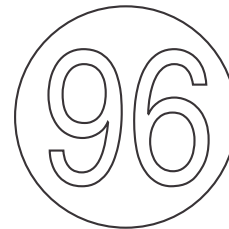




J. K. COTTON LIMITED

ANNUAL REPORT 2018-2019



J. K. COTTON LIMITED

BOARD OF DIRECTORS :

SHRI YADUPATI SINGHANIA (<i>Chairman & Managing Director</i>)	DIN 00050364
SHRI NIDHIPATI SINGHANIA	00171211
DR. KRISHNA BEHARI AGARWAL	00339934
SHRI ASHOK GUPTA	00135288
DR. JAGANNATH GUPTA	00397952
SHRI KRISHNA DAS GUPTA	00374379
SHRI PADAM KUMAR JAIN	00176945
SHRI RAVINDRA KUMAR TANDON	00159472

CFO :

MS. SONALI AGARWAL

COMPANY SECRETARY :

SHRI HARSHIT GUNANI

BANKERS :

ALLAHABAD BANK
ICICI BANK LTD.
IDBI BANK LTD.
ORIENTAL BANK OF COMMERCE
PUNJAB NATIONAL BANK
STATE BANK OF INDIA

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AUDITORS :

MESSRS. GUPTA VAISH & CO.
Chartered Accountants

REGISTERED OFFICE :

KAMLA TOWER, KANPUR

J. K. COTTON LIMITED

CIN : U17111UP1924PLC000275

Registered Office : Kamla Tower, Kanpur - 208 001, U. P., India

Tele. No. : (0512) 2371478-481 • Fax : (0512) 2332665

E-mail : harshit@jkcotton.com • Website : www.jkcotton.com

NOTICE OF 96TH ANNUAL GENERAL MEETING

Notice is hereby given that the 96th Annual General Meeting of J. K. Cotton Limited will be held on Wednesday, the 14th August, 2019 at 11:00 AM at the Auditorium of Dr. Gaur Hari Singhania Institute of Management & Research, Kamla Nagar Kanpur-208 005 to transact the following business:-

1. To receive, consider and adopt the Financial Statements of the Company for the Financial Year ended 31st March, 2019 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Ashok Gupta (DIN 00135288), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. 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 Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013 and pursuant to Article 105 and any other applicable article of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the re-appointment of Shri Yadupati Singhania (DIN: 00050364), as Chairman and Managing Director of the Company for a period of five years commencing from 26th May, 2020 to 25th May, 2025 without any remuneration/perquisites."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to alter and vary from time to time the terms and conditions of the said appointment, to the extent recommended by the Nomination & Remuneration Committee from time to time as may be considered appropriate."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things, as may be necessary, expedient or desirable to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. Jagannath Gupta (holding

DIN 00397952), Director of the Company in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby re-appointed as an Independent Director of the Company to hold office for five consecutive years till respective Annual General Meeting."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. Krishna Behari Agarwal (holding DIN 00339934), Director of the Company in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby re-appointed as an Independent Director of the Company to hold office for five consecutive years till respective Annual General Meeting."

By Order of the Board of Directors

For J. K. Cotton Limited

HARSHIT GUNANI

Company Secretary

Place : Kanpur

Dated : 29th May, 2019

NOTES:

1. **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.**

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A Member holding more than ten percent of total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

The instrument of proxy in order to be effective, should be deposited in the enclosed Proxy Form at the Registered Office of the Company, duly completed and signed not less than 48 hours before the time fixed for the meeting. Proxies submitted on behalf of the Companies, Societies etc. must be supported by an appropriate resolution/authority as applicable.

J. K. Cotton Ltd.

2. A Corporate Member intending to send its authorised representatives to attend the Meeting in terms of Section 113 of the Companies Act, 2013 is requested to send to the company a certified copy of the Board Resolution authorizing such representative to attend and vote on its behalf at the Meeting.
 3. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, setting out the material facts is annexed hereto.
 4. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 7th August, 2019 to Wednesday, 14th August, 2019 (both days inclusive).
 5. Members/Proxies/Authorised Representatives are requested to bring the attendance slips duly filled in for attending the Meeting. Members who hold shares in dematerialised form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
 6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
 7. **Members are requested to notify immediately change of address, if any, to the Company's Registrar & Share Transfer Agent in respect of their shareholding by mentioning folio nos., etc. Form of change of address is also available on website of the company i.e. www.jkcotton.com.**
 8. Members are requested to bring their copies of the Annual Report, as copies of the Report will not be re-distributed at the Meeting. Annual Report is also available in the Financial Reports section on the website of the company at <http://www.jkcotton.com/financial-reports.html>.
 9. Any query relating to financial statements must be sent to the company's Registered Office at least seven days before the date of the Meeting.
 10. **The Ministry of Corporate Affairs has taken 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. In this regard we solicit your cooperation to update our databank. Members are requested to intimate their e-mail address, contact telephone number, PAN and Bank Account details at any of our e-mail address viz. (a) rc.srivastava@jkcement.com, (b) harshit@jkcotton.com.**
 11. 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.
 12. Members who still hold share certificates in physical form are advised to dematerialise their shareholding to avail the benefits of dematerialisation, which include electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
 13. Members can avail of the nomination facility by filing Form SH-13, as prescribed under Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, with the company. Blank forms will be supplied on request.
 14. During the period beginning 24 hours before the time fixed for the commencement of Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the company. All documents referred to in the Notice are open for inspection at the Registered Office of the company on all working days of the company between 11:00 a.m. and 1:00 p.m. upto the date of the Annual General Meeting and at the venue of the Meeting for the duration of the Meeting.
 15. A Route map to the venue of AGM is provided at the end of the Notice as per the requirements of the Secretarial Standard-2 on "General Meeting".
- Instructions for the voting through electronic means
- In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility of exercising their right to vote electronically on the items mentioned in this Notice. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting from a place other than venue of Annual General Meeting ('AGM') ("remote e-voting"). The detailed procedure is mentioned in this notice. The remote e-voting is optional and members shall have the option to vote either through remote e-voting or in person at the Annual General Meeting through ballot or polling paper.
- A person, whose name is recorded in the Register of members or in the Register of beneficial owners maintained by the depositories as on cut-off date i.e. 7th August, 2019 only shall be entitled to avail the facility of remote e-voting/ voting through ballot or polling paper at the Meeting.
- The instructions for shareholders voting electronically are as under:
- (i) The voting period begins on 11th August, 2019 (9.00 a.m.) and ends on 13th August, 2019 (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 (record

J. K. Cotton Ltd.

date) of 7th August, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders / Members.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name followed by the Serial Number given at the top/beginning of the address slