00637800) who was appointed as an Additional Director (Non-Executive Independent Director) on the Board of the Company in the meeting held on May 10<sup>th</sup>, 2023 and has submitted a declaration confirming that he meets the criteria of independence under Section 149(6) of the Act and whose candidature for the office of Director has been recommended by the Nomination and Remuneration Committee, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five years, with effect from May 10<sup>th</sup>, 2023 and whose office shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** any Director or Mr. Sushil Kumar Goyal, Chief Financial Officer and Ms. Swati Srivastava, Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things and take all such steps as may be necessary proper or expedient to give effect to above resolutions.”

## 8. Increase in Authorised Share Capital of the Company and Alteration of Capital Clause of Memorandum of Association of the Company

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 13 read with Section 61 and 64 of the Companies Act, 2013 (“the Act”) Rule 15 of the Companies (Share Capital and Debentures) Rules, 2014 and any other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification (s) or re-enactment thereof, for the time being in force) and the relevant rules framed there under and in accordance with the applicable provisions of the Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded for increase in the Authorised Share Capital of the Company from existing Rs. 95,50,00,000 (Rupee Ninety-Five crore Fifty Lacs only) divided into 500,00,000 (Five Crore) equity shares of Rs. 10/- (Rupee ten only) each and 45,50,000 (Forty-Five lacs Fifty Thousand) Preference Shares of Rs. 100/- (Rupee hundred only) to Rs. 120,50,00,000 /- (Rupee One Hundred Twenty Crore Fifty Lacs Only) divided into 7,50,00,000 (Seven Crores Fifty Lakhs) equity shares of Rs. 10/- (Rupee ten only) each and 45,50,000 (Forty Five lacs Fifty Thousand) Preference Shares of Rs. 100/- (Rupee hundred only) each ranking pari passu in all respect with the existing shares of the Company as per the Memorandum and Articles of Association of the Company.

**RESOLVED FURTHER THAT** pursuant to Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rules framed thereunder, consent of the Members of the Company be and is hereby accorded, for alteration of Clause 5 of the Memorandum of Association of the Company by substituting in its place, the following:-

**“5. The Authorized Share Capital of the Company is Rs. 120,50,00,000 /- (Rupee One Hundred Twenty Crore Fifty Lacs Only) divided into 7,50,00,000 (Seven Crores Fifty Lakhs) equity shares of Rs. 10/- (Rupee ten only) each and 45,50,000 (Forty Five lacs Fifty Thousand) Preference Shares of Rs. 100/- (Rupee hundred only). with the rights, privileges and conditions attached thereto as per the relevant provisions contained in that behalf in the Articles of Association of the Company and with power to increase or reduce the same and to divide the shares in several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being in force, and to vary, modify, enlarge or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Act or provided by the Articles of Association of the Company for the time being in force.”**

**RESOLVED FURTHER THAT** any Director or Mr. Sushil Kumar Goyal, Chief Financial Officer and Ms. Swati Srivastava, Company Secretary of the Company be and are hereby severally authorized to sign and file necessary e-Forms with the concerned Registrar of Companies (ROC, Kanpur) and to do all such acts, deeds and things and take all such steps as may be necessary proper or expedient to give effect to above resolutions.”

**9. TO APPROVE THE CHANGE IN THE NAME OF THE COMPANY AND CONSEQUENT AMENDMENT IN MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a special resolution:

**“RESOLVED THAT** in accordance with the recommendation of the Board and pursuant to provisions of section 4, 13 and 14 of the Companies Act, 2013 (the ‘Act’) read with Rule 29 of the Companies (Incorporation) Rules, 2014, and any other applicable provisions of the Act and rules made thereunder (including any statutory modifications or re-enactment thereof, for the time being in force), pursuant to the Articles of Association of the Company, subject to approval of the Registrar of Companies, the consent of the shareholders of the Company be and is hereby accorded, to change the name of the Company from ‘J.K. Cotton Limited’ to “JK Urbanscapes Limited/ JK Urbanscapes Developers Limited” or any other name approved by Central Registration Centre (“CRC”), Ministry of Corporate Affairs’ (“MCA”).

**RESOLVED FURTHER THAT** in accordance with the recommendation of the Board and pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) and re-enactment(s) thereof, for the time being in force) and all other applicable laws, Clause 1 of the Memorandum of Association of the Company be substituted with the following:

The name of the Company is ‘JK Urbanscapes Limited/ JK Urbanscapes Developers Limited.

**RESOLVED FURTHER THAT** in accordance with the recommendation of the Board and pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) and re-enactment(s) thereof, for the time being in force) and all other applicable laws, the name ‘J.K. Cotton Limited’ wherever appearing in the Articles of Association of the Company be substituted by the new name of the Company, ‘JK Urbanscapes Limited/ JK Urbanscapes Developers Limited’.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to perform all such acts, deeds and things as may be required to give effect to the aforesaid resolution.”

**By Order of the Board of Directors  
For J. K. Cotton Limited**

**Sd/-**

**Swati Srivastava  
Company Secretary  
Membership No. 48654**

**Date: August 29, 2023  
Place: New Delhi**

## Notes

1. In continuation framework prescribed by the Ministry of Corporate Affairs ("MCA") vide general circular nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, read with other relevant circulars, including general circular nos. 3/2022 dated May 5, 2022 and 11/2022 dated December 28, 2022, have permitted the holding of the AGM through VC / OAVM. Hence, the 100<sup>th</sup> AGM of the Company is being held through VC/ OAVM. The deemed venue for 100<sup>th</sup> AGM shall be the registered office of the Company.
2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, on a poll, to vote instead of himself/herself. Such proxy/proxies need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars on AGM through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') relating to the Special Business to be transacted at the Annual General Meeting ('AGM') is annexed hereto and Secretarial Standard on General Meeting (SS-2) in respect of the Directors seeking appointment/ re-appointment at this Annual General Meeting is annexed hereto.
4. In compliance with MCA Circular No. 10/2022 dated December 28, 2022, the Financial Statements including Board's Report, Auditor's Reports and other documents required to be attached therewith (together referred to as Annual Report for the financial year 2022-23) and Notice of AGM are being sent in electronic mode to those Members whose e-mail address is registered with the Company, Company's Registrar and Transfer Agent or the Depository Participant(s) and to all other persons so entitled as on the cut-off date i.e. August 25th, 2023.
5. The Notice of the 100th AGM along with complete Annual Report for the financial year 2022-23 are also available on the website of the Company at [www.jkcotton.com](http://www.jkcotton.com). Members are requested to download the Annual Report and Notice of the AGM from the website of the Company. Members can attend and participate in the AGM through VC/OAVM facility only. The Notice of the 100th AGM and Annual Report are also available on the website of Central Depository Services (India) Limited ("CDSL")(agency for providing e-voting including remote e-Voting facility) [www.evotingindia.com](http://www.evotingindia.com). Members who wish to obtain physical copies of the above documents may write to us at [swati.srivastava@jkorg.co.in](mailto:swati.srivastava@jkorg.co.in) and to RTA at [jksingla@alankit.com](mailto:jksingla@alankit.com) mentioning their Folio No./ DP ID and Client ID.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 20<sup>th</sup> September, 2023 to Wednesday, 27<sup>th</sup> September, 2023. (Both Days Inclusive) for the purpose of Annual General Meeting.
7. In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 the Company is providing the facility of e-Voting (including remote e-Voting) to its members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) to avail its services for facilitating voting through electronic means. The facility of casting votes by a member using remote e-Voting system during the remote e-Voting period as well as e-voting during the AGM will be provided by CDSL.
8. Institutional/ Corporate Members (i.e., other than individuals/ HUF/ NRI, etc.) intending to authorize their representatives to attend the AGM through VC/ OAVM on its behalf and to vote through e-voting, are requested to send a certified scanned copy (PDF/ JPG Format) of its Board or governing body resolution/ authorisation letter to the Scrutinizer by e-mail through its registered e-mail address at [vmscorporatefilings@gmail.com](mailto:vmscorporatefilings@gmail.com) with copies marked to the Company at [swati.srivastava@jkorg.co.in](mailto:swati.srivastava@jkorg.co.in) and to the RTA at [jksingla@alankit.com](mailto:jksingla@alankit.com).

9. In case of joint holders attending the meeting, the member whose name appears as the first holder in the order of names as per the Register of Members/list of beneficial owners as maintained by the Depositories/ Company will be entitled to vote.
10. Members attending the meeting through VC/OAVM including authorized representative(s)/attorney holder(s) of corporate members, institutional investors etc. shall be counted for the purposes of reckoning the quorum under the provisions of Section 103 of the Act.
11. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act will be available for inspection in electronic form for the members during the AGM upon login at CDSL e-Voting system [www.evotingindia.com](http://www.evotingindia.com).
12. All documents referred to in the notice will also be available for inspection in electronic form without any fee by the members from the date of circulation of this notice up to the date of AGM on September 27th, 2023 during business hours. Members seeking to inspect such documents may send a request on the email id [swati.srivastava@jkorg.co.in](mailto:swati.srivastava@jkorg.co.in) at least two working day before the date on which they intend to inspect the document.
13. With a view to serving the Members better and for administrative convenience, an attempt would be made to consolidate multiple folios. Members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the company to consolidate their holdings in one folio.
14. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to individual shareholders. Members holding shares in physical form may nominate a person in by submitting Form No. SH-13. Members are requested to submit the said details to their Depository Participant in case the shares held by them in dematerialized form and to the RTA in case the shares are held in physical form.
15. In respect of all the shares held by them whether singly or jointly. Members who hold shares in individual name are advised to avail nomination facility by filing their own interest. Blank form can be obtained from RTA on request. Members holding shares in dematerialised form may contact their respective DPs for registration of nomination.
16. Non-Resident Indian members are requested to inform the Company/ respective DPs, immediately of:
  - a) Change in their residential status on return to India for permanent settlement;
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
17. The Company has designated an exclusive e-mail ID called [investorservices@jaykayenterprises.com](mailto:investorservices@jaykayenterprises.com) for redressal of shareholder's complaints, then please write to us at above e-mail address.

**THE INTRUCTIONS FOR MEMBERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

- (i) The voting period begins on **September 24<sup>th</sup>, 2023 at 10:00 A.M.** and ends on **September 26<sup>th</sup>, 2023 at 5:00 P.M.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. **September 20<sup>th</sup>, 2023** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation



at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

*Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:*

Type of Shareholder	Login Method
Individual Shareholders holding securities in dematerialized mode with CDSL Depository	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>

<p>Individual Shareholders holding securities in dematerialized mode with NSDL Depository</p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
	<p>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS” Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/Password are advised to use Forgot User ID and Forgot Password option available at respective websites.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> in or call at toll free no.: 022-4886 7000 and 022-2499 7000

**Login method for e-voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat form.**

- 1) The shareholders should log onto the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - a. For CDSL:16 digits beneficiary ID,
  - b. For NSDL:8 Character DPID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged onto [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat	
PAN	<p>Enter your 10 digital alpha numeric PAN issued by Income Tax Department(Applicable for both demat shareholders as well as physical shareholders)</p> <p>1. Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use their sequence number sent by Company/RTA or contact Company/RTA.</p>
Dividend Bank Details OR Date of Birth(DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id/folio number in the Dividend Bank details field</li> </ul>

7. After entering the said details appropriately, click on “**SUBMIT**” tab.
8. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu where in they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolution so for any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

9. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
10. Click on the <230826005>for the relevant <J. K. Cotton Limited >on which you choose to vote.
11. On the voting page, you will see “**RESOLUTION DESCRIPTION**” and against the same the option “**YES/NO**” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
12. Click on the “**RESOLUTIONS FILE LINK**” if you wish to view the entire Resolution details.
13. After selecting the resolution, you have decided to vote on, click on “**SUBMIT**”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “**CANCEL**” and accordingly modify your vote.
14. Once you “**CONFIRM**” your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take a print of the votes cast by clicking on “**Click here to print**” option on the Voting page.
16. If a Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
17. There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
18. **Additional Facility for Non-Individual Shareholders and Custodians-Remote Voting**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz [swati.srivastava@jkorg.co.in](mailto:swati.srivastava@jkorg.co.in) and [investorservices@jaykayenterprises.com](mailto:investorservices@jaykayenterprises.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL evoting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
  1. Shareholders are encouraged to join the Meeting through Laptops/ IPads for better experience.
  2. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [swati.srivastava@jkorg.co.in](mailto:swati.srivastava@jkorg.co.in) and [investorservices@jaykayenterprises.com](mailto:investorservices@jaykayenterprises.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email-id, mobile number at [swati.srivastava@jkorg.co.in](mailto:swati.srivastava@jkorg.co.in) and [investorservices@jaykayenterprises.com](mailto:investorservices@jaykayenterprises.com). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the share holders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [swati.srivastava@jkorg.co.in](mailto:swati.srivastava@jkorg.co.in) and [investorservices@jaykayenterprises.com](mailto:investorservices@jaykayenterprises.com) or RTA at [jksingla@alankit.com](mailto:jksingla@alankit.com) marking CC to Company
2. For Demat shareholders - Please update your email id & mobile no. with your respective **Depository Participant (DP)**
3. **For Individual Demat shareholders** – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai- 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.



### General Guidelines for Members:

1. The voting period begins on **September 24th, 2023 at 10:00 A.M.** and ends on **September 26th, 2023 at 5:00 P.M.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. **September 20th, 2023** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. For abundant clarity, please note that the Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
4. The voting rights of the Members shall be in proportion to their shares of the Paid-up Equity Share Capital of the Company as on the cut-off date i.e. **20<sup>th</sup> September, 2023**. The person who is not a member as on the cut-off date should treat this Notice for information purpose only.
5. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. **September 20th, 2023** shall be entitled to avail the facility of remote e-voting as well as e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
6. Any person, who acquires shares of the Company and becomes Member of the Company after sending of the notice and holding shares as on the cut-off date i.e. **September 20th, 2023**, may obtain the login ID and password by sending a request at [www.evotingindia.com](http://www.evotingindia.com) or to the Company. However, if he/she is already registered with CDSL for e-Voting then he/ she can use his/her existing User ID and Password for casting the vote. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned in the Notice of the AGM.
7. The Company has appointed CS Varuna Mittal, Practicing Company Secretary (C.P No. 23575) as the Scrutinizer for conducting the e-voting process in fair and transparent manner.
8. The Scrutinizer, immediately after the conclusion of voting at the AGM, will first download the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and shall, within two working days from conclusion of the AGM, submit a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting.
9. The results of the AGM shall be declared by the Chairman & Managing Director or any person duly authorized by him on this behalf, after the AGM within the prescribed time limits. The resolutions shall be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favor of the resolutions.
10. The results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.jkcotton.com](http://www.jkcotton.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately after declaration of the results by the Chairman or a person authorized by him in this behalf.
11. In terms of the Rule 9A(3)(a) of Companies (Prospectus and Allotment of Securities) Rules, 2014, Every holder of securities of an unlisted public company, who intends to transfer such securities on or after 30th September, 2019, shall get such securities dematerialized before the transfer. In view of the above, Members are advised to dematerialized shares held by them in physical form.

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

As required under Section 102 of the Companies Act, 2013 (The 'Act'), the following explanatory statement sets out material facts relating to business mentioned under Item 3 to 9 of the accompanying Notice and should be read as forming part of the Notice.

#### **ITEM NO. 3**

M/s. P.L. Tandon & Co., Chartered Accountants (Firm Registration No. 000186C), were appointed as Statutory Auditors of the Company at its 99th Annual General Meeting of the Company held on 30th September, 2022, for a term of consecutive five years commencing from the conclusion of 99th Annual General Meeting of the Company until the conclusion of 104th Annual General Meeting of the Company. However, they have resigned on 25<sup>th</sup> August, 2023 stating that "due to some re-occupations, they will not be in a position to continue as statutory auditor for J.K. Cotton Limited for financial year 2023-24. Accordingly, they have resigned as Statutory Auditors of the Company."

The members of the Audit Committee have taken into account the experience and expertise of M/s S S Kothari Mehta & Company, Chartered Accountants (FRN:000756N), as Statutory Auditor of the Company and recommended them to the Board for appointment to fill casual vacancy caused by resignation of M/s. P.L. Tandon & Co., Chartered Accountants (Firm Registration No. 000186C) from 29<sup>th</sup> August, 2023 until the conclusion of the ensuing 100th Annual General Meeting of the Company.

In accordance with the provisions of Section 139(8) of the Companies Act, 2013, the casual vacancy caused by the resignation of the Statutory Auditors i.e. M/s. P.L. Tandon & Co., Chartered Accountants (Firm Registration No. 000186C) shall be filled by the Board within a period of thirty days and such appointment shall also be approved by the members of the Company within three months of the recommendation of the Board and he shall hold the office till the conclusion of the next annual general meeting. Accordingly, in compliance with provisions of Section 139(8) and all other applicable provisions of the Companies Act, 2013 read with the applicable rules of the Companies (Audit and Auditors) Rules, 2014, (including any statutory modifications) or re-enactment thereof, for the time being in force), the Board of Directors of the Company on the recommendation of the Audit Committee, at their Meetings held on 29<sup>th</sup> August, 2023, have appointed M/s S S Kothari Mehta & Company, Chartered Accountants (FRN:000756N), as the Statutory Auditors of the Company to fill the casual vacancy caused by the said resignation of M/s. P.L. Tandon & Co., Chartered Accountants (Firm Registration No. 000186C), from 29<sup>th</sup> August, 2023 until the conclusion of the ensuing 100<sup>th</sup> Annual General Meeting of the Company, at a remuneration as may be mutually agreed to, between the Board of Directors and M/s. S S Kothari Mehta & Company (FRN:000756N), plus applicable taxes, out-of-pocket expenses, travelling and other expenses, in connection with the work of audit to be carried out by them, and recommended for the approval of Members by way of Ordinary Resolution at the ensuing 100th Annual General Meeting of the Company.

With respect to appointment of Statutory Auditors referred to in Item no. 3 and 4 of the Notice, the brief profile of the Auditors is as under:

M/s. S S Kothari Mehta & Company (FRN:000756N), is one of the leading firms of Chartered Accountants in India., it has Head Office in New Delhi and branch offices PAN India. The firm has vast experience of handling large corporate clients across different industries providing assurance services, company law matters, corporate and financial restructuring, financial advisory, risk advisory, valuations, taxation, etc. The Company has received letter of eligibility for the aforesaid appointment as statutory auditors in compliance with provisions of Sections 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 from M/s S S Kothari Mehta & Company, Chartered Accountants (FRN:000756N), to the effect that their appointment, if made, shall be in accordance with the conditions prescribed and that they are eligible to hold office as Statutory Auditors of the Company and they have consented to act as statutory auditors of the Company to fill casual vacancy caused by resignation of M/s. P.L. Tandon & Co., Chartered Accountants, i.e. w.e.f. 29<sup>th</sup> August, 2023 until the conclusion of ensuing 100th Annual General Meeting of the Company.

Accordingly, consent of the members is being sought for appointment of Statutory Auditors as per the proposal contained in the Resolution set out at item no. 3 of the Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives, are concerned or interested financially or otherwise, in this Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for the approval of the members.

#### **ITEM NO. 4**

M/s S S Kothari Mehta & Company, Chartered Accountants (FRN:000756N), appointed as Statutory Auditors of the Company to fill casual vacancy caused by resignation w.e.f. 29<sup>th</sup> August, 2023 until the conclusion of 100<sup>th</sup> Annual General Meeting of the Company.

Accordingly, in compliance with provisions of Sections 139, 142 and all other applicable provisions of the Companies Act, 2013 read with the applicable rules of the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Board of Directors of the Company on the recommendation of the Audit Committee, at their Meetings held on 29<sup>th</sup> August, 2023, and subject to the approval of members in the 100<sup>th</sup> AGM has decided to appoint M/s S S Kothari Mehta & Company, Chartered Accountants (FRN:000756N), as the Statutory Auditor of the Company, for a continuous period of five (05) years commencing from the conclusion of 100<sup>th</sup> Annual General Meeting of the Company until the conclusion of 105<sup>th</sup> Annual General Meeting of the Company (i.e. from the FY 2023-24 until FY 2027-28), at a remuneration as may be mutually agreed to, between the Board of Directors and M/s S S Kothari Mehta & Company, Chartered Accountants (FRN:000756N), plus applicable taxes, out-of-pocket expenses, travelling and other expenses, in connection with the work of audit to be carried out by them, and recommended for the approval of Members by way of Ordinary Resolution at the ensuing 100<sup>th</sup> Annual General Meeting of the Company. The Company has received letter of eligibility for the aforesaid appointment as statutory auditors in compliance with provisions of Sections 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 from M/s S S Kothari Mehta & Company, Chartered Accountants (FRN:000756N), to give effect that their appointment, if made, shall be in accordance with the conditions prescribed and that they are eligible to hold office as Statutory Auditors of the Company and they have consented to act as statutory auditors of the Company for a continuous period of five (05) years, i.e. from conclusion of ensuing 100<sup>th</sup> Annual General Meeting of the Company until the conclusion of 105<sup>th</sup> Annual General Meeting of the Company (i.e. from FY 2023-24 until FY 2027-28).

Accordingly, consent of the members is being sought for appointment of Statutory Auditors as per the proposal contained in the Resolution set out at Item No. 4 of the Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested financially or otherwise, in this Resolution.

#### **ITEM NO. 5**

##### **Ratification of remuneration to Cost Auditors for F.Y. 2022-23**

The Board on the recommendation of the Audit Committee has approved the appointment of M/s Jitender, Navneet & Co, Cost Accountants, Kanpur, at remuneration of ` 1,50,000/- (Rupees One Lakh Fifty Thousand only) excluding applicable Tax to conduct the Cost Audit of the Company for the financial year 2022-23.

In accordance with the provisions of Section 148(3) of Companies Act, 2013 read with rule 14 of Companies (Audit & Auditor Rules), 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company.

None of the Directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the Ordinary Resolution for your approval.

## **ITEM NO. 6**

### **Ratification of remuneration to Cost Auditors for F.Y. 2023-24**

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s Jitender, Navneet & Co, Cost Accountants, Kanpur, at remuneration of ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand only) excluding applicable Tax to conduct the Cost Audit of the Company for the financial year 2023-24.

In accordance with the provisions of Section 148(3) of Companies Act, 2013 read with Rule 14 of Companies (Audit & Auditor Rules), 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company.

None of the Directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the Ordinary Resolution for your approval.

## **ITEM NO. 7**

### **Appointment of Mr. Tarun Garg as an Independent Director of the Company**

Mr. Tarun Garg, (DIN 00288460), was appointed as Independent Director of the Company with effect from May 10, 2023.

Pursuant to the provisions of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder the appointment of Independent Director(s) has to be approved at the meeting of shareholders of the Company by way of Special Resolution. Therefore, approval of the shareholders is sought for appointment of Mr. Tarun Garg, as Independent Director on the same terms and conditions as determined by the Board of Directors. Mr. Tarun Garg, if appointed as an Independent Director, will not be liable to retire by rotation as per Section 152 of the Act. Mr. Tarun Garg has furnished declaration of independence as specified in Section 149 of the Act and not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

As required under the Secretarial Standard on General Meetings (SS-2), the relevant details in respect of the appointee are as under:-

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, except Mr. Tarun Garg, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 7 of the Notice.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval of the Members.

Brief Profile of Tarun Garg provided as under:

Name of Director	Tarun Garg
DIN	00637800
Date of Birth	12/10/1972
Nationality	Indian
Date of Appointment on Board	May 10, 2023
Qualification	Mr. Tarun Garg holds a bachelor's degree of Commerce from Kanpur University and has experience in field of finance and management. He has done his masters in Garment Manufacturing technology from NIFT, New Delhi.

Expertise in Specific functional area	Mr. Tarun Garg is an industrialist with an experience of more than 21 years in textile industry. He is the owner of Tarun Textiles and specializes in Management, Marketing Strategy and Leadership.
Terms and Conditions of Appointment or re-appointment	Tarun Garg (Independent Director) of the Company is appointed for a period of 5 years and can be re-appointed after 3 years from expiry of his said tenure.
Number of shares held in the company	Not Applicable
List of Directorship held in other companies	<ul style="list-style-type: none"> <li>• Tarun Infratech Private Limited</li> <li>• Techmedico Private Limited</li> <li>• Trayambakeshwar Exim Private Limited</li> </ul>
Number of Board Meeting held during the year	Not Applicable
Chairman/ Member in the Committees of the Boards of Companies in which he is Director	Not Applicable

#### **ITEM NO. 8**

The present Authorised Share Capital of the Company is Rs. 95,50,00,000 (Rupee Ninety-Five crore Fifty Lacs only) divided into 500,00,000 (Five Crore) equity shares of Rs. 10/- (Rupee ten only) each and 45,50,000 (Forty-Five lacs Fifty Thousand) Preference Shares of Rs. 100/- (Rupee hundred only).

The Company plans infusion of additional equity shares of upto Rs. 25 crore by way of Rights Issue for meeting the expenditure towards further investment, expansion and modernization and for other general corporate requirements of the Company. The Board at its Meeting held on August 29, 2023 has accorded its approval to the proposal of capital infusion by way of right issue of equity shares to the existing shareholders, which necessitates increase of Authorised Share Capital of the Company. In this regard, the Board, at the same meeting, has also accorded its approval for increasing the Authorised Share Capital from Rs. 95,50,00,000 (Rupee Ninety Five crore Fifty Lacs only) divided into 500,00,000 (Five Crore) equity shares of Rs. 10/- (Rupee ten only) each and 45,50,000 (Forty Five lacs Fifty Thousand) Preference Shares of Rs. 100/- (Rupee hundred only) to Rs. 120,50,00,000 /- (Rupee One Hundred Twenty Crore Fifty Lacs Only) divided into 7,50,00,000 (Seven Crores Fifty Lakhs) equity shares of Rs. 10/- (Rupee ten only) each and 45,50,000 (Forty Five lacs Fifty Thousand) Preference Shares of Rs. 100/- (Rupee hundred only) ranking pari passu with the existing Equity Shares in all respects as per the Memorandum and Articles of Association of the Company., subject to shareholders approval.

Pursuant to the provisions of Section 13 & 61 of the Companies Act, 2013, approval of the Members is required for increasing the Authorised Share Capital of the Company and alteration in the Memorandum of Association and Articles of Association of the Company.

Accordingly, the Board recommends the resolutions set out at Item No. 8 seeking approval of the Members for increasing the Authorised Share Capital of the Company and consequential amendment to the Memorandum of Association and Articles of Association of the Company.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives, are in any way concerned or interested, financially or otherwise in the said resolutions.



**ITEM NO. 9**

Since the revenue of the Company is from the real estate business and related activities, accordingly, the proposal was placed before the Board to change the name of the Company which itself reflect the main business of the Company.

The Board of Directors in its meeting held on 29th August 2023 accorded its approval to change the name of the Company **from 'J.K. Cotton Limited' to "JK Urbanscapes Limited/ JK Urbanscapes Developers Limited"** or any other name approved by Central Registration Centre ("CRC"), Ministry of Corporate Affairs' ("MCA). The Directors believe that the change in the name of the Company will aid in achieving enhanced branding of the services offered by the Company and to leverage the Brand "JK Urbanscape" to reach out to the customers effectually.

In accordance with Sections 13 and 14 of the Companies Act, 2013 (the 'Act'), the change of Company's name, including change in the Name clause of the Memorandum of Association and consequent change in the Articles of Association of the Company, respectively, requires approval of the Shareholders of the Company way of a Special Resolution.

The Board recommends the Special resolution set out at item no. 9 of the Notice for approval by the shareholders.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives is in any way concerned or interested, financially or otherwise, in the Resolution set out at Item No. 9 of this Notice.

**By Order of the Board of Directors  
For J. K. Cotton Limited**

**Date: August 29, 2023  
Place: New Delhi**

**Sd/-  
Swati Srivastava  
Company Secretary  
Membership No. 48654**

## Annexure

**Details of Directors seeking re-appointment at the ensuing Annual General Meeting, pursuant to Secretarial Standard (SS-2) issued by the Institute of Company Secretaries of India are provided herein below:**

Name of Director	Mr. Satish Chandra Gupta
Age (years)	78
Relationship with other Directors and Key Managerial Personnel inter-se	Not applicable
Date of first Appointment on the Board	October 30, 2021
Qualification	Mr. Satish Chandra Gupta is an IT industry veteran. With over 56 years of experience, he brings a wealth of knowledge and market perspective to the table.
Expertise in specific functional areas/ Brief resume	Satish is an IT industry veteran. With over 56 years of experience, he brings a wealth of knowledge and market perspective to the table. He started his career with IBM World Trade Corporation in India in 1965. After spending 13 years in IBM, he moved to CMC Limited and spent another 12 years in CMC. He joined JK Technosoft Limited (JKT) in the year 1990 and since then he is continuing with JK Group. Currently, he is Executive Director of JKT and is also on the board of various public and private companies..
Terms and conditions of Appointment/re-appointment along with remuneration details	Mr. Satish Chandra Gupta is retiring by rotation and proposed to be re-appointed.
No. of shares held in the Company including shareholding as beneficial owner	Not Applicable
Remuneration last drawn	Not Applicable
Directorship held in other companies along with listed entities from which the person has resigned in the past three years	<ul style="list-style-type: none"> <li>Manphul Trading and Finance Company Private Limited</li> <li>J K Technosoft Limited</li> <li>Balashree Property Consultants Private Limited</li> <li>Diensten Tech limited</li> <li>J K Infrastructure Developers Private Limited</li> <li>Genext Estates Private Limited</li> <li>Welgrow Developers Private Limited</li> <li>JK Defence &amp; Aerospace Limited</li> <li>JK Digital &amp; Advance Systems Private Limited</li> <li>Allen Reinforced Plastics Private Limited</li> </ul>
List of the Committees of Board of Directors (across all companies) in which Chairmanship/ Membership is held	<b>J K Technosoft Limited</b> <ul style="list-style-type: none"> <li>Corporate Social Responsibility Committee - Chairman</li> </ul>
No. of Board Meetings attended during year	11 Board Meeting was attended during the year by him

## DIRECTORS' REPORT

DEAR MEMBERS,

Your Directors takes great pleasure in presenting the **100<sup>th</sup> Annual Report** on the performance of your Company i.e. J.K. Cotton Limited ("the Company"), together with its Audited Standalone and Consolidated Financial Statements for the Financial Year ended March 31, 2023.

### FINANCIAL HIGHLIGHTS

(INR in Lacs)

Particulars	Standalone		Consolidated	
	FY 2022-2023	FY 2021-2022	FY 2022-2023	FY 2021-2022
Revenue from operations	12,952.82	12,305.38	13,239.88	12,510.63
Profit/(Loss) Before Finance Cost and Depreciation	3,165.48	5,256.96	3,366.09	5,438.20
Finance Cost	176.84	102.12	176.90	124.81
Profit/(Loss) Before Depreciation	2,988.64	5,154.84	3,189.19	5,313.39
Depreciation	69.67	46.35	155.18	110.73
Profit/(Loss) Before Tax & Exceptional Item & Share of Profit (Loss) of Associates	2,918.97	5,108.49	3,034.01	5,202.66
Add : Share of Profit/(Loss) of Associates	-	-	-2.78	-
Add : Exceptional Item-Transfer from Capital Reserve	2,626.98	2,221.21	2,626.98	2,221.21
Profit/(Loss) Before Tax	5,545.95	7,329.70	5,658.21	7,423.87
Less: Tax Expense (Incl. Def. Tax & Tax Adjustment of earlier years)	825.91	1,153.25	825.91	1,153.60
Profit/(Loss) for the year from continuing operations	4,720.04	6,176.45	4,832.30	6,270.27
Loss for the year from Discontinued Operations	-	-	-0.03	-0.11
Other Comprehensive Income	1.79	9.55	1.79	10.03
Total Comprehensive Profit/(Loss)	4,721.83	6,186.00	4,834.06	6,280.19
Earning Per Equity Share of Rs. 10/- each in Rupees: Basic & Diluted	9.77	17.29	10.00	17.55

The Company's financial highlights for the year ended March 31, 2023 are summarised as under:

### FINANCIAL AND OPERATIONAL PERFORMANCE

The standalone statements for the financial year ended 31st March, 2023 forming part of this Annual Report have been prepared in accordance with Accounting Standard as notified by the Ministry of Corporate Affairs, and as amended from time to time.

On Standalone basis the revenue from operations of the Company was Rs. 12952.82 Lacs for the year ended March 31, 2023 as against Rs. 12305.38 Lacs in the preceding year. During the current financial year the Net Profit of the Company was Rs. 4721.83 Lacs for the year ended March 31, 2023 as against Rs. 6186.00 Lacs in the preceding year.

## **CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the provisions of the Companies Act, 2013 and the Accounting Standard, the Company is required to prepare Consolidated Financial statements to be laid before Annual General Meeting of the Company, accordingly, the Consolidated Financial Statement incorporating the accounts of Subsidiary Company and Associate concern along with Auditors Report thereon form part of this Annual Report.

On Consolidated basis the revenue from operation of the Company is Rs. 13239.88 Lacs for the year ended March 31, 2023 as against Rs. 12,510.63 Lacs in the preceding year and Net Profit of the Company was Rs. 4834.06 Lacs for the year ended March 31, 2023 as against Rs. 6,280.19 Lacs in the preceding year.

## **CHANGE IN NATURE OF BUSINESSES, IF ANY:**

No material change(s) occurred during the FY 22-23 in the Nature of Company's business during the FY 2022-23

Further the Company has invested Rs. 37 Cr in Pioneer J.K. Senior Living LLP (PJK LLP) and become partner in Pioneer J.K. Senior Living LLP with effect from October 03<sup>rd</sup> 2022, has acquired 50% right to share of profit in Pioneer JK Senior Living LLP. Accordingly PJK LLP become Associate Concern of your Company.

## **DIVIDEND**

With a view to conserve resources for general corporate purposes and normal capital expenditure your directors consider it prudent not to recommend any dividend during the year.

## **TRANSFER TO RESERVES**

The Board of Directors of your company has decided to transfer Rs. 4721.83/- Lacs of profits earned during the Financial Year 2022-23 to Retained Earnings for the year under review.

The closing balance of the retained earnings of the Company for FY 2023, after all appropriation and adjustments is Rs. 4109.84 Lakhs.

## **PUBLIC DEPOSITS**

Your Company has not accepted any deposits from public/shareholders in accordance with Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the financial year and as such, no amount on account of principal or interest on deposits from public as outstanding as on 31 March 2023.

## **SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANIES**

As on March 31, 2023 the Company has one (1) Wholly Owned Subsidiary, **B.G.K. Infrastructure Developers Private Limited** (CIN: U70102DL2007PTC171915) and one (1) Joint Venture partnership firm **Pioneer J.K. Senior Living LLP** (LLPIN: AAZ-1069) during the year ended on 31st March, 2023.

A statement pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with the rules framed there under showing salient features of the financial statements of the Subsidiary Company and Associate Concern forms part of the Notes to the financial statements provided in this Annual Report.

## **HIGHLIGHTS OF THE PERFORMANCE OF SUBSIDIARY AND ASSOCIATE COMPANY AND IT'S CONTRIBUTION TO THE OVERALL PERFORMANCE OF THE COMPANY**

### **• B.G.K. INFRASTRUCTURE DEVELOPERS PRIVATE LIMITED**

The Company is engaged in the business to develop, erect, construct, equip, acquire, establish and operate and manage warehouses, godowns, stockrooms, storehouses of all descriptions and invest in developing and establishing the basic infrastructure, transport facilities and other allied activities.

The revenue from operations of the company increased from Rs. 282.89 Lacs in the preceding year to Rs.287.06 Lacs in the current year and the Net Profit of the Company increased from Rs. 107.85 Lacs in the preceding year to Rs. 114.99 lacs in the current year.

• **PIONEER J.K. SENIOR LIVING LLP**

The Company has invested Rs. 37 Cr in Pioneer J.K. Senior Living LLP (PJK LLP) and become partner in Pioneer J.K. Senior Living LLP with effect from October 03<sup>rd</sup> 2022, for 50% share of profit with other partner M/s Pioneer Urban Land and Infrastructure Limited for balance 50% share of profit.

PJK LLP is developing a Senior Living high rise residential group housing project at Sector-50, Gurugram having a approx. saleable area of 3,10,00/- Sq. Ft., Project is expected to launch in 3<sup>rd</sup> quarter of FY 2023-24.

**STATE OF AFFAIRS OF THE COMPANY**

A- **EMERALD GULISTAN: -**

Company is developing an integrated township Emerald Gulistan on the land admeasuring approx. 90 Acres in various Phases located at Jajmau, Kanpur. Company has got completion certificate for 729 Residential plots, 2 Villa, 90 Residential Floors (30 Plots), 3 School Plots, 1 Hospital Plot, 108 EWS & LIG flats and other various facilities in Phase 1 to Phase 4.

Company has recently got RERA approval to develop 90 residential plots in Phase 5, 38 Convenient Shops and 44 commercial plots. Company is planning to launch all these during FY 2023-24. Company is also constructing a club of approx. 45000 sq. ft. for the use of residents of the township.

B- **NEW VENTURES: -**

Company has entered into a Development Management Agreement with M/s Pioneer Urban Land and Infrastructure Limited on 25.05.2023 to develop real estate project on land admeasuring approx. 21.41 acres located at JK Cotton Mill, Kalpi Road, Jarib Chowki, Kanpur. Company is in process to apply requisite approval to develop the project.

Company has entered into a consortium agreement with M/s Geepee Softech Services Private Limited on 03.05.2023 to participate for a resolution plan of M/s Rishra Steel Limited, an unlisted public company going through the resolution process under the provisions of Bankruptcy code, 2016. NCLT has appointed Mr. Nitin Daga as Resolution Professional ( RP ) vide its order dated 18<sup>th</sup> July, 2022 for commencement of Corporate Insolvency Resolution Process. Company and Geepee Softech Services Private Limited has filed a resolution plan on 10.05.2023 to revive the Rishra Steel Limited. The Resolution Plan submitted by the Company and Geepee Softech has been approved the Committee of Creditors (CoC) on 15.05.2023. Now the resolution plan is under consideration for approval from NCLT and expected to receive approval during FY 2023-24.

**SHARE CAPITAL**

**AUTHORIZED CAPITAL AND CHANGES THEREON, IF ANY:**

As on March 31, 2023, The Authorized Share Capital of the Company stood at Rs. 95,50,00,000/- (Rupees Ninety-Five Crore Fifty Lakh Only) divided into 5,00,00,000 (Five Crore) Equity Shares of Rs.10/- (Rupees Ten) each and 45,25,000 (Forty Five Lakh Twenty Five Thousand) 6% Non-Cumulative Redeemable Preference Shares Rs.100/- (Rupees Hundred) each and 25,000 (Twenty Five Thousand) 8.5% Non-Cumulative Redeemable Preference Shares Rs.100/- (Rupees Hundred) each.

**PAID UP CAPITAL AND CHANGES THEREON, IF ANY:**

As on March 31, 2023, the issued , subscribed and paid-up Equity Share Capital stood at Rs. 48,33,43,880 (Forty Eight Crore Thirty Three Lakh Forty Three Thousand Eight Hundred Eighty) divided into 4,83,34,388 ( Four Crore Eighty Three Lakh Thirty Four Thousand Three Hundred Eighty Eight) Equity Shares of Rs.10/- (Rupees Ten) each.



## **AUDITORS AND AUDITOR'S REPORT**

### **STATUTORY AUDITORS**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under, M/s. P.L. Tandon & Co., Chartered Accountants, (FRN: 000186C) were appointed as Statutory Auditors of the Company at the 99<sup>th</sup> AGM held on September 30, 2022 to hold office for a period of five years until the conclusion of the 104<sup>th</sup> AGM to be held in the year 2027.

However, M/s. P.L. Tandon & Co., Kanpur, Chartered Accountants, (FRN:000186C) tendered their resignation w.e.f. August 25<sup>th</sup>, 2023 due to some other pre-occupations.

The Board of Directors of the Company based on the recommendation of the Audit Committee in its meeting held on August 29, 2023 approved the appointment of M/s S S Kothari Mehta & Company (FRN:000756N) as the statutory auditor of the Company to fill the casual vacancy caused due to resignation of M/s. P.L. Tandon & Co.

Further subject to the approval of the members at the ensuing AGM M/s S S Kothari Mehta & Company (FRN:000756N) shall hold the office as the Statutory Auditors of the Company from the conclusion of the 100<sup>th</sup> Annual General Meeting until the conclusion of the 105<sup>th</sup> Annual General Meeting of the Company to be held in year 2028.

### **STATUTORY AUDITOR'S REPORT**

The standalone and the consolidated financial statements of the Company have been prepared in accordance with Ind AS notified under Section 133 of the Act.

The Statutory Auditor's report does not contain any qualifications, reservations, adverse remarks or disclaimers.

The Statutory Auditors were present in the last Annual General Meeting held on September 30<sup>th</sup> 2022.

### **REPORTING OF FRAUDS BY AUDITOR**

There was no instance of frauds during the year under review which require the statutory auditor to report to the Audit Committee and/or Board under Section 143 (12) of Act and rules framed there under.

### **INTERNAL AUDITOR**

Pursuant to the provisions of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014 your Company has engaged the services of M/s. O. P. Bagla & Co., Chartered Accountants to conduct the internal audit of the functions and activities of the Company for the Financial Year 2022-2023.

### **SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder M/s Banthia & Co., Company Secretaries, were appointed as Secretarial Auditors of Company to conduct a Secretarial Audit of records and documents of the Company for Financial Year 2022-23.

Due to health issues Mr. Gautam Banthia, proprietor of the M/s Banthia & Co., Company Secretaries intimated his inability to conduct a Secretarial Audit of records and documents of the Company for Financial Year 2022-23 accordingly he stepped down as the Secretarial Auditor of the Company resulting in casual vacancy.

Accordingly, the board of Directors at their meeting held on May 10<sup>th</sup>, 2023 approved the appointment of M/s Varuna Mittal & Associates, Practicing Company Secretary, New Delhi (Firm Registration No. S2020DE762400), to conduct Secretarial Audit of the Company for Financial Year 2022-23. The Secretarial Audit Report for the FY 2022-23 is annexed herewith as "**Annexure-A**".

The Secretarial Auditor of the Company has reported that during the period under review the Company has complied with the applicable provisions of the Companies Act, 2013 and relevant Rules made thereunder, except to the extent as mentioned below:

- Three Form MGT 14 are filed delayed w.r.t Board of Directors Meeting dated 12.05.2022, 01.07.2022 and 06.09.2022.
- Form AOC 1 is not signed by the signatories of the Financial Statements of the FY 2021-22.
- Form MGT 14 is not filed for matters listed except item no. 9 & 10 of the Notice of Annual General Meeting held on September 30, 2022, which results in a non-compliance of Circular No. 14/2020 dated April 8, 2020.

For the good corporate governance, the company is required to change the Secretarial Auditor of the Company at regular interval. In this regard the management met with various professional and based on the short-listing criteria, M/s Varuna Mittal & Associates, Company Secretaries (VMA) has been finalized as the Secretarial Auditor of the Company for FY 23-24.

#### **SECRETARIAL STANDARDS**

Your Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

#### **COST AUDITOR**

In terms of section 148 of the Act the Company had appointed M/s. Jitender, Navneet & Co. (Firm Registration No. 000119), Cost Accountants, as Cost Auditors of the Company for conducting cost audit for Financial Year 2022-23 and 2023-24 at a remuneration of Rs. 1,50,000 (Rupees One lakh fifty thousand) plus applicable taxes, travel and actual out-of-pocket expenses. Further, in terms of Section 148(3) of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditors is required to be placed before the Members in a general meeting for ratification. Accordingly, a resolution seeking Member's ratification for the remuneration payable to M/s. Jitender, Navneet & Co. Cost Accountants is provided in the Notice of the ensuing AGM.

The Cost Audit Report does not contain any qualifications, reservations, adverse remarks or disclaimers.

#### **MAINTENANCE OF COST RECORDS**

The Company is required to maintain cost records under Section 148(1) of the Act read with Companies (Cost Records and Audit) Rules, 2014. Accordingly, cost records have been maintained by the Company.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Pursuant to the provisions of the Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Satish Chandra Gupta (DIN 01595040), Director retire from the board by rotation at the ensuing Annual General Meeting of the Company and being eligible he has offered himself for re-appointment.

#### **A. PRESENT COMPOSITION OF BOARD OF DIRECTORS:**

As on the date of the report, the Board of Directors of the Company comprises of total Six (6) directors. The Composition of the Board of Directors is as under:

Sr. No.	Name of the Director	DIN	Designation
1	Abhishek Singhanian	00087844	Chairman & Managing Director
2	Maneesh Mansingka	00031476	Non-Executive Non-Independent Director
3	Mayank Khanna	00443170	Non-Executive Independent Director
4	Tarun Garg	00637800	Non-Executive Independent Director
5	Satish Chandra Gupta	01595040	Non-ExecutiveNon-Independent Director
6	Ashish Singh Chauhan	08145398	Non-ExecutiveNon-Independent Director

**B. APPOINTMENT/CESSATION/ CHANGE IN DESIGNATION OF DIRECTORS:**

During the year under review, following Appointment / Cessation or Change in designation of any Director were made:

Name of the Director	DIN/PAN	Designation	Date of Appointment/ Change in Designation	Nature of Change
Mr. Vedang Hari Singhania	08948420	Non-Executive Non Independent Director	26.04.2022	Cessation
Mr. Sanjay Kumar Jain	01014176	Whole Time Director	30.04.2022	Cessation
Mr. Krishna Behari Agarwal	00339934	Non-Executive Independent Director	12.05.2022	Cessation
Mr. Ashish Singh Chauhan	08145398	Non-Executive Non Independent Director	12.05.2022	Appointment
Mr. Ravindra Kumar Tandon	00159472	Non-Executive Independent Director	17.08.2022	Cessation
Mr. Maneesh Mansingka	00031476	Non-Executive Non Independent Director	30.08.2022	Appointment
Mr. Tarun Garg	00637800	Non-Executive Independent Director	10/05/2023	Appointment
Mr. Jagannath Gupta	00397952	Non-Executive Independent Director	05/07/2023	Cessation

**C. APPOINTMENT/CESSATION OF KEY MANAGERIAL PERSONNEL (KMP):**

During the year the following appointments/cessations were made:

Name of the KMP	DIN/PAN	Designation	Date of Appointment/ Change in Designation	Nature of Change
Mr. Harshit Gunani	ATIPG8557F	Company Secretary	12/05/2022	Cessation
Mr. Sushil Kumar Goyal	AEUPG1709A	Chief Financial officer	25/07/2022	Appointment
Ms. Akanksha Srivastava	DTUPS5652E	Company Secretary	01/10/2022	Appointment
Ms. Akanksha Srivastava	DTUPS5652E	Company Secretary	31/01/2023	Cessation
Ms. Swati Srivastava	DOCPS0736C	Company Secretary	10/05/2023	Appointment

**DECLARATION FROM INDEPENDENT DIRECTORS**

The Independent Directors in their respective disclosures under Section 149(7) have confirmed that they are independent of the Management and not aware of any circumstances or situation, which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the disclosures received from Independent Directors, the Board of Directors has confirmed that they fulfilled conditions specified in Section 149(6) of the Act and that they meet the criteria of Independence as laid down under Section 149(6) of the Act. They are also in compliance with Rule 6 (1) & (2) of the Companies (Appointment & Qualifications of Directors) Rules, 2014.

Further, the Board is of the opinion that the Independent Directors of the Company uphold highest standards of integrity and possess requisite expertise and experience required to fulfill their duties as Independent Directors.

## **CONFIRMATION BY DIRECTORS REGARDING DIRECTORSHIP/ COMMITTEE POSITIONS**

Based on the disclosures received, all Directors on the Board held directorships in Directorship(s) and Committee Membership(s) / Chairmanship(s) within the respective limits prescribed under the Act.

## **BOARD AND COMMITTEES OF THE BOARD**

### **BOARD MEETINGS**

The Board of Directors duly met 11 (Eleven) times during the financial year under review. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

### **COMMITTEES OF THE BOARD**

In Compliance with the provisions of the Companies Act, 2013 read with rules framed thereunder, the Board of Directors has constituted the following Committee with the composition as under:

#### **A. AUDIT COMMITTEE**

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting, reviewing the financial statement and statement of cash flow and reviewing the Company's statutory and internal audit activities. The Committee is governed by a term of reference which is in line with the regulatory requirements mandated by the Act.

The members of Audit Committee duly met 8 (Eight) times during the financial year under review.

<b>Name of the Director</b>	<b>Designation</b>
Mr. Tarun Garg*	Chairman
Mr. Ravindra Kumar Tandon**	Member
Mr. Krishna Behari Agarwal***	Member
Mr. Mayank Khanna	Member
Mr. Satish Chandra Gupta	Member
Mr. Jagannath Gupta****	Member

Notes:

\* Mr. Tarun Garg (00637800) appointed as chairman of the Audit Committee w.e.f. May 10, 2023 as Mr. Jagannath Gupta stepped down from the aforesaid position and re-designated as the member of the Audit Committee.

\*\*Mr. Ravindra Kumar Tandon (DIN: 00159472) resigned w.e.f 17.08.2022

\*\*\*Mr. Krishna Behari Agarwal (DIN: 00339934) resigned w.e.f 12.05.2022

\*\*\*\* Mr. Jagannath Gupta (00397952) resigned w.e.f. July 05, 2023

#### **B. NOMINATION & REMUNERATION COMMITTEE**

The composition, role and terms of reference of NRC are in compliance with the Section 178 of the Act, besides other terms, as may be referred to it by the Board of Directors of the Company, from time to time. The members of Nomination and Remuneration Committee (NRC) duly met 4 (Four) times during the financial year under review.

<b>Name of the Director</b>	<b>Designation</b>
Mr. Tarun Garg*	Chairman
Mr. Ravindra Kumar Tandon**	Member

Mr. Krishna Behari Agarwal***	Member
Mr. Mayank Khanna	Member
Mr. Satish Chandra Gupta	Member
Mr. Jagannath Gupta****	Member

Notes:

\* Mr. Tarun Garg (00637800) appointed as chairman of the NRC Committee w.e.f. May 10, 2023 as Mr. Jagannath Gupta stepped down from the aforesaid position and re-designated as the member of the NRC Committee.

\*\*Mr. Ravindra Kumar Tandon (DIN: 00159472) resigned w.e.f 17.08.2022

\*\*\*Mr. Krishna Behari Agarwal (DIN: 00339934) resigned w.e.f 12.05.2022

\*\*\*\* Mr. Jagannath Gupta (00397952) resigned w.e.f. July 05, 2023

#### C. **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The composition, role and terms of reference of this Committee are in compliance with the Section 178 of the Act The members of Stakeholders' Relationship Committee (SRC) duly met 2(Two) times during the financial year under review.

Name of the Director	Designation
Mr. Tarun Garg*	Chairman
Mr. Ravindra Kumar Tandon**	Member
Mr. Krishna Behari Agarwal***	Member
Mr. Mayank Khanna	Member
Mr. Ashish Singh Chauhan	Member
Mr. Jagannath Gupta****	Member

Notes:

\* Mr. Tarun Garg (00637800) appointed as chairman of the SRC Committee w.e.f. May 10, 2023 as Mr. Jagannath Gupta stepped down from the aforesaid position and re-designated as the member of the SRC Committee.

\*\*Mr. Ravindra Kumar Tandon (DIN: 00159472) resigned w.e.f 17.08.2022

\*\*\*Mr. Krishna Behari Agarwal (DIN: 00339934) resigned w.e.f 12.05.2022

\*\*\*\* Mr. Jagannath Gupta (00397952) resigned w.e.f. July 05, 2023

#### D. **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The members of Corporate Social Responsibility Committee (CSR) duly met 2 (Two) times during the financial year under review.

Name of the Director	Designation
** Mr. Tarun Garg	Chairman
**Mr. Ravindra Kumar Tandon	Member
***Mr. Krishna Behari Agarwal	Member
Mr. Satish Chandra Gupta	Member
Mr. Ashish Singh Chauhan	Member
**** Mr. Jagannath Gupta	Member

Notes:

\* Mr. Tarun Garg (00637800) appointed as chairman of the CSR Committee w.e.f. May 10, 2023 as Mr. Jagannath Gupta stepped down from the aforesaid position and re-designated as the member of the CSR Committee.



- \*\*Mr. Ravindra Kumar Tandon (DIN: 00159472) resigned w.e.f 17.08.2022  
 \*\*\*Mr. Krishna Behari Agarwal (DIN: 00339934) resigned w.e.f 12.05.2022  
 \*\*\*\* Mr. Jagannath Gupta (00397952) resigned w.e.f. July 05, 2023

Company's CSR initiatives and activities are aligned to the requirements of Section 135 of the Act. The Company has formulated and adopted a Corporate Social Responsibility Committee indicating therein the CSR Activities included in Schedule-VII of the Companies Act, 2013. Health, Education and enhancement of employment opportunities specially among children, women, elderly and differently abled persons are the core areas for the company's overall corporate social responsibility mission. This CSR Policy of the Company is available on the Company's website at [www.jkcotton.com](http://www.jkcotton.com).

The Annual Report on CSR activities is annexed here with as **"Annexure B"**.

#### **ANNUAL RETURN**

Pursuant to Section 92 of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014 as amended, the Annual Return is available on the website of the Company on the following link [www.jkcotton.com](http://www.jkcotton.com).

#### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION BETWEEN THE END OF FINANCIAL YEAR AND DATE OF REPORT**

No material changes and commitments affecting the financial position of the company occurred from the end of the financial year 2022-2023 till the date of this report. Further, there was no change in the nature of the business of the Company.

#### **THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

During the period under review, no significant and material orders were passed by any regulators or courts or tribunals impacting the going concern status and company's operations in future.

#### **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

All transactions with Related Parties are placed before the Audit Committee and also the Board for approval. Prior omnibus approval of the Audit Committee and the Board is obtained for the transactions, which are of a foreseen and repetitive nature. The Board notes the transactions entered into pursuant to the omnibus approval so granted and a statement giving details of all transactions with related parties is placed before the Audit Committee and the Board of Directors for their perusal and noting on a quarterly basis.

During the year under review, all transactions entered into with related parties during the year were on arm's length pricing basis and were in the ordinary course of business. Moreover, there were no material related party transactions i.e. transactions exceeding the limits prescribed under Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014, as amended. Thus, disclosure of related party transactions as required under Section 134(3)(h) of the Act in **Form AOC-2** is not required. Suitable disclosure has been made in the Annual Report.

#### **PARTICULARS LOANS, GUARANTEES AND INVESTMENT MADE UNDER SECTION 186 OF THE COMPANIES ACT ,2013**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 forms part of the Notes to the financial statements provided in this Annual Report.

#### **RISK MANAGEMENT**

The Company has implemented a Risk Management Framework, which aims to identify and assess elements of risks, which in the opinion of the Board may threaten the existence of the company, and to take appropriate steps to manage the risks.

The Audit Committee assists the Board in evaluating the Risk Management System of the Company including Risk Framework, Risk Processes (Risk Identification, Assessment, Mitigation and Monitoring) laid down by the Management. The Audit Committee provides oversight of the Company's management of key risks, including strategic and operational risks, as well as the guidelines, policies and processes for monitoring and mitigating such risks under the aegis of the overall business risk management framework.

### **NOMINATION AND REMUNERATION POLICY**

The Company has in place a policy, which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Remuneration Policy is available on the website of the Company at [www.jkcotton.com](http://www.jkcotton.com). This policy also lays down criteria for determining qualifications, positive attributes and independence of a director.

The salient features of Company's Remuneration policy are:

Remuneration is based on the principles of:

- Pay for responsibility
- Pay for potential and
- Pay for growth.

The Nomination and Remuneration Committee is vested with all the necessary powers and authorities to ensure appropriate disclosure on remuneration to the Managing Director and other KMPs including details of fixed components and performance linked incentives.

Appointment of the Non-executive Directors on the Board is for the benefit of the Company due to their vast professional expertise in their professional capacity. The Company suitably remunerates them by paying sitting fee for attending the meetings of the Board and various committees of the Board.

### **INTERNAL FINANCIAL CONTROLS**

The Company's internal control system is designed to ensure orderly and efficient conduct of business, adherence to Company's policies, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. Efforts are made by the management to maintain a sound financial and commercial practice capable of improving the efficiency of the operations and sustainability of the business. The system ensures that all the assets are safeguarded and protected against loss from unauthorized use or disposition and those are recorded and reported correctly. All operating parameters are monitored and controlled.

The Audit Committee also reviews the adequacy and effectiveness of internal financial controls and suggests improvement for strengthening them, from time to time.

### **WHISTLE BLOWER POLICY/VIGIL MECHANISM SYSTEM**

Your Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. Any actual or potential violation, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the Company cannot be undermined.

Pursuant to Section 177(9) of the Act, a Vigil (Whistle Blower) Mechanism was established for directors and employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chairman of the Audit Committee of Directors of the Company for redressal. No person has been denied access to the Chairman of the Audit Committee of Directors.

## **DISCLOSURE UNDER THE SEXUAL HARRASMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION, AND REDRESSAL) ACT, 2013**

The Company has zero tolerance for sexual harassment at the workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace as required under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed there under, the policy on prevention, prohibition and redressal of sexual harassment has been uploaded on the website of the Company i.e. [www.jkcotton.com](http://www.jkcotton.com). All women employees are covered under the policy. An Internal Complaints Committee had been setup to redress complaints relating to sexual harassment.

During the year, the Company received no complaint on sexual harassment.

## **ANNUAL EVALUATION OF BOARD, ITS COMMITTEES AND ITS INDIVIDUAL DIRECTORS**

The annual evaluation process of the Board of Directors, individual Directors and Committees was conducted in accordance with the provisions of the Act.

The Board evaluated its performance after seeking inputs from all the Directors based on criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the committee members based on criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Chairman of the Board had one-on-one meetings with the IDs and the Chairman of the NRC had one-on-one meetings with the Executive and Non-Executive, Non-Independent Directors.

In a separate meeting of IDs, performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of the Executive Director and NEDs.

The NRC reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. and the Board as a whole.

In the Board meeting that followed the meeting of the IDs and meeting of the NRC, the performance of the Board, its committees and individual Directors was also discussed.

The evaluation process endorsed the Board's confidence in the ethics standards of the Company, cohesiveness amongst the Board members, flexibility of the Board and management in navigating the various challenges faced from time to time and openness of the management in sharing strategic information with the Board.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO**

### **1. Conservation of energy:**

The business operations does not account for substantial energy consumption. However, the Company is taking all possible measures and gives priority to conserve energy.

Your Company has taken following significant energy conservation measures:

- The Company focused on replacement of existing fixtures LED lights for energy efficiency.
- The equipments, accessories and fitments are under regular preventive maintenance and proactive functionality checks;

### **2. Technology absorption:**

The Company is using latest technology and indigenization, which keeps on absorbing latest technology for the betterment of society at large.

### **3. Foreign exchange earnings and Outgo:**

There were no foreign exchange earnings and outgo during the year under review and hence, no information is reported in this regard in the Annual Report.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of section 134(5) of companies, 2013 the Board of Directors to the best of their Knowledge and ability, in respect of the financial year ended 31st March, 2023 confirms that :-

- a. in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures;
- b. the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c. the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors had prepared the Annual Accounts on a going concern basis;
- e. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **GENERAL SHAREHOLDERS INFORMATION**

Annual General Meeting: Date /Time: Wednesday, 27th September, 2023 at 03.00 PM.

Venue: through The 100<sup>th</sup> AGM shall be held through VC/OVAM The venue of the meeting shall be deemed to be the Registered Office of the Company situated at Kamla Tower, Kanpur-208001.

Date of Book Closure: Wednesday, the 20<sup>th</sup> September, 2023 to Wednesday, 27th September, 2023. (Both Days Inclusive)

Depository Details: The equity shares of the Company are admitted in NSDL and ISIN No. "INE088U01015" has been allotted to the Company.

Registrar/Transfer Agent: M/s Alankit Assignment Ltd. having its Registered Office at Delhi is Registrar/Transfer Agent of the Company, who provides all services for Share registry in physical as well as demat segment.

Address for Correspondence:

Alankit Assignment Limited

205-208 Anarkali Complex

Jhandewalan Extension

New Delhi -110055

Phone +91-11-42541234/23541234

Email: [rta@alankit.com](mailto:rta@alankit.com)

Share Transfer System: Share Transfer work & other activities of physical as well as demat segment is attended to by the Company's Registrar & Transfer Agents within the prescribed period in accordance with law. All share transfers etc. are approved by Committee of Directors, which meets periodically.

**THE DETAILS OF AN APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016**

During the F.Y 2022-2023, your Company hasn't made any application nor any proceedings are pending against the Company under the Insolvency and Bankruptcy Code, 2016.

**THE DETAILS OF THE DIFFERENCE BETWEEN THE AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING A LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF**

During the year under review, the Company hasn't entered any sort of OTS (One- Time Settlement) with banks, financial institutions in respect of any type of secured loans, unsecured loans, Lease or any other type of credit facilities in respect of its indebtedness, furthermore there weren't any significant differences in respect of valuation while obtaining loan from banks, financial institutions during the financial year ended March 31, 2023.

**ACKNOWLEDGEMENTS**

Your Directors wish to place on record their appreciation for the valuable support received from bankers, government authorities, customers, agents, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for committed services rendered by the executives, staff and workers of the Company.

**For and on behalf of the Board**

**Sd/-**

**Abhishek Singhania**

**Chairman & Managing Director**

**DIN:00087844**

**Date: August 29, 2023**

**Place: New Delhi**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

To

The Members

**J. K. COTTON LIMITED**

CIN: U17111UP1924PLC000275

Registered Address: Kamla Tower, Kanpur, Uttar Pradesh 208001

**We report that**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **J. K. Cotton Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Secretarial Auditing Standards as prescribed by Institute of Company Secretaries of India (ICSI).

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 (hereinafter referred as "period under review") according to the provisions of:

- (i) The Companies Act, 2013 (the 'Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (Not Applicable)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; (Applicable to the extent of shares in Dematerialized form)
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable; Not Applicable



- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'); Not Applicable
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 to the extent applicable and Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014 to the extent applicable, prior to its repealment;
  - (e) The Securities and Exchange Board of India (Issue and Listing of convertible Securities) Regulations, 2021;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on their sector/ industry are:
- (a) Real Estate (Regulation and Development) Act 2016
  - (b) Uttar Pradesh Real Estate Regulatory Authority (General) Regulations 2019
  - (c) Payment of Gratuity Act, 1972 and rules made thereunder;
  - (d) Payment of Bonus Act, 1965 and rules made thereunder;
  - (e) Employees Provident Fund Scheme, 1952 and rules made thereunder;
  - (f) Employees State Insurance Corporation, 1952 and rules made thereunder;
  - (g) Other Statutory, Environment and Labour Laws & rules made thereunder.

We have also examined compliance with the applicable clauses/Regulations of the following, to the extent applicable:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. **Not Applicable**

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except-

- Three Form MGT 14 are filed delayed w.r.t Board of Directors Meeting dated 12.05.2022, 01.07.2022 and 06.09.2022.
- Form AOC 1 is not signed by the signatories of the Financial Statements of the FY 2021-22.
- Form MGT 14 is not filed for matters listed except item no. 9 & 10 of the Notice of Annual General Meeting held on September 30, 2022, which results in a non-compliance of Circular No. 14/2020 dated April 8, 2020.

Note: For clause (vi) above, the scope of our audit was limited to check the representation, requisite licenses, permissions and registration under the specified Acts as provided by the management of the Company. For the purpose of examining the adequacy of compliances with other applicable laws including industry/ sector specific, under both Central and State legislations, reliance has been placed on the representation letters/confirmations issued by the Management.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors except as mentioned above. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board & Committee Meetings, agenda and detailed notes on agenda were sent in advance and in case of shorter notice, compliance as required under the Act has been made by the Company and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings held during the period under review were carried out with requisite majority or unanimously, as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, following specific events took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except as follows:

- *The shareholders of the Company in their Annual General meeting held on September 30, 2022, consented to withdraw the Preferential Issue of 7,50,000 6% Non-Convertible Redeemable Preference Shares of Rs 100/- each as earlier approved by the shareholders on Private Placement basis on 14th February, 2022.*

**For Varuna Mittal & Associates**

**Company Secretaries**

Firm Registration No. S2020DE762400

Peer Review Certificate No. 2745/2022

Sd/-

Varuna Mittal

Membership No.: 57727

Certificate of Practice: 23575

UDIN:A057727E000882199

**Date: 29.08.2023**

**Place: New Delhi**

Notes: This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

Annexure-A to the Secretarial Audit Report

To

The Members

**J. K. COTTON LIMITED**

CIN: U17111UP1924PLC000275

Registered Address: Kamla Tower, Kanpur, Uttar Pradesh 208001

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on the random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Varuna Mittal & Associates**

**Company Secretaries**

Firm Registration No. S2020DE762400

Peer Review Certificate No. 2745/2022

Sd/-

Varuna Mittal

Membership No.: 57727

Certificate of Practice: 23575

UDIN:A057727E000882199

**Date: 29.08.2023**

**Place: New Delhi**

**1. Brief outline on CSR Policy of the Company:**

JK Cotton Limited (“JKCL”) has always been at forefront of Voluntary CSR. The provisions of the Companies Act, 2013 have made it imperative to institutionalize the CSR activities. The objective of your Company’s CSR policy is to lay down the guiding principles for proper functioning of CSR activities to attain sustainable development of the society around the area of operations of the Company. Your Company’s social responsibility policy focuses on using the capabilities of business to improve lives and contribute to sustainable living, through contributions to local communities and society at large.

Your Company is committed to spend a minimum of 2% of the average net profits for the immediately preceding three financial years on CSR activities. The activities are healthcare, conducting medical checkups and providing medicine, rural development, preventive healthcare for poor and Tribal children, multidisciplinary rehabilitation to specially abled people including under privileged children and young adults with Special needs, activities for environmental sustainability and ecological balance. While the focus of CSR initiatives were in the areas around Company operations, your Company has also undertook projects where societal needs were existing. CSR Policy of the Company is available on the Company’s website (weblink [www.jkcotton.com/policies](http://www.jkcotton.com/policies)).

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and the amendments thereto.

**2. Composition of CSR Committee:**

Sl.No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	* Mr. Tarun Garg	Non-Executive Independent Director - Chairman	2	NA
2	**Mr. Ravindra Kumar Tandon	Non-Executive Independent Director-Member	2	1
3	***Mr. Krishna Behari Agarwal	Non-Executive Independent Director-Member	2	NA
4	Mr. Satish Chandra Gupta- Member	Non-Executive Non- Independent Director-Member	2	2
5	Mr. Ashish Singh Chauhan	Non-Executive Non- Independent Director-Member	2	2
6	**** Mr. Jagannath Gupta	Non-Executive Independent Director - Chairman	2	2

\* Mr. Tarun Garg (00637800) appointed as chairman of the CSR Committee w.e.f. May 10, 2023 as Mr. Jagannath Gupta stepped down from the aforesaid position and re-designated as the member of the CSR Committee.

\*\* Mr. Ravindra Kumar Tandon (DIN: 00159472) resigned w.e.f 17.08.2022

\*\*\* Mr. Krishna Behari Agarwal (DIN: 00339934) resigned w.e.f 12.05.2022

\*\*\*\* Mr. Jagannath Gupta (00397952) resigned w.e.f. July 05, 2023

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.

The Web-link to Composition of CSR committee and CSR projects or programs is <http://www.jkcotton.com/csr.html>.

The Web-link to Composition of CSR committee and CSR projects or programs is <http://www.jkcotton.com/list-committees>.

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not Applicable for the Financial Year 2022-23.

5. (a) Average net profit of the company as per sub-section (5) of section 135. The average Net Profit as per section 135(5) is Rs. 31.16 Crores.

(b) Two percent of average net profit of the company as per sub-section (5) of section 135. Prescribed CSR Expenditure is two percent of the amount as in item 3 above i.e. Rs. 62,32,977/-. Hence, Rs. 62,32,977/- was required to be spent during the Financial Year 2022-23.

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. –

(d) Amount required to be set-off for the financial year, if any. Rs. 1,43,843.49/-

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]. Rs. 60,89,134/-

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).

Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Project duration.	Amount allocated for the project (in Rs.). Amount spent in the current financial Y	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
Total												
Not Applicable												

Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent in the current financial Year (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
1	Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports	Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports	Yes	Uttar Pradesh	Kanpur Nagar	47,00,000/-	Yes	NA	NA
2	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Uttar Pradesh	Kanpur Nagar	20,00,000/-	Yes	NA	NA
<b>Total</b>									

(b) Amount spent in Administrative overheads. NIL

(c) Amount spent on Impact Assessment, if applicable. NIL

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]. Rs. 67,00,000.00/-

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
67,00,000	Nil	NA	NA	Nil	NA

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	62,32,977.00
(ii)	Total amount spent for the Financial Year	67,00,000.00
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	6,10,866.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	6,10,866.00



7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years

1	2	3	4	5	6	7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
1	FY-1						
2	FY-2						
3	FY-3						

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s)	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
	[including complete address and location of the property]						
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
	-	-	-	-	-		

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/ Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135. NA

Sd/-

**Mr. Abhishek Singhania**  
Chairman and Managing Director  
DIN: 00087844)

Sd/-

**Mr. Tarun Garg**  
Chairman, CSR Committee  
(DIN: 00637800)

## INDEPENDENT AUDITOR'S REPORT

**To The Members of J K COTTON LTD**

**Report on the Audit of Standalone Financial Statements**

### **Opinion**

We have audited the standalone financial statements of J K COTTON LTD("the Company"), which comprise the balance sheet as at 31st March 2023, and the statement of Profit and Loss including Other Comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information .

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act , read with the Companies ( Indian Accounting Standards) Rules, 2015, as amended ,( "Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and the Profit, Total Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Information Other than the Standalone financial statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's Report including Annexures to Director's Report etc., but does not include the financial statements and our auditor's report thereon. The Director's Report including Annexures to Director's Report etc. is not made available to us till the date of this report and is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, Total Comprehensive Income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate

accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements .

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements , whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, statement of changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements -Refer Note No 50 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities Identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(b) The management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
  
(c) Based on such audit procedures we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. The company has not declared or paid any dividend during the year.

**For P.L. Tandon & Co.**  
**Chartered Accountants**  
**Registration Number: 000186C**

**Date: 29.08.2023**  
**Place: KANPUR**

**Sd/-**  
**P.P.SINGH**  
**(Partner)**  
**Membership Number: 072754**  
**UDIN: 23072754BGWEFI2335**

## ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

Re: J K COTTON LTD

The Annexure referred to in our Independent Auditors’ Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March, 2023, We report that:

### i. In respect of its Property, Plant and Equipment and Intangible Assets :

- (a) (A) The Company has maintained proper records showing full particulars, including Quantitative details and situation of fixed assets other than furniture and fixtures and office equipments.
- (B) The company has maintained proper records showing full particulars of intangible assets.
- (b) The company has regular programme of verification property, plant and equipment which, in our opinion, is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. No material discrepancies were noticed on such verification
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of registered sale deed / transfer deed/ conveyance deed and other relevant records evidencing title provided to us, we report that, the title deeds, comprising all the immovable properties of land and building are held in the name of erstwhile J. K. Cotton Spinning & Weavings Mills Company Limited as the name of the company changed to J.K .Cotton Limited on 19-08-2013.
- (d) According to the information and explanations given to us , the company has not revalued its property, plant and equipments (including right of use assets) or intangible assets or both during the year .
- (e) According to the information and explanations given to us , the company does not hold any benami property under the Benami Transactions (Prohibition) Act 1988 (45 of 1988) and rules made thereunder. Therefore provisions of paragraph 3(i) (e) of the Companies (Auditor’s Report ) Order, 2020 are not applicable to the company.

### ii. In respect of its Inventories:

- (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals and in our opinion, the coverage and procedure of such verification is appropriate. The discrepancies noticed on verification between physical stocks and the book records were not of 10% or more in aggregate for each class of inventory
- (b) According to the information and explanations given to us , during any point of time of the year, the company has not been sanctioned any working capital limits in excess of Rs five crores rupees , in aggregate from banks or financial institutions on the basis of security of current assets; Therefore provisions of paragraph 3(ii)(b) of Companies (Auditor’s Report) Order, 2020 are not applicable to the company.

### iii. In respect of loans secured or unsecured, investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability partnerships or any other parties, according to the information and explanations given to us :

- a. The company has made investments in and granted unsecured loans to companies, firms, Limited Liability Partnerships or any other parties as under:



(Rs. In lacs)

	Investment	Security/ Guarantees	Loans	Advances in nature of loans
Aggregate amount granted/ provided during the year				
- Subsidiaries	-	-	-	
- Joint Ventures - Associates	-	-	-	
- Others	3700.00	-	400.00	
	-	-	-	
Balance outstanding as at balance sheet date in respect of above cases				
- Subsidiaries	2249.54		100.00	
- Joint Ventures - Associates			-	
- Others	3700.00		400.00	

The terms and conditions of investments made and grant of all loans are not prejudicial to the company's interest.

- b. There is no stipulation for repayment of loan and interest thereon.
- c. There is no amount overdue for more than ninety days in view of our comments in ( c ) above.
- d. There is no loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdoes of existing loans given to the same parties.
- e. The company has granted following loans which are repayable on demand and without specifying any terms

Rs. In lacs

	All parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans			
- Repayable on demand (A)	-	-	-
- Agreement does not specify any terms or period of repayment (B)	500.00	-	500.00
Total (A+B)	500.00	-	500
Percentage of loans to the total loans	100%	-	100%

- v. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, with respect to the loans and investments made.
- vi. In our opinion and according to information and explanations given to us, the company has not accepted any deposits within the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act , 2013 and the rules made thereunder . Therefore, the provisions of paragraph 3 (v) of the Companies (Auditor's Report) order, 2020, are not applicable to the company.
- vii. We have broadly reviewed the books of account maintained by the company, pursuant to the rules made by the Central Government, for maintenance of cost records under sub section (1) of section 148 of the Companies Act,2013 and we are of the opinion that prima-facie the prescribed accounts and records have been maintained.

- viii. According to the information and explanations given to us, in respect of statutory and other dues:
- (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, goods and service tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues applicable to it.  
  
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, goods and service tax, Duty of Custom, Duty of Excise, Value Added Tax, GST, Cess and other material Statutory dues were in arrear as at 31<sup>st</sup> March, 2023 for a period more than six months from the date they became payable.
  - (b) According to the records of the company, there are no cases of income tax, goods and services tax, service tax, duty of custom, duty of excise or value added tax which have not been deposited on account of any dispute.
- ix. According to the information and explanations given to us, there is no transactions which have not been recorded in the books of account but have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any loan or other borrowings or any interest due thereon to any lender.
  - b) In our opinion and according to the information and explanations given to us, the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - c) In our opinion and according to the information and explanations given to us, the loans were applied for the purpose for which the loans were obtained.
  - d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
  - e) In our opinion and according to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
  - f) In our opinion and according to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies;
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and therefore provisions of paragraph 3(x) (a) of Companies (Auditor's Report) Order, 2020 are not applicable to the company.
- (b) In our opinion and according to the information and explanations given to us, the company has not made preferential allotment or private placement of shares during the year and the requirements of section 42 and section 62 of the Companies Act, 2013, therefore, the provisions of paragraph 3 (x)b of the Companies (Auditor's Report) order, 2020, are not applicable to the company.
- xi. (a) According to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of our audit.
- (b) No report under sub-section (12) of section 143 of the Companies Act, has been filed by auditors in Form ADT- 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no Whistle blower complaints received by the company during the year.
- xii. In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company. Therefore, the provisions of Clause (xii) of paragraph 3 of the order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, All transactions with the related parties are in compliance with sections 177 and 188 of Companies

Act where applicable, and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards;

- xiv. (a) In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per the provisions of Companies Act, 2013.  
(b) In view of our comments in paragraph (a) above, the provisions of paragraph (b) of the Companies (Auditors' Report) order, 2020, are not applicable to the company.
- xv. According to the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.
- xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934;  
(b) The company has not conducted any Non-Banking Financial or Housing Finance activities during the year;  
(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India;  
(d) According to the information and explanations given to us, the group does not have any CIC as part of the group;
- xvii. The company has not incurred cash losses during the current financial and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and therefore the provisions of paragraph 3(xviii) of the Companies (Auditors' Report) order, 2020, are not applicable to the company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. There are no unspent amounts towards Corporate Social Responsibility (CSR) on requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, the provisions of paragraph 3(xx) (a) and (b) of the Companies (Auditors' Report) order, 2020, are not applicable to the company.
- xxi. There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

**For P.L. Tandon & Co.**

**Chartered Accountants**

**Registration Number: 000186C**

**Date: 29.08.2023**

**Place: KANPUR**

**Sd/-**

**P.P.SINGH**

**(Partner)**

**Membership Number: 072754**

**UDIN: 23072754BGWEFI2335**

## **ANNEXURE “B” TO THE INDEPENDENT AUDITORS REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF J K COTTON LTD**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of J K COTTON LTD (“the Company”) as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For P.L. Tandon & Co.**  
**Chartered Accountants**  
**Registration Number: 000186C**

**Date: 29.08.2023**  
**Place: KANPUR**

**Sd/-**  
**P.P.SINGH**  
**(Partner)**  
**Membership Number: 072754**  
**UDIN: 23072754BGWEFI2335**

**J.K.COTTON LIMITED**  
CIN:U17111UP1924PLC000275  
(Registered Office: Kamla Tower, Kanpur- 208001)  
Balance Sheet as at 31st March, 2023

(Rs. in Lacs)

Particulars	Note No.	As at 31st March, 2023	As At 31st March, 2022 (Restated) (Refer Note No. 52)
<b>ASSETS</b>			
<b>Non-Current Assets:</b>			
(a) Property, Plant and Equipment	2 (A)	1344.46	1060.18
(b) Other Intangible Assets	2 (B)	4.30	0.43
(c) Capital Work in Progress	2 (C)	-	162.89
(d) Financial Assets			
(i) Investments	3	5949.54	2249.54
(ii) Other Financial Assets	4	471.45	74.95
		<b>7769.75</b>	<b>3547.99</b>
<b>Current Assets:</b>			
(a) Inventories	5	13672.97	16564.60
(b) Financial Assets			
(i) Investments	6	0.02	0.01
(ii) Cash and Cash Equivalents	7	3546.48	2769.94
(iii) Bank Balances	8	4749.83	3710.08
(iv) Loans & Advances	9	500.00	300.00
(v) Other Financial Assets	10	252.29	1077.40
(c) Other Current Assets	11	1007.60	1379.29
		<b>23729.19</b>	<b>25801.32</b>
<b>TOTAL ASEETS</b>		<b>31498.94</b>	<b>29349.31</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity:</b>			
(a) Equity Share Capital	12	4833.44	4833.44
(b) Other Equity	13	14213.47	12118.62
		<b>19046.91</b>	<b>16952.06</b>
<b>Liabilities:</b>			
<b>Non-Current Liabilities:</b>			
(a) Financial Liabilities			
(i) Borrowings	14	64.09	31.21
(b) Deferred Tax Liabilities (Net)	15	28.25	31.73
(c) Provisions	16	40.65	32.14
		<b>132.99</b>	<b>95.08</b>
<b>Current Liabilities:</b>			
(a) Financial Liabilities			
(i) Borrowings	17	17.40	7.50
(ii) Trade Payables	18	320.76	1071.57
(iii) Other Financial Liabilities	19	4434.35	3888.76
(b) Other Current Liabilities	20	7324.04	7220.35
(c) Provisions	21	30.89	30.91
Current Tax Liability (Net)	22	191.60	83.08
		<b>12319.04</b>	<b>12302.17</b>
<b>Notes in Financial Statements</b>	1-53		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>31498.94</b>	<b>29349.31</b>

As per our report of even date attached

For P.L. Tandon & Co.  
Chartered Accountants  
Firm Registration Number: 000186C

For and on behalf of the Board of Directors of  
J.K. Cotton Limited

Sd/-  
P.P.SINGH  
Partner  
Membership Number: 072754

Sd/-  
Abhishek Singhania  
Managing Director  
DIN: 00087844

Sd/-  
Ashish Singh Chauhan  
Director  
DIN: 08145398

Place: New Delhi  
Date : 29.08.2023

Sd/-  
Swati Srivastava  
Company Secretary  
Membership No. 48654

Sd/-  
Sushil Goyal  
Chief Financial Officer  
Membership No. 500231



# J.K.COTTON LIMITED

CIN:U17111UP1924PLC000275

(Registered Office: Kamla Tower, Kanpur- 208001)

## Profit & Loss Statement for the year ended 31st March, 2023

(Rs. in Lacs)

Particulars	Note No.	Year Ended 31.03.2023	Year Ended 31.03.2022 (Restated) (Refer Note No. 52)
<b>INCOME:</b>			
Revenue from Operations	23	12952.82	12305.38
Other Income	24	1151.24	1413.66
<b>Total Income</b>		<b>14104.06</b>	<b>13719.04</b>
<b>EXPENSES:</b>			
Cost Of Construction And Development Expenses	25	2715.95	2701.74
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	26	2891.63	3323.21
Employee Benefits Expense	27	475.25	397.74
Finance Costs	28	176.84	102.12
Depreciation and Amortisation Expense	29	69.67	46.35
Other Expenses	30	4855.75	2039.39
<b>Total Expenses</b>		<b>11185.09</b>	<b>8610.55</b>
<b>PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS:</b>		<b>2918.97</b>	<b>5108.49</b>
Exceptional items	31	2626.98	2221.21
<b>PROFIT BEFORE TAX:</b>		<b>5545.95</b>	<b>7329.70</b>
<b>Tax Expense:</b>			
Current tax		830.00	1081.30
Deferred Tax		-4.09	6.99
Income Tax of Earlier Years		-	64.96
<b>PROFIT FOR THE YEAR</b>		<b>4720.04</b>	<b>6176.45</b>
<b>OTHER COMPREHENSIVE INCOME:</b>			
Items that will not be reclassified to Profit or Loss:			
Re- measurement of defined benefits plan		2.39	9.55
Income Tax Relating to above item		0.60	-
<b>Total Other Comprehensive Income</b>		<b>1.79</b>	<b>9.55</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>4721.83</b>	<b>6186.00</b>
<b>Earning per Equity Share of Rs.10/- each in Rs. :</b>	<b>32</b>		
- Basic & Diluted		9.77	17.29
<b>Notes in Financial Statements</b>	1-53		

As per our report of even date attached

For P.L. Tandon & Co.  
Chartered Accountants  
Firm Registration Number: 000186C

For and on behalf of the Board of Directors of  
J.K. Cotton Limited

Sd/-  
P.P.SINGH  
Partner  
Membership Number: 072754

Sd/-  
Abhishek Singhania  
Managing Director  
DIN: 00087844

Sd/-  
Ashish Singh Chauhan  
Director  
DIN: 08145398

Place: New Delhi  
Date : 29.08.2023

Sd/-  
Swati Srivastava  
Company Secretary  
Membership No. 48654

Sd/-  
Sushil Goyal  
Chief Financial Officer  
Membership No. 500231

**J.K.COTTON LIMITED**  
CIN:U17111UP1924PLC000275  
(Registered Office: Kamla Tower, Kanpur- 208001)  
**Cash Flow Statement for the year ended 31st March, 2023**

(Rs. in Lacs)

	Particulars	2022-23	2021-22 (Restated) (Refer Note No. 52)
<b>A.</b>	<b>Cash flow from operating Activities</b>		
	Profit/(Loss) before Tax	5545.95	7329.70
	Adjustments for:		
	Adjustment of Capital Reserve	-2626.98	-2221.21
	Depreciation and amortisation	69.67	46.35
	OCI adjustment	2.39	9.55
	Loss on Sale of Property, plant & equipments	-	0.08
	Finance Cost	176.84	102.12
	Profit on Sale of Property, plant & equipments	-33.73	-872.92
	Dividend Income	-0.83	-
	Interest income	-448.39	-160.39
	<b>Operating Profit before Working Capital Changes</b>	<b>2684.92</b>	<b>4233.28</b>
	(Increase)/Decrease in Inventories	2891.64	3323.21
	(Increase)/Decrease in Other financial assets	213.47	-8.63
	(Increase)/Decrease in Other assets	371.69	-1169.32
	Increase/(Decrease) in Trade Payables	-750.82	-537.10
	Increase/(Decrease) in Other financial liabilities	1128.09	88.71
	Increase/(Decrease) in Other liabilities	103.69	-4701.14
	Increase/(Decrease) in provisions	8.49	-15.60
	<b>Net Cash Flow from Operations</b>	<b>6651.17</b>	<b>1213.41</b>
	Income Tax Paid	-721.48	-969.49
	<b>Net Cash From Operating Activities (A)</b>	<b>5929.69</b>	<b>243.92</b>
<b>B.</b>	<b>Cash used in Investing Activities</b>		
	Movement in Fixed Deposit	-1041.26	1262.36
	Movement in NBFCs Deposit	258.96	157.44
	Purchase of Property, plant & equipments	-133.19	-233.86
	Investment in CWIP	-61.74	-162.89
	Purchase of Investments	-3700.01	-2249.55
	Dividend Income	0.83	-
	Interest Income	406.07	215.80
	Loans given to related parties	-200.00	-300.00
	Sale of Property, plant & equipments	33.74	873.07
	<b>Net Cash used in Investing Activities (B)</b>	<b>-4436.60</b>	<b>-437.63</b>
<b>C.</b>	<b>Cash Flow from Financing Activities</b>		
	Proceeds from issue of Share Capital (including premium)	-	6684.29
	Redemption of Preference Share Capital	-	-4381.72
	Proceeds from Borrowings (Net)	42.79	38.71
	Interest paid	-759.34	-10.69
	<b>Net Cash used in Financing Activities (C)</b>	<b>-716.55</b>	<b>2330.59</b>
	<b>Net Increase/(Decrease) in Cash &amp;Cash equivalents (A+B+C)</b>	<b>776.54</b>	<b>2136.88</b>
	Opening Balance of Cash & Cash equivalents	2769.94	633.06
	<b>Closing Balance of Cash &amp; Cash equivalents</b>	<b>3546.48</b>	<b>2769.94</b>

**Note:** 1. Refer Note No. 36 for changes in liabilities arising from financing activities.  
2. Reconciliation of cash and cash equivalents

-Refer Note No. 7

As per our report of even date attached

For P.L. Tandon & Co.  
Chartered Accountants  
Firm Registration Number: 000186C

Sd/-  
P.P.SINGH  
Partner  
Membership Number: 072754

Place: New Delhi  
Date : 29.08.2023

For and on behalf of the Board of Directors of  
J.K. Cotton Limited

Sd/-  
Abhishek Singhania  
Managing Director  
DIN: 00087844

Sd/-  
Swati Srivastava  
Company Secretary  
Membership No. 48654

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Ashish Singh Chauhan  
Director  
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Sd/-  
Sushil Goyal  
Chief Financial Officer  
Membership No. 500231

**J. K. COTTON LIMITED**  
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**Registered Office: Kamla Tower, Kanpur- 208001**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> March 2023**

**Note 1: COMPANY INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity:**

J.K. Cotton Limited is a company domiciled in India and limited by shares. (U17111UP1924PLC000275). The address of the company's registered office is Kamla Tower, Kanpur-208001. The company is engaged in the business of the Real Estate Activities.

**1.1 Basis of preparation:**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

**1.2 Current and non-current Classification:**

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when:

- (a) It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- (b) It holds the asset primarily for the purpose of trading;
- (c) It expects to realize the asset within twelve months after the reporting period; or
- (d) The asset is cash or a cash equivalent (as defined in Ind AS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

An entity shall classify a liability as current when:

- (a) It expects to settle the liability in its normal operating cycle;
- (b) It holds the liability primarily for the purpose of trading;
- (c) The liability is due to be settled within twelve months after the reporting period; or
- (d) It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

**1.3 Revenue recognition:**

**1.3.1 Sales revenue**

1 Revenue from the sale of Textiles goods is recognized when all the following conditions have been satisfied:

- (a) The entity has transferred to the buyer the significant risks and rewards of ownership of the goods;

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> March 2023**

- (b) The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) The amount of revenue can be measured reliably;
- (d) It is probable that the economic benefits associated with the transaction will flow to the entity; and
- (e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

**2 Revenue from Sale of Real Estate:**

The Company recognizes revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognized to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes, levies or duties collected on behalf of the government/ other statutory bodies.

The taxes, levies or duties are not considered to be received by the Company on its own account and are excluded from net revenue.

**1.3.2 Interest**

Interest income is recognised using the Effective Interest Method.

**1.3.3 Dividend**

Dividend income from investments is recognised when the rights to receive payment is established.

**1.3.4 Other Claims**

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation.

**1.4 Leases:**

A **finance lease** is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

An **operating lease** is a lease other than a finance lease.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> March 2023**

**1.4.1 Company as a lessor :**

**Operating leases** Lease income from operating leases (excluding amounts for services such as insurance and maintenance) is recognised in income on a straight-line basis over the lease term, unless either:

(a) another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished, even if the payments to the lessors are not on that basis; or

(b) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary according to factors other than inflation, then this condition is not met. .

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as lease income.

**Finance leases** Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

**1.5 Property, Plant and Equipment (PPE):**

Land is carried at historical cost. Historical cost includes expenditure which are directly attributable to the acquisition of the land like, rehabilitation expenses, resettlement cost etc.

After recognition, an item of all other Property, plant and equipment are carried at its cost less any accumulated depreciation and any accumulated impairment losses under Cost Model. The cost of an item of property, plant and equipment comprises:

(a) Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

(b) Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(c) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item depreciated separately. However, significant part(s) of an item of PPE having same useful life and depreciation method are grouped together in determining the depreciation charge.

Costs of the day to-day servicing described as for the 'repairs and maintenance' are recognised in the statement of profit and loss in the period in which the same are incurred.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> March 2023**

**Subsequent Measurement**

Subsequent cost of replacing parts of an item of property, plant and equipment are recognised in the carrying amount of the item, if it is probable that future economic benefits associated with the item will flow to the Company; and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is derecognised in accordance with the de recognition policy mentioned below.

When major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if it is probable that future economic benefits associated with the item will flow to the Company; and the cost of the item can be measured reliably. Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognised.

An item of Property, plant or equipment is derecognised upon disposal or when no future economic benefits are expected from the continued use of assets. Any gain or loss arising on such de recognition of an item of property plant and equipment is recognised in profit and Loss.

**Depreciation**

Depreciation on property, plant and equipment, except freehold land, is provided on straight line method based on useful life specified in schedule II to the Companies Act, 2013. The residual value of Property, plant and equipment is considered as 5% of the original cost of the asset.

Depreciation on the assets added / disposed of during the year is provided on pro-rata basis with reference to the month of addition / disposal.

Capital Expenses incurred by the company on construction/development of certain assets which are essential for production, supply of goods or for the access to any existing Assets of the company are recognised as Enabling Assets under Property, Plant and Equipment.

**Impairment of Assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

The Company assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable

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amount of the asset. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

**Transition to Ind AS**

The company elected to continue with the carrying value as per cost model (for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS (01-04-2017) , measured as per the previous GAAP.

**Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation (calculated on a straight-line basis over their useful lives) and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised. Instead, the related expenditure is recognised in the statement of profit or loss and other comprehensive income in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss.

An intangible asset with an indefinite useful life is not amortized but is tested for impairment at each reporting date.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss

Cost of Software recognized as intangible asset, is amortised on straight line method over a period of legal right to use or three years, whichever is less; with a nil residual value.

**1.6 Investment Property:**

Property (land or a building or part of a building or both) held to earn rentals or for capital appreciation or both, rather than for, use in the production or supply of goods or services or for



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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> March 2023**

administrative purposes; or sale in the ordinary course of businesses are classified as investment property.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

Investment properties are depreciated using the straight-line method over their estimated useful lives.

**1.7 Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**1.7.1 Financial assets**

**1.7.1 Initial recognition and measurement**

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through profit or loss, plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**1.7.2 Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**1.7.2.1 Equity investments in associates**

In accordance of Ind AS 101 (First time adoption of Ind AS), the carrying amount of these investments as per previous GAAP as on the date of transition is considered to be the deemed cost. Subsequently Investment in subsidiaries, associates and joint ventures are measured at cost.

**1.7.2.2 Other Equity Investment**

All other equity investments in scope of Ind AS 109 are measured at fair value through profit or loss.

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For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

**1.7.2.3 De recognition of Financial Assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> March 2023**

**1.7.2.4 Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

The Company assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

**1.7.3 Financial liabilities:**

**1.7.3.1 Initial recognition and measurement**

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

**1.7.3.2 Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**1.7.3.3 Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> March 2023**

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

**1.7.4 Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**1.8 Borrowing Costs:**

Borrowing costs are expensed as incurred except where they are directly attributable to the acquisition, construction or production of qualifying assets i.e. the assets that necessarily takes substantial period of time to get ready for intended use, in which case they are capitalised as part of the cost of those asset up to the date when the qualifying asset is ready for its intended use.

**1.9 Taxation**

Tax expenses for the period comprises current and deferred tax. Tax is recognised in statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

**Current Tax:** Current Tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted at the Balance Sheet date.

**Deferred Tax:** Deferred Tax recognised on temporary difference between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

**1.10 Employee Benefits:**

**(i) Short term employee benefits**

**J. K. COTTON LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> March 2023**

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**(ii) Defined contribution plans**

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The company has following defined contribution plans:

- a) Provident fund
- b) Superannuation scheme

**(iii) Defined benefit plans**

The company net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The company has following defined benefit plans:

**a) Gratuity**

The company provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary and contributes to the gratuity fund. The contributions made

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are recognized as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognized in the Balance Sheet. Re-measurements are recognized in the Other Comprehensive Income, net of tax in the year in which they arise.

**b) Leave Encashment**

Leave encashment is payable to eligible employees at the time of retirement .The liability for leave encashment , which is defined benefit scheme , is provided on actuarial valuation as at the Balance Sheet date, based on projected unit credit method , carried out by the independent actuary.

**1.11 Foreign Currency Transactions:**

The company's reported currency and the functional currency for majority of its operations is in Indian Rupees (INR) being the principal currency of the economic environment in which it operates.

Transactions in foreign currencies are converted into the reported currency of the company using the exchange rate prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies outstanding at the end of the reporting period are translated at the exchange rates prevailing as at the end of reporting period. Exchange differences arising on the settlement of monetary assets and liabilities or on translating monetary assets and liabilities at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in statement of profit and loss in the period in which they arise.

Non-monetary items denominated in foreign currency are valued at the exchange rates prevailing at the transaction date.

**1.12 Inventories:**

- i) Inventories Textiles are valued “**at cost or net realizable value**”, whichever is lower .Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing in inventories to their present location and condition.
- ii) First in First out (FIFO) is followed for determination of cost.
- iii) Real estate inventory converted into stock in trade is stated at conversion value based on its fair market valuation and development expenses incurred therefore.

**1.13 Cash and Cash Equivalents:**

Cash and Cash Equivalents in the Balance Sheet comprises cash at Bank and on hand and short term deposits with an original maturity of 3 months or less, which are subject to an insignificant risk of changes in value.

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**1.14 Provisions, Contingent Liabilities &Contingent Assets**

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the company, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent Assets are not recognized in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

**1.15 Earnings per share:**

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per shares is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per shares and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**1.16 Judgements, Estimates and Assumptions:**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period. Applications of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.



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Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

**1.16.1 Judgements**

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

**1.16.1.1 Formulation of Accounting Policies**

Accounting policies are formulated in a manner that result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial.

In the absence of an Ind AS that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a) relevant to the economic decision-making needs of users and
- b) reliable in that financial statements:
  - (i) represent faithfully the financial position, financial performance and cash flows of the entity; (ii) reflect the economic substance of transactions, other events and conditions, and not merely the legal form; (iii) are neutral, i.e. free from bias; (iv) are prudent; and (v) are complete in all material respects on a consistent basis.

In making the judgement management refers to, and considers the applicability of, the following sources in descending order:

- (a) The requirements in Ind ASs dealing with similar and related issues; and
- (b) The definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Framework.

In making the judgement, management considers the most recent pronouncements of International Accounting Standards Board and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

**1.16.1.2 Materiality**

Ind AS applies to items which are material. Management uses judgment in deciding whether individual items or groups of item are material in the financial statements. Materiality is judged by reference to the size and nature of the item. The deciding factor is whether omission or misstatement could individually or collectively influence the economic decisions that users make on the basis of the financial statements. Management also uses judgement of materiality for determining the compliance requirement of the Ind AS. In particular circumstances either the nature or the amount of an item or aggregate of items could be the determining factor.

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Further an entity may also be required to present separately immaterial items when required by law.

**1.16.1.3 Operating lease**

Company has entered into lease agreements. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

**1.16.2 Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**1.16.2.1 Impairment of non-financial assets**

There is an indication of impairment if, the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. Company considers individual PPE as separate cash generating units for the purpose of test of impairment. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

**1.16.2.2 Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**1.16.2.3 Defined benefit plans**

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual

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developments in the future. These include the determination of the discount rate, future salary increases and mortality rates.

Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

**1.16.2.4 Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**1.17 Recent Accounting Pronouncement:**

On 31st March 2023, Ministry of Company Affairs has amended the Companies (Indian Accounting Standards) Amendment Rule, 2023, applicable from 1st April 2023, as below:

**Ind AS 103 – Business Combination:**

The amendment required the new disclosure in respect of date on which the transferee obtains the control of the transferor. The company does not expect the amendments to have any impact in its financials.

**Ind AS 107- Financial Instruments Disclosure:**

The Companies (Indian Accounting Standards) Amendment Rule 2023 has amended paragraph 21 and paragraph B5 of Ind AS 107, thereby requiring companies to disclose their Material Accounting Policy Disclosure rather than their significant accounting policy. The company does not expect the amendments to have any impact in its financials.

**Ind AS 1 – Presentation of Financial Statements:**

The amendment states that:

- Companies should disclose the material accounting policies rather than the significant accounting policies.
- Clarifies that accounting policies relate to immaterial transactions, other events or conditions themselves are immaterial and therefore need not to be disclosed. The company does not expect the amendments to have any impact in its financials.

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**Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:**

The amendment rule 2023 inserted the definition of accounting estimate and omitted the change in accounting estimate. But the company does not expect the amendments to have any impact in its financials.

**Ind AS 12 – Income Taxes:**

Amendment RULE 2023 have issued certain amendments to Ind AS 12. The amendments have been made to narrow the scope of initial recognition exemption, i.e., it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary difference. With effect from 1st April 2023, the initial recognition exemption will be read as under:

- At the time of transaction, affect neither accounting profit nor taxable profit (tax loss).
- At the time of transaction, does not give rise to equal taxable and deductible temporary difference. The company does not expect the amendments to have any impact in its financials.

**1.18 Abbreviation used:**

<b>a.</b>	<b>CGU</b>	<b>Cash generating unit</b>
<b>b.</b>	DCF	Discounted Cash Flow
<b>c.</b>	FVTOCI	Fair value through Other Comprehensive Income
<b>d.</b>	FVTPL	Fair value through Profit & Loss
<b>e.</b>	GAAP	Generally accepted accounting principal
<b>f.</b>	Ind AS	Indian Accounting Standards
<b>g.</b>	OCI	Other Comprehensive Income
<b>h.</b>	P&L	Profit and Loss
<b>i.</b>	PPE	Property, Plant and Equipment

**J.K.COTTON LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2023**

**A EQUITY SHARE CAPITAL**

(Rs. in Lacs)

Balance at the beginning of the Reporting Period i.e. 1st April, 2021	Changes in equity share capital during the year 2021-22	Balance at the end of the Reporting Period i.e. 31st March, 2022	Changes in equity share capital during the year 2022-23	Balance at the end of the Reporting Period i.e. 31st March, 2023
2357.78	2475.66	4833.44	-	4833.44

**B OTHER EQUITY**

(Rs. in Lacs)

	Reserve and Surplus				Total
	Capital Reserve	Securities Premium Reserve	Retained Earnings	Capital Redemption Reserve	
Balance at the beginning of the reporting period i.e., <b>1st April, 2022</b>	8280.12	4418.62	-611.99	31.87	12118.62
Adjustment for Ind AS 115	-2626.98				-2626.98
Profit/(Loss) for the year			4720.04		4720.04
Other comprehensive income for the year			1.79		1.79
Received during the year					-
<b>Balance at the end of the reporting period i.e., 31st March, 2023</b>	<b>5653.14</b>	<b>4418.62</b>	<b>4109.84</b>	<b>31.87</b>	<b>14213.47</b>

	Reserve and Surplus				Total
	Capital Reserve	Securities Premium Reserve	Retained Earnings (Restated) (Refer Note No. 52)	Capital Redemption Reserve	
Balance at the beginning of the reporting period i.e., <b>1st April, 2021</b>	10501.33	209.99	-6797.98	31.87	3945.20
Adjustment for Ind AS 115	-2221.21				-2221.21
Profit/(Loss) for the year			6176.44		6176.44
Other comprehensive income for the year			9.55		9.55
Received during the year		4208.63			4208.63
<b>Balance at the end of the reporting period i.e., 31st March, 2022</b>	<b>8280.12</b>	<b>4418.62</b>	<b>-611.99</b>	<b>31.87</b>	<b>12118.62</b>

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**Note No. 2(A) Property, Plant & Equipment**

**Details of Property, Plant & Equipment for the F.Y. 2022-23**

(Rs. in Lacs)

Particulars	AT COST OR BOOK VALUE				DEPRECIATION				NET BLOCK	
	As at 01.04.2022 ₹	Additional/ Adjustment ₹	Deductions/ Adjustments ₹	As at 31.03.2023 ₹	Upto 31.03.2022 ₹	Provided during the year ₹	Deductions ₹	Upto 31.03.2023 ₹	As at 31.03.2023 ₹	As at 31.3.2022 ₹
<b>Tangible Assets</b>										
Land	380.66	-	0.01	380.65	-	-	-	-	380.65	380.66
Buildings	927.83	224.63	-	1152.46	489.64	25.36	-	515.00	637.46	438.19
Plant & Machinery	351.83	52.46	-	404.29	279.84	15.70	-	295.54	108.75	71.99
Furniture & Fittings	99.36	4.30	-	103.66	88.79	2.73	-	91.52	12.14	10.57
Office Equipments	54.03	0.42	-	54.45	41.69	2.31	-	44.00	10.45	12.34
Vehicles	185.58	71.06	-	256.64	39.14	22.49	-	61.63	195.01	146.43
<b>Total</b>	<b>1999.29</b>	<b>352.87</b>	<b>0.01</b>	<b>2352.15</b>	<b>939.10</b>	<b>68.59</b>	<b>-</b>	<b>1007.69</b>	<b>1344.46</b>	<b>1060.18</b>

**Details of Property, Plant & Equipment for the F.Y. 2021-22**

Particulars	AT COST OR BOOK VALUE				DEPRECIATION				NET BLOCK	
	As at 01.04.2021 ₹	Additional/ Adjustment ₹	Deductions/ Adjustments ₹	As at 31.03.2022 ₹	Upto 31.03.2021 ₹	Provided during the year ₹	Deductions ₹	Upto 31.03.2022 ₹	As at 31.03.2022 ₹	As at 31.3.2021 ₹
<b>Tangible Assets</b>										
Land	380.68	-	0.02	380.66	-	-	-	-	380.66	380.68
Buildings	843.11	84.72	-	927.83	473.44	16.20	-	489.64	438.19	369.67
Plant & Machinery	334.86	17.77	0.80	351.83	267.73	12.87	0.76	279.84	71.99	67.12
Furniture & Fittings	98.48	0.88	-	99.36	86.00	2.79	-	88.79	10.57	12.48
Office Equipments	49.70	4.32	-	54.03	39.55	2.14	-	41.69	12.34	10.15
Vehicles	62.84	126.17	3.43	185.58	31.54	10.86	3.26	39.14	146.43	31.30
<b>Total</b>	<b>1769.67</b>	<b>233.86</b>	<b>4.25</b>	<b>1999.29</b>	<b>898.26</b>	<b>44.86</b>	<b>4.02</b>	<b>939.10</b>	<b>1060.18</b>	<b>871.40</b>

Note: The title deed of all the immovable properties are held in the name of erstwhile name J. K. Cotton Spinning & Weavings Mills Company Limited as the name of the company changed to J. K. Cotton Limited the company on 19-08-2013.

**Note No. 2(B) Intangible Assets**

Particulars	AT COST OR BOOK VALUE				DEPRECIATION				NET BLOCK	
	As at 01.04.2022 ₹	Additional/ Adjustment ₹	Deductions/ Adjustments ₹	As at 31.03.2023 ₹	Upto 31.03.2022 ₹	Provided during the year ₹	Deductions ₹	Upto 31.03.2023 ₹	As at 31.03.2023 ₹	As at 31.3.2022 ₹
Computer Software	59.21	4.95	-	64.16	58.78	1.08	-	59.86	4.30	0.43

Particulars	AT COST OR BOOK VALUE				DEPRECIATION				NET BLOCK	
	As at 01.04.2021 ₹	Additional/ Adjustment ₹	Deductions/ Adjustments ₹	As at 31.03.2022 ₹	Upto 31.03.2021 ₹	Provided during the year ₹	Deductions ₹	Upto 31.03.2022 ₹	As at 31.03.2022 ₹	As at 31.3.2021 ₹
Computer Software	59.21	-	-	59.21	57.29	1.49	-	58.78	0.43	1.92

**Note No. 2(C) Capital Work in Progress**

Particulars	As at 01.04.2022 ₹	Additions/ Adjustment ₹	Deductions/ Adjustments ₹	As at 31.03.2023 ₹
Building under Construction (Refer note below)	162.89	61.74	224.63	-

Particulars	As at 01.04.2021 ₹	Additions/ Adjustment ₹	Deductions/ Adjustments ₹	As at 31.03.2022 ₹
Building under Construction (Refer note below)	-	162.89	-	162.89

**Note 2 (C) (i)**

**Capital Work in Progress Aging Schedule as on 31.03.2022**

CWIP	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	162.89	-	-	-	162.89

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### Notes to the Financial Statements for the year ended 31st March 2023

(Rs. in Lacs)

3	Non Current Investments	As at 31.03.2023	As at 31.03.2022
<b>In Equity Instruments (Unquoted):</b>			
<b>In Subsidiary (At Cost):</b>			
	1,39,72,300 (Previous Year- 1,39,72,300) BGK Infrastructure Developers Pvt Ltd	2249.54	2249.54
<b>In Associate (At Cost):</b>			
<b>In Limited Liability Partnership (LLP):</b>			
	50 % Share in Pioneer J.K. Senior Living LLP	3700.00	-
	<b>Total</b>	<b>5949.54</b>	<b>2249.54</b>
	<b>Aggregate amount of Unquoted Investment</b>	<b>5949.54</b>	<b>2249.54</b>

4	Other Non Current Financial Assets	As at 31.03.2023	As at 31.03.2022
	Fixed Deposits with Bank	76.45	74.95
	Fixed Deposits with NBFC	395.00	0.00
	<b>Total</b>	<b>471.45</b>	<b>74.95</b>

4.1 Fixed Deposits Rs. 59.92 Lacs (Previous Year Rs. 59.92 Lacs) pledged with Banks towards Bank Guarantee for EPCG License.

4.2 Fixed Deposits Rs. 16.53 Lacs (Previous Year Rs. 15.03 Lacs) pledged with Banks towards Bank Guarantee to Pollution Control Board

5	Inventories	As at 31.03.2023	As at 31.03.2022
(At Lower of Cost and Net Realisable Value)			
	Work in progress	13672.97	16564.60
	<b>Total</b>	<b>13672.97</b>	<b>16564.60</b>

6	Current Investment	As at 31.03.2023	As at 31.03.2022
<b>In Equity Shares - Quoted fully paid up (at FVTPL)</b>			
	5 (Previous Year- 5) Equity shares of Tata Power Co. Limited	0.01	0.01
	5 (Previous Year- NIL) Equity shares of Tata Steel Limited	0.01	-
<b>In Equity Shares - Unquoted fully paid up</b>			
	2,070 (Previous Year 2,070) Equity shares of Accurate Finman Services Ltd. (Bonus Shares)	-	-
	<b>Total</b>	<b>0.02</b>	<b>0.01</b>
	Aggregate amount of Quoted Investments at Cost	0.02	0.01
	Aggregate amount of Quoted Investments at Market Price	0.01	0.01
	Aggregate amount of Impairment on Quoted Investments	-0.01	-
<b>Category-wise Current Investments</b>			
	Investments carried at amortised cost	-	-
	Investments carried at cost	-	-
	Investments measured at FVTPL	0.02	0.01



7	Cash and Cash Equivalent	As at 31.03.2023	As at 31.03.2022
	Balance With Banks:		
	-In current account	1219.50	2766.30
	-Fixed Deposits with original maturity within 3 months from reporting date	2324.08	-
	Cash on Hand	2.90	3.64
	<b>Total</b>	<b>3546.48</b>	<b>2769.94</b>

8	Balances with bank	As at 31.03.2023	As at 31.03.2022
	In Fixed Deposits With Bank (with maturity of more than 3 months but upto 1 year from the reporting date)	4749.83	3710.08
	<b>Total</b>	<b>4749.83</b>	<b>3710.08</b>

8.1 Fixed Deposits Rs. 59.53 Lacs (Previous Year Rs. 57.40 Lacs) pledged with Banks towards Bank Guarantee for EPCG License.

8.2 Fixed Deposits Rs. 5.76 Lacs (Previous Year Rs. 5.50 Lacs) pledged with Banks towards Credit Card Facility.

9	Loans (Carried at amortised cost)	As at 31.03.2023	As at 31.03.2022
	Unsecured Considered Good Related Party	500.00	300.00
	<b>Total</b>	<b>500.00</b>	<b>300.00</b>

**Schedule of Loans for the year ended 31.03.2023**

Particulars		Amt. of loan/advance in the nature of loan outstanding		Percentage to the total Loans & Advances in the nature of loans
Promoters		-		-
Directors		-		-
KMPs		-		-
Related Parties		500.00		100%
<b>Total</b>		<b>500.00</b>		<b>100%</b>

**Schedule of Loans for the year ended 31.03.2022**

Particulars		Amt. of loan/advance in the nature of loan outstanding		Percentage to the total Loans & Advances in the nature of loans
Promoters		-		-
Directors		-		-
KMPs		-		-
Related Parties		300.00		100%
<b>Total</b>		<b>300.00</b>		<b>100%</b>

10	Other Current Financial Assets (Considered good, carried at amortised cost)	As at 31.03.2023	As at 31.03.2022
	Interest accrued on Fixed Deposits with Bank	80.68	63.84
	Interest accrued and due on ICD to Related Party	14.77	-
	Interest receivable on Deposits	10.72	-
	Fixed deposits in NBFC	-	653.96
	Other Receivables	80.93	34.54
	Security Deposits	65.19	325.06
	<b>Total</b>	<b>252.29</b>	<b>1077.40</b>

11	Other Current Assets (Unsecured considered good)	As at 31.03.2023	As at 31.03.2022
	Prepaid Expenses	16.21	12.52
	Balance with Government Authorities	18.08	92.29
	Other GST Amount Recoverable	2.92	0.00
	Others Loans & Advances (Considered Good)	970.39	1274.48
	<b>Total</b>	<b>1007.60</b>	<b>1379.29</b>

12	Equity Share Capital	As at 31.03.2023	As at 31.03.2022
	<b>Authorised:</b>		
	5,00,00,000 (Previous Year 5,00,00,000) No. of Equity shares of Rs. 10/- each	5000.00	5000.00
	45,25,000 (Previous Year 45,25,000) No. of 6% Non Cumulative Redeemable Preference Shares of Rs. 100/- each	4525.00	4525.00
	25,000 (Previous Year 25,000) No. of 8.5% Non Cumulative Redeemable Preference Shares of Rs. 100/- each	25.00	25.00
	<b>Total</b>	<b>9550.00</b>	<b>9550.00</b>

**Issued, Subscribed & Paid up:**

4,83,34,388 (Previous Year 4,83,34,388) No. of Equity shares of ₹ 10/- each	4833.44	4833.44
<b>Total</b>	<b>4833.44</b>	<b>4833.44</b>

**Rights, Preferences and restrictions attached to Equity Shares:**

The Company has single class of equity shares. Accordingly, all equity shares rank equally with regard to dividend and share in the Company's residual assets. The equity shareholders are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share in the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

**12.1 The reconciliation of the number of Equity Shares outstanding is set out below:**

Equity Shares at the Beginning of the year	4,83,34,388	2,35,77,750
Changes during the year	-	2,47,56,638
Equity Shares at the end of the year	<b>4,83,34,388</b>	<b>4,83,34,388</b>

**12.2 Details of shareholders holding more Than 5 % shares of the Company:**

Name of Shareholder	As At 31 - March - 2023		As At 31 - March - 2022	
	No. of Shares Held	% of Shares Held	No. of Shares Held	% of Shares Held
Abhishek Singhania	2,40,39,099	49.73%	2,40,39,099	49.73%
Jaykay Enterprises Limited	95,10,360	19.68%	95,10,360	19.68%
Ujala Merchants & Traders Limitd	39,20,000	8.11%	39,20,000	8.11%
Sarvashaktiman Traders Private Limited	32,80,000	6.79%	32,80,000	6.79%

**12.3 Details of Shareholding of Promoters as at 31.03.2023**

Name of the Promoter	No. of Shares	% Shares Held	Change in % holding during the year
Abhishek Singhania	2,40,39,099	49.73%	0.00%
Kavita Singhania	23,50,000	4.86%	0.00%
Sushila Devi Singhania	18,95,000	3.92%	0.00%
Ramapati Singhania	11,547	0.02%	0.00%
Jaykay Enterprises Ltd.	95,10,360	19.68%	0.00%
J.K. Traders Ltd.	1,85,868	0.38%	0.00%
<b>Total</b>	<b>3,79,91,874</b>	<b>78.59%</b>	<b>0.00%</b>

**12.4 Details of Shareholding of Promoters as at 31.03.2022**

Name of the Promoter	No. of Shares	% Shares Held	Change in % holding during the year
Abhishek Singhania	2,40,39,099	49.73%	21.11%
Kavita Singhania	23,50,000	4.86%	0.00%
Sushila Devi Singhania	18,95,000	3.92%	0.00%
Ramapati Singhania	11,547	0.02%	0.00%
Jaykay Enterprises Ltd.	95,10,360	19.68%	0.00%
J.K. Traders Ltd.	1,85,868	0.38%	0.00%
<b>Total</b>	<b>3,79,91,874</b>	<b>78.59%</b>	<b>21.11%</b>

13	Other Equity:	As at 31.03.2023	As at 31.03.2022
	<b>Capital Reserve:</b>		
	Balance at the beginning of the year	8280.12	10501.33
	Less - Transfer to Statement of Profit & Loss	2626.98 *	2221.21
	<b>Balance at the end of the year</b>	<b>5653.14</b>	<b>8280.12</b>
	<b>Capital Redemption Reserve:</b>		
	Balance at the beginning of the year	31.87	31.87
	<b>Balance at the end of the year</b>	<b>31.87</b>	<b>31.87</b>
	<b>Share Premium Account:</b>		
	Balance at the beginning of the year	4418.62	209.99
	Add:- Received during the year	0.00	4208.63
	<b>Balance at the end of the year</b>	<b>4418.62</b>	<b>4418.62</b>
	<b>Retained Earnings:</b>		
	Balance at the beginning of the year	-611.99	-6797.98
	Add:- Net Profit for the year	4720.04	6176.44
	Add: Other Comprehensive Income for the year	1.79	9.55
	<b>Balance at the end of the year</b>	<b>4109.84</b>	<b>-611.99</b>
	<b>Total</b>	<b>14213.47</b>	<b>12118.62</b>

\*Refer Note No. 31.

**Notes to Other Equity :-**

13.1) Capital Reserve on Revaluation of land was created at the time of revaluation of land (stock in trade) .This reserve is utilized at the time of sale of land under Income Tax Act.

13.2) Capital Redemption Reserve was created out of profits in earlier years at the time of redemption of redeemable preference shares .This reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

13.3) Share Premium Account represents the amount received in excess of face value of shares issued in earlier years.

13.4) Retained Earnings represents the cumulative Profits of the Company and effect of re-measurement of defined plans. This reserve can be utilized in accordance with provisions of the Companies Act, 2013.

14	Long Term Borrowings	As at 31.03.2023	As at 31.03.2022
	<b>Secured</b>		
	Vehicle Loans	64.09	31.21
	(Secured by hypothecation of vehicle)		
	<b>Total</b>	<b>64.09</b>	<b>31.21</b>

14.1 Repayment Schedule:	Within 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Vehicle Loan	16.88	17.18	18.85	28.06	80.97

15	Deferred Tax Liabilities (Net)	As at 31.03.2023	As at 31.03.2022
	<b>Deferred Tax Liabilities:</b>		
	Related to Property, Plant & Equipments	45.99	37.72
	Related to Other timing difference of OCI	0.60	-
	<b>Total Deferred Tax Liabilities (A)</b>	<b>46.59</b>	<b>37.72</b>
	<b>Deferred Tax Assets:</b>		
	Related to Expenses not allowed u/s 43B of Income Tax Act	18.34	5.99
	<b>Total Deferred Tax Assets (B)</b>	<b>18.34</b>	<b>5.99</b>
	<b>Deferred tax Liabilities (Net) (A-B)</b>	<b>28.25</b>	<b>31.73</b>

16	Long Term Provisions	As at 31.03.2023	As at 31.03.2022
	Provision of Gratuity	21.33	17.97
	Provision of Leave Encashment	19.32	14.17
	<b>Total</b>	<b>40.65</b>	<b>32.14</b>

17	Short Term Borrowings (Carried at amortised cost)	As at 31.03.2023	As at 31.03.2022
	<b>Secured</b>		
	Current Maturity of Long Term Borrowings (Refer Note No. 14)	16.88	7.50
	Credit Card Facility from HDFC Bank (Secured against pledge of Fixed Deposit)	0.02	-
	<b>Unsecured</b>		
	Credit Card Facility from ICICI Bank	0.50	-
	<b>Total</b>	<b>17.40</b>	<b>7.50</b>

18	Trade Payables (Carried at amortised cost)	As at 31.03.2023	As at 31.03.2022
	i. Micro & Small Enterprises	-	-
	ii. Others	320.76	1071.57
	<b>Total</b>	<b>320.76</b>	<b>1071.57</b>

**Trade Payable Aging Schedule as on 31.03.2023**

Particulars	Outstanding for following periods from due date of payments				
	less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-
Others	291.98	10.20	6.45	12.13	320.76
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-

**Trade Payable Aging Schedule as on 31.03.2022**

Particulars	Outstanding for following periods from due date of payments				
	less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-
Others	882.22	6.45	131.01	51.89	1071.57
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-

19	Other Current Financial Liabilities (Carried at amortised cost)	As at 31.03.2023	As at 31.03.2022
	Security Deposits	3887.05	3294.52
	Other Payables*	547.09	594.03
	Unclaimed Preference Shares (Redemption Money)	0.21	0.21
	<b>Total</b>	<b>4434.35</b>	<b>3888.76</b>

\*Other payables includes employees liabilities & expenses payable etc.

20	Other Current Liabilities	As at 31.03.2023	As at 31.03.2022
	Advance from Customers	7238.68	7165.49
	Statutory Dues Payable	85.36	54.86
	<b>Total</b>	<b>7324.04</b>	<b>7220.35</b>

21	Short Term Provision	As at 31.03.2023	As at 31.03.2022
	Provision of Gratuity	20.67	22.79
	Provision of Leave Encashment	10.22	8.12
	<b>Total</b>	<b>30.89</b>	<b>30.91</b>

22	Current Tax Liability (Net)	As at 31.03.2023	As at 31.03.2022
	Current tax provision (Net of tax paid)	191.60	83.08
	<b>Total</b>	<b>191.60</b>	<b>83.08</b>

**J.K.COTTON LIMITED**  
CIN:U17111UP1924PLC000275

(Registered Office: Kamla Tower, Kanpur- 208001)

**Notes to the Financial Statements for the year ended 31st March, 2023**

(Rs. in Lacs)

23	Revenue from Operations	Year Ended 31.03.2023	Year Ended 31.03.2022
	Revenue from Real Estate Business	12952.82	12305.38
	<b>Total</b>	<b>12952.82</b>	<b>12305.38</b>
24	Other Income	Year Ended 31.03.2023	Year Ended 31.03.2022
	Interest Income	448.39	160.39
	Dividend Income	0.83	-
	Rental Income	646.82	308.27
	Liability/Advances written back	-	0.64
	Maintenance Charges Recovered	20.52	8.25
	Profit on Sale of property plant & equipments	33.73	872.92
	Interest on Income tax refund	-	3.76
	Misc. Income	0.95	59.43
	<b>Total</b>	<b>1151.24</b>	<b>1413.66</b>
25	Land Development and Construction Expenses	Year Ended 31.03.2023	Year Ended 31.03.2022
	<b>Employee Cost</b>		
	Salaries & Wages	104.72	116.20
	<b>Other Expense</b>		
	Building Construction Misc. Expenses	22.20	35.46
	Building Construction Welfare Cess	7.06	24.40
	Electric Consumption	14.94	4.48
	Generator Running Expenses	-	1.42
	Gardening & Horticulture Expenses	-	6.45
	Contractor charges	1218.88	992.69
	Professional Charges	841.68	921.58
	Power Substation Expenses	57.93	1.41
	Site Electrification Expenses	-	1.03
	Map Sanction expenses	432.88	0.00
	Registartion RERA Expenses	-	1.28
	Establishment Expenses	15.66	19.31
	Park Development Exp Phase-2	-	1.51
	Testing charges	-	0.06
	Project Consultancy Management	-	574.46
	<b>Total</b>	<b>2715.95</b>	<b>2701.74</b>
26	Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	Year Ended 31.03.2023	Year Ended 31.03.2022
	<b>Inventories at the beginning of the year (A)</b>		
	Work-in-Progress	16564.60	19887.81
	<b>Inventories at the end of the year (B)</b>		
	Work-in-Progress	13672.97	16564.60
	<b>Net Changes in Inventories (A-B)</b>	<b>2891.63</b>	<b>3323.21</b>

27	Employee Benefits Expenses	Year Ended 31.03.2023	Year Ended 31.03.2022
	Salaries And Wages	445.26	372.77
	Contribution To Provident And Other Funds	15.19	15.03
	Staff Welfare Expenses	14.80	9.94
	<b>Total</b>	<b>475.25</b>	<b>397.74</b>
28	Finance Cost	Year Ended 31.03.2023	Year Ended 31.03.2022
	Interest on Security Deposits	151.96	101.59
	Interest on borrowings	24.20	0.53
	Other Finance Cost	0.68	-
	<b>Total</b>	<b>176.84</b>	<b>102.12</b>
29	Depreciation & Amortisation Expenses	Year Ended 31.03.2023	Year Ended 31.03.2022
	Depreciation on Tangible assets	68.59	44.86
	Amortisation on Intangible assets	1.08	1.49
	<b>Total</b>	<b>69.67</b>	<b>46.35</b>
30	Other Expenses:	Year Ended 31.03.2023	Year Ended 31.03.2022
	<b>Administrative Expenses:</b>		
	Rent	45.15	25.85
	Rates & Taxes	88.65	118.21
	Legal Expenses	59.07	64.19
	Insurance	27.06	14.61
	Travelling & Conveyance	44.94	32.82
	Electricity Expenses	42.88	31.74
	Directors' Fee	-	4.82
	Remuneration to Auditor's		
	-As Audit Fee	2.36	2.36
	-As Tax Audit Fee	0.59	0.59
	-As other Services	0.22	1.12
	CSR Expenditure	67.00	21.80
	Donation	-	2.00
	Consultancy & Professional Fees	637.02	182.67
	Contract Termination & Other Charges	749.09	-
	Security Expenses	103.41	133.62
	Repairs & Maintenance	287.54	146.16
	Other Expenses	530.44	293.82
	<b>Total (A)</b>	<b>2685.42</b>	<b>1076.38</b>
	<b>Selling and Distribution Expenses:</b>		
	Advertisement & Publicity Expenses	150.48	101.58
	Commision on sale	2012.46	854.57
	Other Selling Expenses	7.39	6.86
	<b>Total (B)</b>	<b>2170.33</b>	<b>963.01</b>
	<b>Grand Total (A+B)</b>	<b>4855.75</b>	<b>2039.39</b>
31	Exceptional Items	Year Ended 31.03.2023	Year Ended 31.03.2022
	Amount transferred from Capital Reserve in respect of sale deeds executed during the year	2626.98	2221.21
	<b>Total</b>	<b>2626.98</b>	<b>2221.21</b>

### 32. Earning Per Share:

(Rs. In Lacs)

Particulars		2022-23	2021-22 Restated
1.	Net Profit/ (Loss) before OCI	4720.04	6176.45
2.	Weighted average number of equity shares used as denominator for calculation of EPS	48334388	35725459
3.	Face Value Per share in Rs.	10	10
4.	Basic and diluted earning per share before OCI in Rs.	9.77	17.29

### 33. Employee Benefits:

#### i). Defined Contribution Plans :

Contribution to defined contribution plan recognized as expenses for the year 2022-23 are as under:

Particulars	( Rs. in Lacs )	
	2022-23	2021-22
Employer's contribution to Provident Fund	11.00	10.83

#### ii). Defined benefit plan

The present value of obligation is determined based on actuarial valuation using the project unit credit method. The

### A. Profit & Loss ( P & L )

( Rs. in Lacs )

Particulars		Gratuity (Unfunded)		Leave Encashment (Unfunded)	
		2022-23	2021-22	2022-23	2021-22
1.	Current Service Cost	8.41	7.82	10.16	10.30
2.	Past Service Cost - Plan amendments	-	-	-	-
3.	Curtailment cost/( credit )	-	-	-	-
4.	Service Cost	8.41	7.82	10.16	10.30
5.	Net interest on net defined benefit liabilities	2.95	13.89	1.61	1.77
6.	Immediate recognition of (gain)/losses -	-	-	2.23	(10.22)
7.	<b>Cost recognised in P &amp; L</b>	<b>11.36</b>	<b>21.71</b>	<b>14.00</b>	<b>1.85</b>

### B. Other Comprehensive Income ( OCI )

Particulars		Gratuity (Unfunded)		Leave Encashment (Unfunded)	
		2022-23	2021-22	2022-23	2021-22
1.	Actuarial ( gain )/loss arising during period	(2.39)	(9.55)	2.23	(10.22)
2.	Actuarial ( gain )/losses recognised in OCI	(2.39)	(9.55)	-	-

### C. Define Benefit Cost

Particulars		Gratuity (Unfunded)		Leave Encashment (Unfunded)	
		2022-23	2021-22	2022-23	2021-22
1.	Service Cost	8.41	7.82	10.16	10.30
2.	Net interest on net defined benefit liabilities / (assets )	2.95	13.89	1.61	1.77
3.	Actuarial ( gain )/losses recognised in OCI	(2.39)	(9.55)	-	-
4.	Immediate recognition of (gain)/losses - other long term employee	-	-	2.23	(10.22)
5.	<b>Defined Benefit Cost</b>	<b>8.97</b>	<b>12.16</b>	<b>14.00</b>	<b>1.85</b>



#### D. Development of Net Balance Sheet Position

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2022-23	2021-22	2022-23	2021-22
1. Defined benefit obligation ( DBO )	(42.00)	(40.76)	(29.54)	(22.30)
2. Fair value of plan assets ( FVA )	-	-	-	-
3. Funded status [ surplus/(deficit) ]	(42.00)	(40.76)	(29.54)	(22.30)
4. <b>Net defined benefit asset/(liability)</b>	<b>(42.00)</b>	<b>(40.76)</b>	<b>(29.54)</b>	<b>(22.30)</b>

#### E. Change in Defined Benefit Obligation ( DBO )

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2022-23	2021-22	2022-23	2021-22
1. DBO at end of prior period	40.76	191.64	22.30	24.35
2. Current service cost	8.41	7.82	10.16	10.30
3. Interest cost on the DBO	2.95	13.89	1.61	1.77
4. Curtailment (credit)/cost	-	-	-	-
5. Past service cost - plan amendments	-	-	-	-
6. Actuarial (gain)/loss - financial assumptions	(2.39)	(9.55)	2.23	(10.22)
7. Benefit paid directly by the Company	(7.73)	(25.70)	(6.76)	(3.90)
8. Adjustment for terminal dues included in DBO	-	(137.34)	-	-
9. <b>DBO at end of current period</b>	<b>42.00</b>	<b>40.76</b>	<b>29.54</b>	<b>22.30</b>

#### F. Actuarial Assumptions:

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2022-23	2021-22	2022-23	2021-22
1. Discount Rate	7.25% p.a.	7.25% p.a.	7.25% p.a.	7.25% p.a.
2. Expected Rate of Return on Plan Assets	NA	NA	NA	NA
3. Salary Escalation Rate	5% p.a.	5% p.a.	5% p.a.	5% p.a.
4. Maximum Limit	20 lacs	20 lacs		
5. Mortality Rate	Mortality ( 2012-14) Ult	Mortality ( 2012-14) Ult	Mortality ( 2012-14) Ult	Mortality ( 2012-14) Ult
6. Turnover	5% of all ages	5% of all ages	5% of all ages	5% of all ages

#### 34. Corporate Social Responsibility:

Corporate Social Responsibility Committee of the Company has been functioning in pursuance of the provisions of Section 135 of the Companies Act, 2013.

#### Details for the financial year ending 31.03.2023

( Rs. in Lacs )

Particulars	Amount spent for the project	Related Party(Yes/No)
Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports	47.00	Yes (Dr. Gaur Hari Singhania Institute of Management and Research)
Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	20.00	Yes (Sir Padampat Singhania Sports Academy)
<b>Total Spend during the F.Y. 2022-23</b>	<b>67.00</b>	
Amount required to be spend during the F.Y. 2022-23 (Gross)	62.33	
Less: Excess Amount spend during the F.Y. 2021-22 (Brought Forward from Preceding F.Y.)	1.44	
Amount required to be spend during the F.Y. 2022-23 (Net off excess spend amount brought forward)	60.89	
Excess Amount spend during the F.Y. 2022-23 (Carried forward to succeeding F.Y.'s)	6.11	

**Details for the financial year ending 31.03.2022**

Particulars	Amount spent for the project	Related Party(Yes/No)
promotion of health care, including preventive health care and disaster management	11.80	No
Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	10.00	Yes (Dr. Gaur Hari Singhania Institute of Management and
<b>Total Spend during the F.Y. 2021-22</b>	<b>21.80</b>	
Amount required to be spend during the F.Y. 2021-22	20.36	
Excess Amount spend during the F.Y. 2021-22 (Carried forward to succeeding F.Y.'s)	1.44	

**35. Disclosure pursuant to Ind AS 115 "Revenue from contracts with customers"**
**Details for the financial year ending 31.03.2023**
**( Rs. in Lacs )**

Particulars	As per Income Tax	Impact of application of Ind AS 115 increase/(decrease)	After application of Ind AS 115
Revenue from operations	13,064.25	-111.43	12,952.82
Change in inventory	2,741.38	150.25	2,891.63
Profit before tax	5,807.63	-261.68	5,545.95
Tax expenses:			
Current Tax	830.00	-	830.00
Deferred Tax	(4.09)	-	(4.09)
Income Tax of Earlier Years	-	-	-
Profit after tax	4,981.72	-261.68	4,720.04
Basic earnings per share	10.31	(0.54)	9.77
Diluted earnings per share	10.31	(0.54)	9.77

(i) Under Ind AS 115, revenue from realty business is recognized upon delivery of units as against percentage of completion method followed under Income Tax Act.

(ii) Impact for the year: Profit after tax during the year is lower by Rs. 261.68 lacs, increase in changes of inventory by Rs. 150.25 lacs and decrease in Revenue from Operations by Rs. 111.43 lacs.

**Details for the financial year ending 31.03.2022**
**( Rs. in Lacs )**

Particulars	As per Income Tax	Impact of application of Ind AS 115 increase/(decrease)	After application of Ind AS 115
Revenue from operations	10,821.91	1,483.47	12,305.38
Change in inventory	24,94.74	828.47	3,323.21
Profit before tax	6,674.70	655.00	7,329.70
Tax expenses:			
Current Tax	1,081.30	-	1,081.30
Deferred Tax	6.99	-	6.99
Income Tax of Earlier Years	64.96	-	64.96
Profit after tax	5,521.45	655.00	6,176.45
Basic earnings per share	15.46	1.83	17.29
Diluted earnings per share	15.46	1.83	17.29

(i) Under Ind AS 115, revenue from realty business is recognized upon delivery of units as against percentage of completion method followed under Income Tax Act.

(ii) Impact for the year: Profit after tax during the year is higher by Rs. 655.00 lacs, increase in changes of inventory by Rs. 828.47 lacs and increase in Revenue from Operations by Rs. 1483.47 lacs.

### 36. Changes in liabilities arising from financial activities

Particulars	Current Borrowings	Non Current Borrowings Including Current Maturity of long term Borrowings
<b>Opening balance as at 1st April 2021</b>	-	4381.72
Addition/(Deletion) During the year	-	-4343.01
Interest Expenses	-10.16	-0.53
Cash Flow ( Net)	-10.16	-4343.54
<b>Balance as at 31st March 2022</b>	-	38.71
Addition/(Deletion) During the year	0.52	42.27
Interest Expenses	-756.02	-3.32
Cash Flow ( Net)	-755.50	38.95
<b>Balance as at 31st March 2023</b>	0.52	80.98

### 37. **Related Party Disclosures:**

Details of related parties with whom transactions have been made are as under:

- 1 **Subsidiary Company**  
BGK Infrastructure Developers Pvt. Ltd.
- 2 **Associate Concerns**  
Pioneer J.K. Senior Living LLP (w.e.f. 03/10/2022)
- 3 **Key management personnel and their Relatives**

Mr. Abhishek Singhania	Managing Director
Mr. Sanjay Kumar Jain- (ceased from 30/04/2022)	Wholtime Director
Mr. Sushil Goyal- (appointed from 25/07/2022)	Chief Financial Officer
Mr. Harshit Gunani- (ceased from 12/05/2022)	Company Secretary
Mrs. Akanksha Srivastava- (appointed from 01/10/2022 and ceased from 31/01/2023)	Company Secretary
Ms. Swati Srivastava- (appointed from 10/05/2023)	Company Secretary
Mrs. Manorama Devi Singhania	Relative of MD
- 4 **Other Director's & their relatives**

Mr. Jagannath Gupta	Director
Mr. Mayank Khanna	Director
Mr. Satish Chandra Gupta	Director
Mr. Ashish Singh Chauhan- (appointed from 12/05/2022)	Director
Mr. Vedang Hari Singhania- (ceased from 26/04/2022)	Director
Mr. Krishna Behari Agarwal- (ceased from 12/05/2022)	Director
Mr. Ravindra Kumar Tandon- (ceased from 17/08/2022)	Director
Mr. Maneesh Mansingka- (appointed from 30/08/2022)	Director
- 5 **Promoters other than KMP & Directors**
  - a) Sushila Devi Singhania
  - b) Ramapati Singhania
  - c) Kavita Singhania
- 6 **Entities significantly influenced by Key Management Personnel, Directors/ Promoters or their Relatives**

Jaykay Enterprises Limited  
J K Technosoft Limited  
J.K. Consultancy and Services Private Limited  
Favicon Consultancy Services Private Limited  
Sarvashaktiman Traders Private Limited  
Vijaystambh Traders Private Limited  
Geepee Softech Services Private Limited

Insurexcellence Advisors Private Limited  
Dr. Gaur Hari Singhania Institute of Management & Research  
Uttar Pradesh Cricket Association  
Merchant Chamber of Uttar Pradesh  
Sir Padampat Singhania Sports Academy  
Illingworth Advisors LLP

- Related Parties relationship as identified by the company and relied upon by the Auditors.
- Following are the transactions with related parties as defined under section 188 of Companies Act, 2023 and Ind AS-24 and were carried out with related parties in the ordinary course of business and on terms equivalent to those that prevails in arm's length transaction.

		(Rs. in Lacs)	
		2022-23	2021-22
<b>1</b>	<b><u>Subsidiary Company:</u></b>		
a.	BGK Infrastructure Developer Pvt. Ltd.		
	Loans Given:		
	Opening Balanace	300.00	-
	Add: Given during the year	-	300.00
	Less: Recovered during the year	200.00	-
	<b>Closing Balance</b>	<b>100.00</b>	<b>300.00</b>
	Opening Balanace of interest receivable	-	-
	Add: Interest Income on Loan	19.62	4.68
	Less: Recovered during the year	19.62	4.68
	<b>Closing Balance of interest receivable</b>	<b>-</b>	<b>-</b>
<b>2</b>	<b><u>Associate Concerns</u></b>		
a.	Pioneer J.K. Senior Living LLP		
	Loans Given:		
	Opening Balanace	-	-
	Add: Given during the year	3150.00	-
	Less: Recovered during the year	2750.00	-
	<b>Closing Balance</b>	<b>400.00</b>	<b>-</b>
	Opening Balanace of interest receivable	-	-
	Add: Interest Income on Loan	67.86	-
	Less: Recovered during the year	53.09	-
	<b>Closing Balance of interest receivable</b>	<b>14.77</b>	<b>-</b>
<b>3</b>	<b><u>Key Management Personnel &amp; their Relatives:</u></b>		
a.	Mr. Abhishek Singhania:		
	Rent Paid	14.78	14.03
	Remuneration Paid	174.60	174.60
	Amount paid on Pref. Shares Redemption	-	3084.72
	Allotment of Equity Shares (including premium)	-	4668.47
	Application money refunded during the year	-	12.75

b. Mr. Sanjay Kumar Jain: Remuneration Paid	5.60	27.70
c. Ms. Sonali Agarwal (ceased from 31-01-2022) Remuneration paid	-	9.30
d. Mr. Sushil Kumar Goyal Remuneration paid	21.97	-
e. Mr. Harshit Gunani Remuneration paid	4.66	8.28
f. Mrs. Akanksha Srivastava Remuneration paid	1.79	-
g. Mrs. Manorama Devi Singhania Rent Paid	0.76	0.76
<b>4 Other Director's:</b>		
a. Mr. Ashok Gupta (ceased from 30/10/2021) Remuneration Paid	-	8.00
b. Sitting Fees paid to Directors (including GST)	-	4.81
<b>5 Promoters other than KMP &amp; Directors:</b>		
a. Mrs. Sushila Devi Singhania Rent Paid	1.14	1.14
b. Mr. Ramapati Singhania Rent Paid	0.90	0.90
<b>6 Entities significantly influenced by Key Management Personnel, Directors or their Relatives:</b>		
a. <u>Jaykay Enterprises Ltd.</u> Rent Paid	17.20	3.75
Registrar & Transfer agent Fee (including GST)	-	0.15
b. <u>J K Technosoft Ltd.</u> Purchase of Fixed Assets	0.70	1.98
c. <u>J.K. Consultancy and Services Pvt. Ltd.</u> Consultancy Charges (including GST)	7.22	5.78
Office Maintenance Charges (including GST)	3.13	-
d. <u>Favicon Consultancy Services Private Limited</u> Rent Received (incl. GST)	0.14	-
Security Expenses (incl. GST)	38.80	-
Manpower Supply Expenses (incl. GST)	32.24	-
Insurance Expense (incl. GST)	5.04	-

e.	<u>Sarvashaktiman Traders Private Limited</u> Rent Received (incl. GST)	0.14	-
f.	<u>Vijaystambh Traders Private Limited</u> Rent Received (incl. GST)	0.14	-
g.	<u>Geepee Softech Services Private Limited</u> Consultancy Charges (including GST)	2.00	-
h.	<u>Insurexcellence Advisors Private Limited</u> Consultancy Charges (including GST)	89.68	-
i.	<u>Dr. Gaur Hari Singhania Institute of Management &amp; Research</u> Corporate Social Responsibility Expense	20.00	10.00
j.	<u>Uttar Pradesh Cricket Association</u> Rent & Maint. Charges Received (incl. GST)	80.96	79.72
k.	<u>Merchants Chamber of Uttar Pradesh</u> Annual Membership Fees	0.19	0.19
l.	<u>Sir Padampat Singhania Sports Academy</u> Corporate Social Responsibility Expense	47.00	-
m.	<u>Illingworth Advisors LLP</u> Consultancy Charges (including GST)	59.83	-
n.	<u>KMG &amp; Co. (ceased from 29/03/2022)</u> Consultancy Charges (including GST)	-	28.32
	Re-imbursement of Expenses	-	0.12

# **Note No. 38- Financial Ratios**

S.No.	Ratio	Ratio Formula	Computed Ratio	Computed Ratio	Reason for change where change is more than 25%
			FY 22-23	FY 21-22	
1	Current Ratio	Current Assets/ Current Liabilities	1.93	2.10	Refer Note A
2	Debt Equity Ratio	Total Debt/ Total Equity	0.00	0.00	
3	Debt Service Coverage Ratio	Earning available for debt service/ Interest expenses+Lease payment+Principal repayments made during the year	1.61	1.15	
4	Return on equity ratio	PAT- Preference dividend/ Average Shareholder equity	0.26	0.53	Refer Note B
5	Inventory Turnover Ratio	Cost of Goods sold or Sales/Average Inventory	0.86	0.68	Refer Note C
6	Trade Receivable Turnover Ratio	Net Credit sale/ Avg. Trade Receivable	N.A.	N.A.	Refer Note D
7	Trade Payable Turnover Ratio	Net Credit Purchase/ Average Trade Payable	N.A.	N.A.	
8	Net Capital Turnover Ratio	Net Annual Sale/ Working Capital	1.14	0.91	
9	Net Profit Ratio	Profit After Tax/ Value of sales and Services	0.36	0.50	Refer Note D
10	Return on Capital Employed	Earning before tax & interest/ Capital Employed	0.30	0.44	Refer Note E
11	Return on Investment	Net Income/ Cost of Investment	0.00	0.00	

**Note A** Debt service coverage ratio has increased during the year due to decrease in principal repayments of borrowings during the year.

**Note B** Return on equity has reduced during the year due to decrease in profit after tax.

**Note C** Inventory turnover ratio has increased during the year due to decrease in closing inventories.

**Note D** Net profit ratio is lower than previous year due to decrease in profit after tax.

**Note E** Return on Capital Employed is lower than previous year due to decrease in profit before tax



39. Balances of personal accounts of Trade Payables, Other Current Financial Liabilities, Deposits, Other Loans and Advances are subject to confirmation and reconciliation.
40. Based on the information available with the Company there are no dues payable to suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006.
41. Impairment losses, as per Ind AS 36 issued by the Institute of Chartered Accountants of India have been accounted for to the extent possible of identification.
42. The company did not enter any transaction with companies struck off under section 24B of the Companies Act, 2013 or section 560 of Companies Act, 1956. There are no outstanding balances (payable to / receivable from) with struck off companies.
43. There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.
44. The company has complied with number of layers of companies.
45. The company has not entered in any Scheme of Arrangements and no Scheme of Arrangements has been approved by the Competent Authority in terms of section 230 to 237 of the Companies Act 2013.
46. The company did not held any Benami Properties and no proceedings has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
47. The company is not declared willful defaulter by any bank or financial institution or any other lender.
48. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
49. No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
50. **Contingent Liabilities**
  - (i) Claims against the company not acknowledged as debts - Amount unascertainable.
51. The financial statements were approved for issue by the Board of Directors on 29th August, 2023.

**52. Disclosure related to Restatement of Financials for the F.Y. 2021-22**

During the financial Year ended 31st March 2023 ,the company discovered that sale of land ( Property plant and equipment) was erroneously remained unrecorded amounting to Rs. 413.60 Lacs. To rectify this error , Financial statement for the year ended 31st March, 2022 has been restated. The effect of restatement on the Financial statements for the year 2021-22 is summarised below. There is no impact of above mentioned error on the Financial statements for the year 2022-23.

Particulars	Note No.	Figures as per Audited Financial Statements for F.Y.2021-22 (A)	Figures as per Restated Financial Statements for F.Y.2021-22 (B)	Impact of Changes (B-A)	Net Increase/ (Decrease)
<b>Impact in Profit &amp; Loss:</b>					
Profit on Sale of property plant & equipments		459.33	872.92	413.59	
<b>Other Income (Total)</b>	<b>24</b>	<b>1000.07</b>	<b>1413.66</b>	<b>413.59</b>	
<b>Profit before tax for the year</b>		<b>6916.11</b>	<b>7329.70</b>	<b>413.59</b>	
Current tax		982.00	1081.30	99.30	
Deferred Tax		6.99	6.99	0.00	
Income Tax of Earlier Years		64.96	64.96	0.00	
<b>Profit for the year</b>		<b>5862.16</b>	<b>6176.45</b>	<b>314.29</b>	<b>Net Increase in Profit</b>
<b>Impact in Balance Sheet:</b>					
Assets:					
Land		380.66	380.65	-0.01	
Property, Plant and Equipment:	2(A)	1060.19	1060.18	-0.01	Decrease
Other Receivables		33.92	34.54	0.62	
<b>Other Current Financial Assets</b>	<b>10</b>	<b>1076.78</b>	<b>1077.40</b>	<b>0.62</b>	<b>Increase</b>
<b>Net Changes in Assets</b>				<b>0.61</b>	<b>Net Increase in Assets</b>
<b>Equity &amp; Liabilities:</b>					
Retained Earnings		-926.28	-611.99	314.29	
<b>Other Equity (Total)</b>	<b>13</b>	<b>11804.33</b>	<b>12118.62</b>	<b>314.29</b>	<b>Increase</b>
Advance from Customers		7578.47	7165.49	-412.98	
<b>Other Current Liabilities (Total)</b>	<b>20</b>	<b>7633.33</b>	<b>7220.35</b>	<b>-412.98</b>	<b>Decrease</b>
<b>Current Tax Liabilities (Net of tax paid)</b>	<b>22</b>	<b>-16.22</b>	<b>83.08</b>	<b>99.30</b>	<b>Increase</b>
<b>Net Changes in Liabilities</b>				<b>0.61</b>	<b>Net Increase in Liabilities</b>

53. Previous year figures have been regrouped wherever necessary.

## INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF J K COTTON LTD**

**Report on the Audit of the Consolidated Financial Statements**

### **Opinion**

We have audited the accompanying consolidated financial statements of J K COTTON LTD ("hereinafter referred to as the "Holding Company"), and its Subsidiary, ("hereinafter referred to as "the Group") and share of loss of associate which comprise the consolidated Balance Sheet as at March 31, 2023, and the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2023, of consolidated Profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### **Emphasis of Matter**

We draw attention to note no. 51(a) to the consolidated financial statements which reads as under:

The share of loss in associates enterprise is taken from the audited financial statements of M/S Pioneer J.K. Senior Living LLP - a firm, which have been prepared in accordance with Accounting Standard issued by the Institute of Chartered Accountants of India (ICAI) and there will be no impact on profit/loss for the year if financial statements are prepared in accordance with Indian Accounting Standard (Ind AS) issued by ICAI as certified by the auditor of the associate firm.

Our opinion on the aforesaid matter has not been modified

### **Information Other than the Consolidated Financial Statements and Auditor's Report thereon**

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

The Director's Report including Annexures to Director's Report etc. is not made available to us till the date of this report and is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Group are responsible for overseeing the financial reporting process of the Company.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the one subsidiary included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervisions and performance of the audits carried out by him .We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

We did not audit the financial statements of One Subsidiary and associate included in the consolidated financial statement whose financial statement reflects total assets of Rs.2080.04 Lacs and net assets of Rs.209.19 lacs as at 31st March,2023, total revenue of Rs.301.56 Lacs ,total net profit after tax of Rs114.99 lacs and share of loss in associates Rs. 2.78 lacs is included in the consolidated financial results for the year ended 31st March 2023 . The financial statement of the subsidiary and associates have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amount and disclosure included in respect, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and associates , is based solely on the report of the other auditor.

Our conclusion on the Statement is not modified in respect of the above matter.

## Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Company as on 31st March, 2023 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of Subsidiary Company, none of the directors of the Company and Subsidiary Company incorporated in India is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the group, the operating effectiveness of such controls, refer to our separate report in "Annexure-C"
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - I. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 48 to the consolidated financial statements.
  - II. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
  - IV. (a) The respective Managements of the Company and its subsidiary, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that

the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The respective Managements of the Company and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiary ,whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

V. The company has not declared or paid any dividend during the year.

For P.L. Tandon & Co.  
Chartered Accountants  
Registration Number: 000186C

Date: 29.08.2023  
Place: KANPUR

Sd/-  
P.P.SINGH  
(PARTNER)  
Membership Number: 072754  
UDIN: 23072754BGWEFJ2548



## **ANNEXURE “C” TO THE INDEPENDENT AUDITORS REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF J K COTTON LTD**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended 31st March, 2023 , we have audited the internal financial controls over financial reporting of J K COTTON LTD (“hereinafter referred to as the “ Company”) as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance

with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For P.L. Tandon & Co.**  
**Chartered Accountants**  
**Registration Number: 000186C**

**Date: 29.08.2023**  
**Place: KANPUR**

**Sd/-**  
**P.P.SINGH**  
**(PARTNER)**  
**Membership Number: 072754**  
**UDIN: 23072754BGWEFJ2548**

**J.K.COTTON LIMITED**  
CIN:U17111UP1924PLC000275  
(Registered Office: Kamla Tower, Kanpur- 208001)  
Consolidated Balance Sheet as at 31st March, 2023

(Rs. in Lacs)

Particulars	Note No.	As at 31st Mar'23	As at 31st Mar'22 (Restated) (Refer Note No. 50)
<b>ASSETS</b>			
<b>Non-Current Assets:</b>			
(a) Property, Plant and Equipment	2 (A)	3264.56	3061.38
(b) Other Intangible Assets	2 (B)	4.29	0.59
(c) Capital Work in Progress	2 (C)	61.80	224.69
(d) Goodwill on Consolidation		741.69	741.69
(e) Financial Assets			
(i) Investments	3	3697.22	-
(ii) Other Financial Assets	4	472.39	75.89
		<b>8241.95</b>	<b>4104.24</b>
<b>Current Assets:</b>			
(a) Inventories	5	13672.97	16564.60
(b) Financial Assets			
(i) Trade Receivables	6	47.78	50.29
(ii) Investments	7	0.02	0.01
(iii) Cash and Cash Equivalents	8	3586.36	2790.84
(iv) Bank Balances	9	4749.83	3711.37
(v) Loans	10	400.00	-
(v) Other Financial Assets	11	252.29	1082.93
(c) Other Current Assets	12	1017.17	1413.08
		<b>23726.42</b>	<b>25613.12</b>
<b>TOTAL ASETS</b>		<b>31968.37</b>	<b>29717.36</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity:</b>			
(a) Equity Share Capital	13	4833.44	4833.44
(b) Other Equity	14	14419.90	12212.82
		<b>19253.34</b>	<b>17046.26</b>
<b>Liabilities:</b>			
<b>Non-Current Liabilities:</b>			
(a) Financial Liabilities			
(i) Borrowings	15	64.09	31.21
(b) Deferred Tax Liabilities (Net)	16	28.25	31.73
(c) Other Non Current Liabilities	17	207.88	218.84
(d) Provisions	18	48.37	39.81
		<b>348.59</b>	<b>321.59</b>
<b>Current Liabilities:</b>			
(a) Financial Liabilities			
(i) Borrowings	19	17.40	7.50
(ii) Trade Payables	20	324.42	1076.44
(iii) Other Financial Liabilities	21	4489.49	3940.88
(b) Other Current Liabilities	22	7339.60	7236.97
(c) Provisions	23	31.32	31.01
Current Tax Liability (Net)	24	164.21	56.71
		<b>12366.44</b>	<b>12349.51</b>
<b>Notes in Financial Statements</b>	1-52		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>31968.37</b>	<b>29717.36</b>

As per our report of even date attached

For P.L. Tandon & Co.  
Chartered Accountants  
Firm Registration Number: 000186C

Sd/-  
P.P.SINGH  
Partner  
Membership Number: 072754

Place: New Delhi  
Date : 29.08.2023

For and on behalf of the Board of Directors of  
J.K. Cotton Limited

Sd/-  
Abhishek Singhania  
Managing Director  
DIN: 00087844

Sd/-  
Swati Srivastava  
Company Secretary  
Membership No. 48654

Sd/-  
Ashish Singh Chauhan  
Director  
DIN: 08145398

Sd/-  
Sushil Goyal  
Chief Financial Officer  
Membership No. 500231

# J.K.COTTON LIMITED

CIN:U17111UP1924PLC000275

(Registered Office: Kamla Tower, Kanpur- 208001)

## Consolidated Profit & Loss Statement for the year ended 31st March, 2023

(Rs. in Lacs)

Particulars	Note No.	Year Ended 31.03.2023	Year Ended 31.03.2022 (Restated) (Refer Note No. 50)
<b>INCOME:</b>			
Revenue from Operations	25	13239.88	12510.63
Other Income	26	1146.12	1463.71
<b>Total Income</b>		<b>14386.00</b>	<b>13974.34</b>
<b>EXPENSES:</b>			
Cost Of Construction And Development Expenses	27	2715.95	2701.74
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	28	2891.63	3323.21
Employee Benefits Expense	29	505.31	423.79
Finance Costs	30	176.90	124.81
Depreciation and Amortisation Expense	31	155.18	110.73
Other Expenses	32	4907.02	2087.40
<b>Total Expenses</b>		<b>11351.99</b>	<b>8771.68</b>
<b>PROFIT BEFORE SHARE OF PROFIT/(LOSS) OF ASSOCIATE, EXCEPTIONAL ITEMS AND TAX</b>		<b>3034.01</b>	<b>5202.66</b>
Share of Profit/(Loss) in Associate		-2.78	-
<b>PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS:</b>		<b>3031.23</b>	<b>5202.66</b>
Exceptional items	33	2626.98	2221.21
<b>PROFIT BEFORE TAX:</b>		<b>5658.21</b>	<b>7423.87</b>
<b>Tax Expense:</b>			
Current tax		830.00	1081.30
Deferred Tax		-4.09	6.99
Income Tax of Earlier Years		-	65.31
<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>		<b>4832.30</b>	<b>6270.27</b>
Loss for the year from Discontinued Operations		-0.03	-0.11
<b>PROFIT FOR THE YEAR</b>		<b>4832.27</b>	<b>6270.16</b>
<b>OTHER COMPREHENSIVE INCOME:</b>			
Items that will not be reclassified to Profit or Loss:			
Re- measurement of defined benefits plan		2.39	10.03
Income Tax Relating to above item		0.60	-
<b>Total Other Comprehensive Income</b>		<b>1.79</b>	<b>10.03</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>4834.06</b>	<b>6280.19</b>
<b>Earning per Equity Share of Rs.10/- each in Rs. :</b>	<b>34</b>		
- Basic & Diluted (for continuing operations)		10.00	17.55
- Basic & Diluted (for discontinued operations)		-	-
- Basic & Diluted (for continuing & discontinued operations)		10.00	17.55
<b>Notes in Consolidated Financial Statements</b>	<b>1-52</b>		

As per our report of even date attached

For P.L. Tandon & Co.  
Chartered Accountants  
Firm Registration Number: 000186C

Sd/-  
P.P.SINGH  
Partner  
Membership Number: 072754

Place: New Delhi  
Date : 29.08.2023

For and on behalf of the Board of Directors of  
J.K. Cotton Limited

Sd/-  
Abhishek Singhania  
Managing Director  
DIN: 00087844

Sd/-  
Swati Srivastava  
Company Secretary  
Membership No. 48654

Sd/-  
Ashish Singh Chauhan  
Director  
DIN: 08145398

Sd/-  
Sushil Goyal  
Chief Financial Officer  
Membership No. 500231

# J.K.COTTON LIMITED

CIN:U17111UP1924PLC000275

(Registered Office: Kamla Tower, Kanpur- 208001)

## Consolidated Cash Flow Statement for the year ended 31st March, 2023

(Rs. in Lacs)

A. Cash flow from operating Activities	2022-23	2021-22 (Restated) (Refer Note No. 50)
Profit/(Loss) before Tax including loss from discontinued operations	5658.17	7423.76
Adjustments for:		
Adjustment of Capital Reserve	-2626.98	-2221.21
Depreciation and amortisation	155.18	110.71
OCI adjustment	2.39	10.03
Loss on Sale of Property, plant & equipments	-	1.33
Finance Cost	176.90	124.81
Profit on Sale of Property, plant & equipments	-33.73	-914.41
Dividend Income	-0.83	-
Interest income	-429.35	-155.91
<b>Operating Profit before Working Capital Changes</b>	<b>2901.75</b>	<b>4379.11</b>
(Increase)/Decrease in Inventories	2891.64	3323.21
(Increase)/Decrease in Trade receivables	2.51	-50.29
(Increase)/Decrease in Other financial assets	219.00	-43.10
(Increase)/Decrease in Other assets	395.91	-1175.10
Increase/(Decrease) in Trade Payables	-752.02	-532.23
Increase/(Decrease) in Other financial liabilities	1131.14	140.82
Increase/(Decrease) in Other liabilities	91.68	-4465.66
Increase/(Decrease) in provisions	8.87	-7.84
<b>Net Cash Flow from Operations</b>	<b>6890.48</b>	<b>1568.92</b>
Income Tax Paid	-722.51	-996.21
<b>Net Cash From Operating Activities (A)</b>	<b>6167.97</b>	<b>572.71</b>
<b>B. Cash used in Investing Activities</b>		
Movement in Fixed Deposit	-1039.97	1261.07
Movement in NBFCs Deposit	258.96	157.44
Purchase of Property, plant & equipments	-137.44	-236.62
Investment in CWIP	-61.74	-162.89
Adjustment on account of first time consolidation of Subsidiary	-	-2126.00
Purchase of Investments	-3697.23	-0.01
Change in Goodwill on consolidation	-	-741.69
Dividend Income	0.83	-
Interest Income	387.02	211.31
Loans given to related party	-400.00	-
Sale of Property, plant & equipments	33.74	914.56
<b>Net Cash used in Investing Activities (B)</b>	<b>-4655.83</b>	<b>-722.83</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of Share Capital (including premium)	-	6684.29
Redemption of Preference Share Capital	-	-4381.72
Proceeds from Borrowings (Net)	42.79	38.71
Interest paid	-759.41	-33.38
<b>Net Cash used in Financing Activities (C)</b>	<b>-716.62</b>	<b>2307.90</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash equivalents (A+B+C)</b>	<b>795.52</b>	<b>2157.78</b>
Opening Balance of Cash & Cash equivalents	2790.84	633.06
<b>Closing Balance of Cash &amp; Cash equivalents</b>	<b>3586.36</b>	<b>2790.84</b>

Note: 1. Refer Note No. 35 for changes in liabilities arising from financing activities.  
2. Reconciliation of cash and cash equivalents

'Refer Note No. 8

As per our report of even date attached

For P.L. Tandon & Co.  
Chartered Accountants  
Firm Registration Number: 000186C

Sd/-  
P.P.SINGH  
Partner  
Membership Number: 072754

Place: New Delhi  
Date : 29.08.2023

For and on behalf of the Board of Directors of  
J.K. Cotton Limited

Sd/-  
Abhishek Singhania  
Managing Director  
DIN: 00087844

Sd/-  
Swati Srivastava  
Company Secretary  
Membership No. 48654

Sd/-  
Ashish Singh Chauhan  
Director  
DIN: 08145398

Sd/-  
Sushil Goyal  
Chief Financial Officer  
Membership No. 500231

## J.K.COTTON LIMITED

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

#### A EQUITY SHARE CAPITAL

(Rs. in Lacs)

Balance at the beginning of the Reporting Period i.e. 1st April, 2021	Changes in equity share capital during the year 2021-22	Balance at the end of the Reporting Period i.e. 31st March, 2022	Changes in equity share capital during the year 2022-23	Balance at the end of the Reporting Period i.e. 31st March, 2023
2357.78	2475.66	4833.44	-	4833.44

#### B OTHER EQUITY

(Rs. in Lacs)

	Reserve and Surplus				Total
	Capital Reserve	Securities Premium Reserve	Retained Earnings	Capital Redemption Reserve	
Balance at the beginning of the reporting period i.e., 1st April, 2022	8280.12	4418.62	-517.79	31.87	12212.82
Adjustment for Ind AS 115	-2626.98				-2626.98
Profit/(Loss) for the year			4832.27		4832.27
Transfer to profit and loss					-
Other comprehensive income for the year			1.79		1.79
Received during the year					-
<b>Balance at the end of the reporting period i.e., 31st March, 2023</b>	<b>5653.14</b>	<b>4418.62</b>	<b>4316.27</b>	<b>31.87</b>	<b>14419.90</b>

	Reserve and Surplus				Total
	Capital Reserve	Securities Premium Reserve	Retained Earnings (Restated) (Refer Note No. 50)	Capital Redemption Reserve	
Balance at the beginning of the reporting period i.e., 1st April, 2021	10501.33	209.99	-6797.98	31.87	3945.21
Adjustment for Ind AS 115	-2221.21				-2221.21
Profit/(Loss) for the year			6270.16		6270.16
Transfer to profit and loss					-
Other comprehensive income for the year			10.03		10.03
Received during the year		4208.63			4208.63
<b>Balance at the end of the reporting period i.e., 31st March, 2022</b>	<b>8280.12</b>	<b>4418.62</b>	<b>-517.79</b>	<b>31.87</b>	<b>12212.82</b>

## CORPORATE INFORMATION

### REPORTING ENTITY

The Consolidated Financial Statement comprise statements of J.K. Cotton Ltd., its subsidiaries and associate operation (Collectively, The Group) for the year ended 31st March, 2023. J.K. Cotton Ltd. is a Public Limited Company domiciled in India and has its registered office at Kamla Tower, Kanpur, Uttar Pradesh, 208001. The Group is engaged in the business of Real Estate, development of infrastructure facilities and warehousing facilities.

## 1. SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

### PRINCIPLES OF CONSOLIDATION

#### i. The consolidated financial statements have been prepared on the following basis :

- a. The consolidated financial statements are prepared in accordance with " Indian Accounting Standard (Ind AS's) notified under the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act as mentioned from time to time.
- b. The Financial statements of the Company and its Subsidiary have been consolidated on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- c. The Financial statements of the Company and its Associate have been consolidated on Equity method of accounting for investments in associates.
- d. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.

#### ii. Other Significant Accounting Policies:

These are set out under 'Significant Accounting Policies' as given in the Standalone Financial Statements of J.K. Cotton Ltd.



**J.K.COTTON LIMITED**  
CIN:U17111UP1924PLC000275  
(Registered Office: Kamla Tower, Kanpur- 208001)

**Note No. 2(A) Property, Plant & Equipment**

**Details of Property, Plant & Equipment for the F.Y. 2022-23**

(Rs. in Lacs)

Particulars	AT COST OR BOOK VALUE				DEPRECIATION				NET BLOCK	
	As at 01.04.2022 ₹	Additional/ Adjustment ₹	Deductions/ Adjustments ₹	As at 31.03.2023 ₹	Upto 31.03.2022 ₹	Provided during the year ₹	Deductions ₹	Upto 31.03.2023 ₹	As at 31.03.2023 ₹	As at 31.3.2022 ₹
<b>Tangible Assets</b>										
Land Leasehold	290.82	-	-	290.82	36.48	3.06	-	39.54	251.28	254.34
Land	380.66	-	0.01	380.65	-	-	-	-	380.65	380.66
Buildings	3023.62	224.63	-	3248.25	970.32	90.21	-	1060.53	2187.72	2053.30
Roads	159.93	-	-	159.93	151.93	-	-	151.93	8.00	8.00
Plant & Machinery	502.65	56.62	-	559.27	358.89	26.83	-	385.72	173.55	143.76
Furniture & Fittings	100.10	4.39	-	104.49	89.18	2.81	-	91.99	12.50	10.92
Office Equipments	152.90	0.42	-	153.32	89.09	8.48	-	97.57	55.75	63.81
Vehicles	186.13	71.06	-	257.19	39.54	22.54	-	62.08	195.11	146.59
<b>Total</b>	<b>4796.81</b>	<b>357.12</b>	<b>1,000.00</b>	<b>5153.92</b>	<b>1735.43</b>	<b>153.93</b>	<b>-</b>	<b>1889.36</b>	<b>3264.56</b>	<b>3061.38</b>

**Details of Property, Plant & Equipment for the F.Y. 2021-22**

Particulars	AT COST OR BOOK VALUE				DEPRECIATION				NET BLOCK	
	As at 01.04.2021 ₹	Additional/ Adjustment ₹	Deductions/ Adjustments ₹	As at 31.03.2022 ₹	Upto 31.03.2021 ₹	Provided during the year ₹	Deductions ₹	Upto 31.03.2022 ₹	As at 31.03.2022 ₹	As at 31.3.2021 ₹
<b>Tangible Assets</b>										
Land Leasehold	290.82	-	-	290.82	33.42	3.06	-	36.48	254.34	257.40
Land Freehold	380.68	-	0.02	380.66	-	-	-	-	380.66	380.68
Buildings	2938.90	84.72	-	3023.62	889.27	81.05	-	970.32	2053.30	2049.63
Roads	159.93	-	-	159.93	151.93	-	-	151.93	8.00	8.00
Plant & Machinery	483.72	19.73	0.80	502.65	336.01	23.64	0.76	358.89	143.76	147.70
Furniture & Fittings	100.54	1.00	1.44	100.10	86.74	2.99	0.55	89.18	10.92	13.80
Office Equipments	149.66	5.00	1.76	152.90	81.97	8.53	1.41	89.09	63.81	67.68
Vehicles	63.39	126.17	3.43	186.13	31.89	10.91	3.26	39.54	146.59	31.50
<b>Total</b>	<b>4567.64</b>	<b>236.62</b>	<b>7.45</b>	<b>4796.81</b>	<b>1611.23</b>	<b>130.18</b>	<b>5.98</b>	<b>1735.43</b>	<b>3061.38</b>	<b>2956.39</b>

Note: The title deed of all the immovable properties are held in the name of erstwhile name J. K. Cotton Spinning & Weavings Mills Company Limited as the name of the company changed to J. K. Cotton Limited the company on 19-08-2013.

**Note No. 2(B) Intangible Assets**

Particulars	AT COST OR BOOK VALUE				DEPRECIATION				NET BLOCK	
	As at 01.04.2022 ₹	Additional/ Adjustment ₹	Deductions/ Adjustments ₹	As at 31.03.2023 ₹	Upto 31.03.2022 ₹	Provided during the year ₹	Deductions ₹	Upto 31.03.2023 ₹	As at 31.03.2023 ₹	As at 31.3.2022 ₹
Computer Software	62.48	4.95	3.27	64.16	61.89	1.25	3.27	59.87	4.29	0.59

Particulars	AT COST OR BOOK VALUE				DEPRECIATION				NET BLOCK	
	As at 01.04.2021 ₹	Additional/ Adjustment ₹	Deductions/ Adjustments ₹	As at 31.03.2022 ₹	Upto 31.03.2021 ₹	Provided during the year ₹	Deductions ₹	Upto 31.03.2022 ₹	As at 31.3.2022 ₹	As at 31.3.2021 ₹
Computer Software	62.48	-	-	62.48	59.95	1.94	-	61.89	0.59	2.53

**Note No. 2(C) Capital Work in Progress**

Particulars	As at 01.04.2022 ₹	Additions/ Adjustment ₹	Deductions/ Adjustments ₹	As at 31.03.2023 ₹
Building under Construction	215.64	61.74	224.63	52.75
Preoperative Expenses	9.05	-	-	9.05
<b>Total</b>	<b>224.69</b>	<b>61.74</b>	<b>224.63</b>	<b>61.80</b>

Particulars	As at 01.04.2021 ₹	Additions/ Adjustment ₹	Deductions/ Adjustments ₹	As at 31.03.2022 ₹
Building under Construction	52.75	162.89	-	215.64
Preoperative Expenses	9.05	-	-	9.05
<b>Total</b>	<b>61.80</b>	<b>162.89</b>	<b>-</b>	<b>224.69</b>

**Note 2(C)(i)**
**Capital Work in Progress Aging Schedule as on 31.03.2023**

CWIP	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	61.80	61.80

**Capital Work in Progress Aging Schedule as on 31.03.2022**

CWIP	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	162.89	-	-	-	162.89
Projects temporarily suspended	-	-	-	61.80	61.80

# J.K.COTTON LIMITED

CIN:U17111UP1924PLC000275

(Registered Office: Kamla Tower, Kanpur- 208001)

## Notes to the Consolidated Financial Statements for the year ended 31st March 2023

(Amount in Lacs)

3	Non Current Investments	As at 31.03.2023	As at 31.03.2022
	In Equity Instruments (Unquoted):		
	In Associate (At Cost):		
	In Limited Liability Partnership (LLP):		
	50 % Share in Pioneer J.K. Senior Living LLP	3697.22	-
	<b>Total</b>	<b>3697.22</b>	<b>-</b>
	Aggregate amount of Unquoted investment	3697.22	-

4	Other Non Current Financial Assets	As at 31.03.2023	As at 31.03.2022
	Fixed Deposits with Bank	76.45	74.95
	Fixed Deposits with NBFC	395.00	-
	Security Deposits	0.94	0.94
	<b>Total</b>	<b>472.39</b>	<b>75.89</b>

4.1 Fixed Deposits Rs. 59.92 Lacs (Previous Year Rs. 59.92 Lacs) pledged with Banks towards Bank Guarantee for EPCG License.

4.2 Fixed Deposits Rs. 16.53 Lacs (Previous Year Rs. 15.03 Lacs) pledged with Banks towards Bank Guarantee to Pollution Control Board

5	Inventories	As at 31.03.2023	As at 31.03.2022
	(At Lower of Cost and Net Realisable Value)		
	Work in progress	13672.97	16564.60
	<b>Total</b>	<b>13672.97</b>	<b>16564.60</b>

6	Trade Receivables (Carried at amortised cost)	As at 31.03.2023	As at 31.03.2022
	Trade Receivables considered good- Unsecured	47.78	50.29
	<b>Total</b>	<b>47.78</b>	<b>50.29</b>

**6.1 Trade Receivables due from entities in which director is a partner, a director or a member are as under:**

Shree Shubham Logistics Ltd.	-	3.33
------------------------------	---	------

**Trade Receivable Aging Schedule as on 31.03.2023**

Particulars	Outstanding for following periods from due date of payments						Total
	Not Due	Less Than 6 months	6 months-1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Undisputed Trade Receivable Considered Good	3.57	44.21	-	-	-	-	47.78
Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Trade Receivables - Credit impaired	-	-	-	-	-	-	-
Trade receivables (Gross)	3.57	44.21	-	-	-	-	47.78
Less: Impairment allowance for trade receivables considered doubtful	-	-	-	-	-	-	-
Trade receivables (Net)	3.57	44.21	-	-	-	-	47.78

**Trade Receivable Aging Schedule as on 31.03.2022**

Particulars	Outstanding for following periods from due date of payments						Total
	Not Due	Less Than 6 months	6 months-1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Undisputed Trade Receivable Considered Good	2.41	47.88	-	-	-	-	50.29
Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Trade Receivables - Credit impaired	-	-	-	-	-	-	-
Trade receivables (Gross)	2.41	47.88	-	-	-	-	50.29
Less: Impairment allowance for trade receivables considered doubtful	-	-	-	-	-	-	-
Trade receivables (Net)	2.41	47.88	-	-	-	-	50.29

7	Current Investment	As at 31.03.2023	As at 31.03.2022
	<u>In Equity Shares - Quoted fully paid up (at FVTPL)</u>		
	5 (Previous Year- 5) Equity shares of Tata Power Co. Limited	0.01	0.01
	5 (Previous Year- NIL) Equity shares of Tata Steel Limited	0.01	-
	<u>In Equity Shares - Unquoted fully paid up</u>		
	2,070 (Previous Year- 2,070) Equity shares of Accurate Finman Services Ltd. (Bonus Shares)	-	-
	<b>Total</b>	<b>0.02</b>	<b>0.01</b>

Aggregate amount of Quoted Investments at Cost	0.02	0.01
Aggregate amount of Quoted Investments at Market Price	0.01	0.01
Aggregate amount of Impairment on Quoted Investments	-0.01	-

**Category-wise Current Investments**

Investments carried at amortised cost	-	-
Investments carried at cost	-	-
Investments measured at FVTPL	0.02	0.01

8	Cash and Cash Equivalent	As at 31.03.2023	As at 31.03.2022
	Balance With Banks:		
	-In current account	1249.05	2786.93
	-Fixed Deposits with original maturity within 3 months from reporting date	2334.15	-
	Cash on Hand	3.16	3.91
	<b>Total</b>	<b>3586.36</b>	<b>2790.84</b>

9	Balances with bank	As at 31.03.2023	As at 31.03.2022
	In Fixed Deposits With Bank (with maturity of more than 3 months but upto 1 year from the reporting date)	4749.83	3711.37
	<b>Total</b>	<b>4749.83</b>	<b>3711.37</b>

9.1 Fixed Deposits Rs. 59.53 Lacs (Previous Year Rs. 57.40 Lacs) pledged with Banks towards Bank Guarantee for EPCG License.

9.2 Fixed Deposits Rs. 5.76 Lacs (Previous Year Rs. 5.50 Lacs) pledged with Banks towards Credit Card Facility.

9.3 Fixed Deposits Rs. Nil (Previous Year Rs. 1.30 Lacs) pledged with Banks towards borrowings.

10	Loans (Carried at amortised cost)	As at 31.03.2023	As at 31.03.2022
	Unsecured Considered Good		
	Related Party	400.00	-
	<b>Total</b>	<b>400.00</b>	<b>-</b>

**Schedule of Loans for the year ended 31.03.2023**

Particulars	Amt. of loan/advance in the nature of loan outstanding	Percentage to the total Loans & Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	400.00	100%
<b>Total</b>	<b>400.00</b>	<b>100%</b>

11	Other Current Financial Assets (considered good, carried at amortised cost)	As at 31.03.2023	As at 31.03.2022
	Interest accrued on Fixed Deposits with Bank	80.68	63.84
	Interest accrued and due on ICD to Related Party	14.77	-
	Interest receivable on Deposits	10.72	-
	Fixed deposits in NBFC	-	653.96
	Other Receivables	80.93	34.54
	Security Deposits	65.19	330.59
	<b>Total</b>	<b>252.29</b>	<b>1082.93</b>

12	Other Current Assets (Unsecured considered good)	As at 31.03.2023	As at 31.03.2022
	Prepaid Expenses	17.78	14.41
	Income Tax Refund Due	-	22.44
	Balance with Government Authorities	18.08	92.29
	Other GST Amount Recoverable	10.75	7.44
	Others Loans & Advances (Considered Good)	970.56	1276.50
	<b>Total</b>	<b>1017.17</b>	<b>1413.08</b>

13	Equity Share Capital	As at 31.03.2023	As at 31.03.2022
	Authorised:		
	5,00,00,000 (Previous Year 5,00,00,000) No. of Equity shares of Rs. 10/- each	5000.00	5000.00
	45,25,000 (Previous Year 45,25,000) No. of 6% Non Cumulative Redeemable Preference Shares of Rs. 100/- each	4525.00	4525.00
	25,000 (Previous Year 25,000) No. of 8.5% Non Cumulative Redeemable Preference Shares of Rs. 100/- each	25.00	25.00
	<b>Total</b>	<b>9550.00</b>	<b>9550.00</b>
	Issued, Subscribed & Paid up:		
	4,83,34,388 (Previous Year 4,83,34,388) No. of Equity shares of ₹ 10/- each	4833.44	4833.44
	<b>Total</b>	<b>4833.44</b>	<b>4833.44</b>

**Rights, Preferences and restrictions attached to Equity Shares:**

The Company has single class of equity shares. Accordingly, all equity shares rank equally with regard to dividend and share in the Company's residual assets. The equity shareholders are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share in the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

**13.1 The reconciliation of the number of Equity Shares outstanding is set out below:**

Equity Shares at the Beginning of the year	4,83,34,388	2,35,77,750
Changes during the year	-	2,47,56,638
Equity Shares at the end of the year	<b>4,83,34,388</b>	<b>4,83,34,388</b>

**13.2 Details of shareholders holding more Than 5 % shares of the Company:**

Name of Shareholder	As At 31 - March - 2023		As At 31 - March - 2022	
	No. of Shares Held	% of Shares Held	No. of Shares Held	% of Shares Held
Abhishek Singhania	2,40,39,099	49.73%	2,40,39,099	49.73%
Jaykay Enterprises Limited	95,10,360	19.68%	95,10,360	19.68%
Ujala Merchants & Traders Limitd	39,20,000	8.11%	39,20,000	8.11%
Sarvashaktiman Traders Private Limited	32,80,000	6.79%	32,80,000	6.79%

**13.3 Details of Shareholding of Promoters as at 31.03.2023**

Name of the Promoter	No. of Shares	% Shares Held	Change in % holding during the year
Abhishek Singhania	2,40,39,099	49.73%	0.00%
Kavita Singhania	23,50,000	4.86%	0.00%
Sushila Devi Singhania	18,95,000	3.92%	0.00%
Ramapati Singhania	11,547	0.02%	0.00%
Jaykay Enterprises Ltd.	95,10,360	19.68%	0.00%
J.K. Traders Ltd.	1,85,868	0.38%	0.00%
<b>Total</b>	<b>3,79,91,874</b>	<b>78.59%</b>	<b>0.00%</b>

**13.4 Details of Shareholding of Promoters as at 31.03.2022**

Name of the Promoter	No. of Shares	% Shares Held	Change in % holding during the year
Abhishek Singhania	2,40,39,099	49.73%	21.11%
Kavita Singhania	23,50,000	4.86%	0.00%
Sushila Devi Singhania	18,95,000	3.92%	0.00%
Ramapati Singhania	11,547	0.02%	0.00%
Jaykay Enterprises Ltd.	95,10,360	19.68%	0.00%
J.K. Traders Ltd.	1,85,868	0.38%	0.00%
<b>Total</b>	<b>3,79,91,874</b>	<b>78.59%</b>	<b>21.11%</b>

14	Other Equity:	As at 31.03.2023	As at 31.03.2022
<b>Capital Reserve:</b>			
	Balance at the beginning of the year	8280.12	10501.33
	Less - Transfer to Statement of Profit & Loss	2626.98 *	2221.21
	<b>Balance at the end of the year</b>	<b>5653.14</b>	<b>8280.12</b>
<b>Capital Redemption Reserve:</b>			
	Balance at the beginning of the year	31.87	31.87
	<b>Balance at the end of the year</b>	<b>31.87</b>	<b>31.87</b>
<b>Share Premium Account:</b>			
	Balance at the beginning of the year	4418.62	209.99
	Add:- Received during the year	-	4208.63
	<b>Balance at the end of the year</b>	<b>4418.62</b>	<b>4418.62</b>
<b>Retained Earnings:</b>			
	Balance at the beginning of the year	-517.79	-6797.98
	Add:- Net Profit for the year	4832.27	6270.16
	Add: Other Comprehensive Income for the year	1.79	10.03
	<b>Balance at the end of the year</b>	<b>4316.27</b>	<b>-517.79</b>
	<b>Total</b>	<b>14419.90</b>	<b>12212.82</b>

\*Refer Note No. 33

**Notes to Other Equity :-**

14.1) Capital Reserve on Revaluation of land was created at the time of revaluation of land (stock in trade) .This reserve is utilized at the time of sale of land under Income Tax Act.

14.2) Capital Redemption Reserve was created out of profits in earlier years at the time of redemption of redeemable preference shares .This reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

14.3) Share Premium Account represents the amount received in excess of face value of shares issued in earlier years.

14.4) Retained Earnings represents the cumulative Profits of the Company and effect of re-measurement of defined plans. This reserve can be utilized in accordance with provisions of the Companies Act, 2013.

15	Long Term Borrowings	As at 31.03.2023	As at 31.03.2022
	<b>Secured</b>		
	Vehicle Loans	64.09	31.21
	(Secured by hypothecation of vehicle)		
	<b>Total</b>	<b>64.09</b>	<b>31.21</b>
	<b>15.1 Repayment Schedule:</b>	<b>Within 1 Year</b>	<b>1-2 Years</b>
		<b>2-3 Years</b>	<b>More than 3 Years</b>
			<b>Total</b>
	Vehicle Loan	16.88	17.18
		18.85	28.06
			<b>80.97</b>
16	Deferred Tax Liabilities (Net)	As at 31.03.2023	As at 31.03.2022
	<b>Deferred Tax Liabilities:</b>		
	Related to Property, Plant & Equipments	45.99	37.72
	Related to Other timing difference of OCI	0.60	-
	<b>Total Deferred Tax Liabilities (A)</b>	<b>46.59</b>	<b>37.72</b>
	<b>Deferred Tax Assets:</b>		
	Related to Expenses not allowed u/s 43B of Income Tax Act	18.34	5.99
	<b>Total Deferred Tax Assets (B)</b>	<b>18.34</b>	<b>5.99</b>
	<b>Deferred tax Liabilities (Net) (A-B)</b>	<b>28.25</b>	<b>31.73</b>
17	Other Non Current Liabilities	As at 31.03.2023	As at 31.03.2022
	Deferred Income	207.88	218.84
	<b>Total</b>	<b>207.88</b>	<b>218.84</b>
18	Long Term Provisions	As at 31.03.2023	As at 31.03.2022
	Provision of Gratuity	27.94	24.38
	Provision of Leave Encashment	20.43	15.43
	<b>Total</b>	<b>48.37</b>	<b>39.81</b>
19	Short Term Borrowings (Carried at amortised cost)	As at 31.03.2023	As at 31.03.2022
	<b>Secured</b>		
	Current Maturity of Long Term Borrowings (Refer Note No. 15)	16.88	7.50
	Credit Card Facility from HDFC Bank	0.02	-
	(Secured against pledge of Fixed Deposit)		
	<b>Unsecured</b>		
	Credit Card Facility from ICICI Bank	0.50	-
	<b>Total</b>	<b>17.40</b>	<b>7.50</b>
20	Trade Payables (Carried at amortised cost)	As at 31.03.2023	As at 31.03.2022
	i. Micro & Small Enterprises	0.11	0.11
	ii. Others	324.31	1076.33
	<b>Total</b>	<b>324.42</b>	<b>1076.44</b>

(i) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2022 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:					
-Principal			10,748.00		10,748.00
-Interest			-		-
The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.			-		-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.			-		-
The amount of interest accrued and remaining unpaid at the end of each accounting year.			-		-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006			-		-



ii) The information in respect of party determined under the MSMED Act 2006, has been identified on the basis of information available with the Company.

iii) The total dues of Micro and Small Enterprises which were outstanding for more than stipulated period are Rs.Nil (Previous Year Rs.Nil)

**Trade Payable Aging Schedule as on 31.03.2023**

Particulars	Outstanding for following periods from due date of payments				
	less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-
Others	294.28	10.20	6.45	12.13	323.06
Disputed dues- MSME	-	0.11	-	-	0.11
Disputed dues- Others	-	-	-	1.25	1.25

**Trade Payable Aging Schedule as on 31.03.2022**

Particulars	Outstanding for following periods from due date of payments				
	less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-
Others	885.68	6.50	131.01	51.89	1075.08
Disputed dues- MSME	0.11	-	-	-	0.11
Disputed dues- Others	-	-	-	1.25	1.25

21	Other Current Financial Liabilities (Carried at amortised cost)	As at 31.03.2023	As at 31.03.2022
	Security Deposits	3918.44	3325.91
	Other Payables*	570.84	614.76
	Unclaimed Preference Shares (Redemption Money)	0.21	0.21
	<b>Total</b>	<b>4489.49</b>	<b>3940.88</b>

\*Other payables includes employees liabilities & expenses payable etc.

22	Other Current Liabilities	As at 31.03.2023	As at 31.03.2022
	Advance from Customers	7238.69	7165.46
	Statutory Dues Payable	89.96	60.59
	Deferred Income	10.95	10.92
	<b>Total</b>	<b>7339.60</b>	<b>7236.97</b>

23	Short Term Provision	As at 31.03.2023	As at 31.03.2022
	Provision of Gratuity	20.67	22.87
	Provision of Leave Encashment	10.65	8.14
	<b>Total</b>	<b>31.32</b>	<b>31.01</b>

24	Current Tax Liability (Net)	As at 31.03.2023	As at 31.03.2022
	Current tax provision (Net of tax paid)	164.21	56.71
	<b>Total</b>	<b>164.21</b>	<b>56.71</b>

**J.K.COTTON LIMITED**  
CIN:U17111UP1924PLC000275

(Registered Office: Kamla Tower, Kanpur- 208001)

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2023**

(Rs. in Lacs)

25	Revenue from Operations	Year Ended 31.03.2023	Year Ended 31.03.2022
	Revenue from Real Estate Business	12952.82	12305.38
	Sale of Services	287.06	205.25
	<b>Total</b>	<b>13239.88</b>	<b>12510.63</b>
26	Other Income	Year Ended 31.03.2023	Year Ended 31.03.2022
	Interest Income	429.35	155.90
	Dividend Income	0.83	-
	Rental Income	646.82	308.27
	Liability/Advances written back	-	0.64
	Maintenance Charges Recovered	20.52	8.25
	Profit on Sale of property plant & equipments	33.73	914.41
	Interest on Income tax refund	3.00	8.59
	Subsidy Income	10.92	8.19
	Misc. Income	0.95	59.46
	<b>Total</b>	<b>1146.12</b>	<b>1463.71</b>
27	Land Development and Construction Expenses	Year Ended 31.03.2023	Year Ended 31.03.2022
	<b>Employee Cost</b>		
	Salaries & Wages	104.72	116.20
	<b>Other Expense</b>		
	Building Construction Misc. Expenses	22.20	35.46
	Building Construction Welfare Cess	7.06	24.40
	Electric Consumption	14.94	4.48
	Generator Running Expenses	-	1.42
	Gardening & Horticulture Expenses	-	6.45
	Contractor charges	1218.88	992.69
	Professional Charges	841.68	921.58
	Power Substation Expenses	57.93	1.41
	Site Electrification Expenses	-	1.03
	Map Sanction Expenses	432.88	-
	Registartion RERA Expenses	-	1.28
	Establishment Expenses	15.66	19.31
	Park Development Exp Phase-2	-	1.51
	Testing Charges	-	0.06
	Project Consultancy Management	-	574.46
	<b>Total</b>	<b>2715.95</b>	<b>2701.74</b>

<b>28 Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade</b>		<b>Year Ended 31.03.2023</b>	<b>Year Ended 31.03.2022</b>
<b>Inventories at the beginning of the year (A)</b>			
Work-in-Progress		16564.60	19887.81
<b>Inventories at the end of the year (B)</b>			
Work-in-Progress		13672.97	16564.60
<b>Net Changes in Inventories (A-B)</b>		<b>2891.63</b>	<b>3323.21</b>
<b>29 Employee Benefits Expenses</b>		<b>Year Ended 31.03.2023</b>	<b>Year Ended 31.03.2022</b>
Salaries And Wages		472.85	396.64
Contribution To Provident And Other Funds		17.09	16.69
Staff Welfare Expenses		15.37	10.46
<b>Total</b>		<b>505.31</b>	<b>423.79</b>
<b>30 Finance Cost</b>		<b>Year Ended 31.03.2023</b>	<b>Year Ended 31.03.2022</b>
Interest on Security Deposits		152.02	101.59
Interest on borrowings		24.20	23.22
Other Finance Cost		0.68	0.00
<b>Total</b>		<b>176.90</b>	<b>124.81</b>
<b>31 Depreciation &amp; Amortisation Expenses</b>		<b>Year Ended 31.03.2023</b>	<b>Year Ended 31.03.2022</b>
Depreciation on Tangible assets		153.93	108.99
Amortisation on Intangible assets		1.25	1.74
<b>Total</b>		<b>155.18</b>	<b>110.73</b>
<b>32 Other Expenses:</b>		<b>Year Ended 31.03.2023</b>	<b>Year Ended 31.03.2022</b>
<b>Administrative Expenses:</b>			
Rent		61.73	38.28
Rates & Taxes		92.42	121.56
Legal Expenses		59.07	64.19
Insurance		30.43	16.84
Travelling & Conveyance		47.60	36.07
Electricity Expenses		43.25	32.00
Directors' Fee		-	4.82
Remuneration to Auditor's			
-As Audit Fee		3.36	3.01
-As Tax Audit Fee		0.59	0.59
-As other Services		0.25	1.52
CSR Expenditure		67.00	21.80
Donation		-	2.00
Consultancy & Professional Fees		639.15	186.23
Contract Termination & Other Charges		749.09	-
Security Expenses		108.76	138.11
Repairs & Maintenance		287.54	146.16
Other Expenses		546.45	311.21
<b>Total (A)</b>		<b>2736.69</b>	<b>1124.39</b>
<b>Selling and Distribution Expenses:</b>			
Advertisement & Publicity Expenses		150.48	101.58
Commision on sale		2012.46	854.57
Other Selling Expenses		7.39	6.86
<b>Total (B)</b>		<b>2170.33</b>	<b>963.01</b>
<b>Grand Total (A+B)</b>		<b>4907.02</b>	<b>2087.40</b>
<b>33 Exceptional Items</b>		<b>Year Ended 31.03.2023</b>	<b>Year Ended 31.03.2022</b>
Amount transferred from Capital Reserve in respect of sale deeds executed during the year		2626.98	2221.21
<b>Total</b>		<b>2626.98</b>	<b>2221.21</b>

### 34. Earning Per Share:

(Rs. In Lacs)

Particulars		2022-23	2021-22 (Restated)
1.	Net Profit/ (Loss) before OCI from continuing operations	4832.30	6270.27
2.	Net Profit/ (Loss) before OCI from discontinued operations	-0.03	-0.11
3.	Net Profit/ (Loss) before OCI from continuing & discontinued operations	4832.27	6270.16
4.	Weighted average number of equity shares used as denominator for calculation of EPS	48334388	35725459
5.	Face Value Per share in Rs.	10	10
6.	Basic and diluted earning per share before OCI in Rs. (for continuing operations)	10.00	17.55
7.	Basic and diluted earning per share before OCI in Rs. (for discontinued operations)	-	-
8.	Basic and diluted earning per share before OCI in Rs. (for continuing & discontinued operations)	10.00	17.55

### 35. Changes in liabilities arising from financial activities

Particulars	Current Borrowings	Non Current Borrowings Including Current Maturity of long term Borrowings
<b>Opening balance as at 1st April 2021</b>	-	4381.72
Addition/(Deletion) During the year	-	-4343.01
Interest Expenses	-10.16	-23.22
Cash Flow ( Net)	-10.16	-4366.23
<b>Balance as at 31st March 2022</b>	-	38.71
Addition/(Deletion) During the year	0.52	42.27
Interest Expenses	-756.08	-3.32
Cash Flow ( Net)	-755.56	38.95
<b>Balance as at 31st March 2023</b>	0.52	80.98

### 36. Related Party Disclosures:

Details of related parties with whom transactions have been made are as under:

#### 1 Subsidiary Company

BGK Infrastructure Developers Pvt. Ltd.

#### 2 Associate Concerns

Pioneer J.K. Senior Living LLP (w.e.f. 03/10/2022)

#### 3 Key management personnel and their Relatives

Mr. Abhishek Singhania

Mr. Sanjay Kumar Jain- (ceased from 30/04/2022)

Mr. Sushil Goyal- (appointed from 25/07/2022)

Mr. Harshit Gunani- (ceased from 12/05/2022)

Mrs. Akanksha Srivastava- (appointed from 01/10/2022 and ceased from 31/01/2023)

Ms. Swati Srivastava- (appointed from 10/05/2023)

Mrs. Manorama Devi Singhania

Managing Director  
Wholetime Director  
Chief Financial Officer  
Company Secretary  
Company Secretary

Company Secretary  
Relative of MD

#### 4 Other Director's & their relatives

Mr. Jagannath Gupta

Mr. Mayank Khanna

Mr. Satish Chandra Gupta

Mr. Ashish Singh Chauhan- (appointed from 12/05/2022)

Mr. Vedang Hari Singhania- (ceased from 26/04/2022)

Mr. Krishna Behari Agarwal- (ceased from 12/05/2022)

Mr. Ravindra Kumar Tandon- (ceased from 17/08/2022)

Mr. Maneesh Mansingka- (appointed from 30/08/2022)

Director  
Director  
Director  
Director  
Director  
Director  
Director

#### 5 Promoters other than KMP & Directors

a) Sushila Devi Singhania

b) Ramapati Singhania

c) Kavita Singhania

#### 6 Entities significantly influenced by Key Management

##### Personnel, Directors/ Promoters or their Relatives

Jaykay Enterprises Limited

J K Technosoft Limited

J.K. Consultancy and Services Private Limited

Favicon Consultancy Services Private Limited

Sarvashaktiman Traders Private Limited

Vijaystambh Traders Private Limited

Geepee Softech Services Private Limited

Insurexcellence Advisors Private Limited

Dr. Gaur Hari Singhania Institute of Management & Research

Uttar Pradesh Cricket Association

Merchant Chamber of Uttar Pradesh

Sir Padampat Singhania Sports Academy

Illingworth Advisors LLP

Related Parties relationship as identified by the company and relied upon by the Auditors.  
Following are the transactions with related parties as defined under section 188 of Companies Act, 2023 and Ind AS-24 and were carried out with related parties in the ordinary course of business and on terms equivalent to those that prevails in arm's length transaction.

		Rs. in Lacs	
		2022-23	2021-22
<b>1</b>	<b><u>Associate Concerns</u></b>		
a.	Pioneer J.K. Senior Living LLP		
	Loans Given:		
	Opening Balanace	-	-
	Add: Given during the year	3150.00	-
	Less: Recovered during the year	2750.00	-
	<b>Closing Balance</b>	<b>400.00</b>	-
	Opening Balanace of interest receivable	-	-
	Add: Interest Income on Loan	67.86	-
	Less: Recovered during the year	53.09	-
	<b>Closing Balance of interest receivable</b>	<b>14.77</b>	-
<b>2</b>	<b><u>Key Management Personnel &amp; their Relatives:</u></b>		
a.	Mr. Abhishek Singhania:		
	Rent Paid	14.78	14.03
	Remuneration Paid	174.60	174.60
	Amount paid on Pref. Shares Redemption	-	3084.72
	Allotment of Equity Shares (including premium)	-	4668.47
	Application money refunded during the year	-	12.75
b.	Mr. Sanjay Kumar Jain:		
	Remuneration Paid	5.60	27.70
c.	Ms. Sonali Agarwal (ceased from 31-01-2022)		
	Remuneration paid	-	9.30
d.	Mr. Sushil Kumar Goyal		
	Remuneration paid	21.97	-
e.	Mr. Harshit Gunani		
	Remuneration paid	4.66	8.28
f.	Mrs. Akanksha Srivastava		
	Remuneration paid	1.79	-
g.	Mrs. Manorama Devi Singhania		
	Rent Paid	0.76	0.76
<b>3</b>	<b><u>Other Director's:</u></b>		
a.	Mr. Ashok Gupta (ceased from 30/10/2021)		
	Remuneration Paid	-	8.00
b.	Sitting Fees paid to Directors (including GST)	-	4.81
<b>4</b>	<b><u>Promoters other than KMP &amp; Directors:</u></b>		
a.	Mrs. Sushila Devi Singhania		
	Rent Paid	1.14	1.14
b.	Mr. Ramapati Singhania		
	Rent Paid	0.90	0.90

## 5 Entities significantly influenced by Key Management

### Personnel, Directors or their Relatives:

a.	<u>Jaykay Enterprises Ltd.</u>		
	Rent Paid	17.20	3.75
	Registrar & Transfer agent Fee (including GST)	-	0.15
b.	<u>J K Technosoft Ltd.</u>		
	Purchase of Fixed Assets	0.70	1.98
c.	<u>J.K. Consultancy and Services Pvt. Ltd.</u>		
	Consultancy Charges (including GST)	7.22	5.78
	Office Maintenance Charges (including GST)	3.13	-
d.	<u>Favicon Consultancy Services Private Limited</u>		
	Rent Received (incl. GST)	0.14	-
	Security Expenses (incl. GST)	38.80	-
	Manpower Supply Expenses (incl. GST)	32.24	-
	Insurance Expense (incl. GST)	5.04	-
e.	<u>Sarvashaktiman Traders Private Limited</u>		
	Rent Received (incl. GST)	0.14	-
f.	<u>Vijaystambh Traders Private Limited</u>		
	Rent Received (incl. GST)	0.14	-
g.	<u>Geepee Softech Services Private Limited</u>		
	Consultancy Charges (including GST)	2.00	-
h.	<u>Insurexcellence Advisors Private Limited</u>		
	Consultancy Charges (including GST)	89.68	-
i.	<u>Dr. Gaur Hari Singhania Institute of Management &amp; Research</u>		
	Corporate Social Responsibility Expense	20.00	10.00
j.	<u>Uttar Pradesh Cricket Association</u>		
	Rent & Maint. Charges Received (incl. GST)	80.96	79.72
k.	<u>Merchants Chamber of Uttar Pradesh</u>		
	Annual Membership Fees	0.19	0.19
l.	<u>Sir Padampat Singhania Sports Academy</u>		
	Corporate Social Responsibility Expense	47.00	-
m.	<u>Illingworth Advisors LLP</u>		
	Consultancy Charges (including GST)	59.83	-
n.	<u>KMG &amp; Co. (ceased from 29/03/2022)</u>		
	Consultancy Charges (including GST)	-	28.32
	Re-imbursement of Expenses	-	0.12

**Note No. 37** Financial Ratios

S.No.	Ratio	Ratio Formula	Computed Ratio		Reason for change where change is more than 25%
			FY 22-23	FY 21-22	
1	Current Ratio	Current Assets/ Current Liabilities	1.92	2.07	
2	Debt Equity Ratio	Total Debt/ Total Equity	0.00	0.00	
3	Debt Service Coverage Ratio	Earning available for debt service/ Interest expenses+Lease payment+Principal repayments made during the year	1.67	1.02	Refer Note A
4	Return on equity ratio	PAT- Preference dividend/ Average Shareholder equity	0.27	0.54	Refer Note B
5	Inventory Turnover Ratio	Cost of Goods sold or Sales/Average Inventory	0.88	0.69	Refer Note C
6	Trade Receivable Turnover Ratio	Net Credit sale/ Avg. Trade Receivable	5.85	6.39	
7	Trade Payable Turnover Ratio	Net Credit Purchase/ Average Trade Payable	N.A.	N.A.	
8	Net Capital Turnover Ratio	Net Annual Sale/ Working Capital	1.17	0.94	
9	Net Profit Ratio	Profit After Tax/ Value of sales and Services	0.36	0.50	Refer Note D
10	Return on Capital Employed	Earning before tax & interest/ Capital Employed	0.30	0.43	Refer Note E
11	Return on Investment	Net Income/ Cost of Investment	0.00	0.00	

**Note A**

Debt service coverage ratio has increased during the year due to decrease in principal repayments of borrowings during the year.

**Note B**

Return on equity has reduced during the year due to decrease in profit after tax.

**Note C**

Inventory turnover ratio has increased during the year due to decrease in closing inventories.

**Note D**

Net profit ratio is lower than previous year due to decrease in profit after tax.

**Note E**

Return on Capital Employed is lower than previous year due to decrease in profit before tax.



38. Balances of personal accounts of Trade Payables, Other Current Financial Liabilities, Deposits, Other Loans and Advances are subject to confirmation and reconciliation.
39. Impairment losses, as per Ind AS 36 issued by the Institute of Chartered Accountants of India have been accounted for to the extent possible of identification.
40. The company did not enter any transaction with companies struck off under section 24B of the Companies Act, 2013 or section 560 of Companies Act, 1956. There are no outstanding balances (payable to / receivable from) with struck off companies.
41. There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.
42. The company has complied with number of layers of companies.
43. The company has not entered in any Scheme of Arrangements and no Scheme of Arrangements has been approved by the Competent Authority in terms of section 230 to 237 of the Companies Act 2013.
44. The company did not held any Benami Properties and no proceedings has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
45. The company is not declared willful defaulter by any bank or financial institution or any other lender.
46. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
47. No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
48. **Contingent Liabilities**
  - (i) Claims against the company not acknowledged as debts - Amount unascertainable.
49. The financial statements were approved for issue by the Board of Directors on 29th August, 2023.

#### 50. Disclosure related to Restatement of Financials for the F.Y. 2021-22

During the financial Year ended 31st March 2023, the company discovered that sale of land (Property plant and equipment) was erroneously remained unrecorded amounting to Rs. 413.60 Lacs. To rectify this error, Consolidated Financial statement for the year ended 31st March, 2022 has been restated. The effect of restatement on the Consolidated Financial statements for the year 2021-22 is summarised below. There is no impact of above mentioned error on the Consolidated Financial statements for the year 2022-23.

Particulars	Note No.	Figures as per Audited Financial Statements for F.Y.2021-22 (A)	Figures as per Restated Financial Statements for F.Y.2021-22 (B)	Impact of Changes (B-A)	Net Increase/ (Decrease)
<b>Impact in Profit &amp; Loss:</b>					
Profit on Sale of property plant & equipments		500.82	914.41	413.59	
<b>Other Income (Total)</b>	<b>26</b>	<b>1050.11</b>	<b>1463.71</b>	<b>413.59</b>	
<b>Profit before tax for the year</b>		<b>7010.28</b>	<b>7423.87</b>	<b>413.59</b>	
Current tax		982.00	1081.30	99.30	
Deferred Tax		6.99	6.99	-	
Income Tax of Earlier Years		65.31	65.31	-	
Loss for the year from discontinued operations		0.11	0.11	-	
<b>Profit for the year</b>		<b>5955.87</b>	<b>6270.17</b>	<b>314.29</b>	<b>Net Increase in Profit</b>
<b>Impact in Balance Sheet:</b>					
<b>Assets:</b>					
Land		380.66	380.66	-0.01	
Property, Plant and Equipment:	2(A)	3061.38	3061.38	-0.01	Decrease
Other Receivables		33.92	34.54	0.62	
<b>Other Current Financial Assets</b>	<b>11</b>	<b>1082.31</b>	<b>1082.93</b>	<b>0.62</b>	<b>Increase</b>
<b>Net Changes in Assets</b>				<b>0.61</b>	<b>Net Increase in Assets</b>
<b>Equity &amp; Liabilities:</b>					
Retained Earnings		-832.09	-517.79	314.29	
<b>Other Equity (Total)</b>	<b>14</b>	<b>11898.53</b>	<b>12212.82</b>	<b>314.29</b>	<b>Increase</b>
Advance from Customers		7578.45	7165.46	-412.98	
<b>Other Current Liabilities (Total)</b>	<b>22</b>	<b>7649.95</b>	<b>7236.97</b>	<b>-412.98</b>	<b>Decrease</b>
<b>Current Tax Liabilities (Net of tax paid)</b>	<b>24</b>	<b>-42.58</b>	<b>56.71</b>	<b>99.30</b>	<b>Increase</b>
<b>Net Changes in Liabilities</b>				<b>0.61</b>	<b>Net Increase in Liabilities</b>

#### 51. Additional Notes to Consolidated Financial Statements:

- a. M/s Pioneer J.K. Senior Living LLP (a partnership firm) became associate of J.K. Cotton Limited w.e.f. 3rd October, 2022 during the year. Therefore, share of profit/(loss) of associate enterprise is considered proportionately with effect from 3rd October, 2022 to reporting date i.e; 31st March, 2023.

The share in profit/(loss) of associate enterprise is taken from audited financial statements of M/s Pioneer J.K. Senior Living LLP which have been prepared in accordance with Accounting Standards issued by ICAI and there will be no impact on profit/(loss) for the year if financial statements are prepared in accordance with Indian Accounting Standards (IND AS) issued by ICAI as certified by the auditor of the firm.

- b. The enterprises considered in the consolidated financial statements are :

Sr. No.	Name of Entity	Nature of Entity	Country of Incorporation	Holding as on 31.03.2023	Period of Consolidation
1	BGK Infrastructure Developers Pvt. Ltd.	Subsidiary	India	100%	01.04.2022-31.03.2023
2	Pioneer J.K. Senior Living LLP	Associate	India	50%	03.10.2022-31.03.2023

c. Additional information as required under Schedule III to the Companies Act, 2013 of Companies Consolidated as subsidiary:

Name of Company	Net Assets i.e. Total Assets less Total Liabilities		Share in Profit or Loss After tax		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated	Rs. (in Lacs)	As % of Consolidated	Rs. (in Lacs)	As % of Consolidated	Rs. (in Lacs)	As % of Consolidated	Rs. (in Lacs)
<b>Parent:</b>								
J.K. Cotton Limited	98.91%	19,044.15	97.62%	4,717.28	100.00%	1.79	97.62%	4,719.07
<b>Subsidiary:</b>								
B.G.K. Infrastructure Developers Private Limited	1.09%	209.19	2.38%	114.99	0.00%	-	2.38%	114.99
<b>Total</b>	100.00%	19,253.34	100.00%	4,832.27	100.00%	1.79	100.00%	4,834.06

d. Statement containing Salient features of Financial Statements Pursuant to First Proviso to Sub section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014 for Subsidiary and Associate Enterprises.

**Part "A" Subsidiary**

(Rs. in Lacs)

Sr. No.	Name of the Subsidiary	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Turnover	Profit before tax	Provision for Tax	Profit after tax	% of Share Holding
1	B.G.K. Infrastructure Developers Private Limited	1,397.23	319.81	2,107.43	390.39	287.06	114.99	-	114.99	100.00%

**Part "B" Associate**

(Rs. in Lacs)

Sr. No.	Name of Associate	Shares of Associate held by the Company on the year end				Profit/(Loss) for the year		Description of how there is Significant Influence	Reason why the Associate is not consolidated
		Latest Audited Balance Sheet Date	Amount of Investment in Associate	Extent of Holding %	Networth attributable to shareholding as per latest Balance Sheet	Considered in Consolidation	Not considered in Consolidation		
1	Pioneer J.K. Senior Living LLP	31-03-2023	3,700.00	50%	494.36	(2.78)	(8.50)	Parent Company has 50% profit sharing ratio	N.A.

52. Previous year figures have been regrouped wherever necessary.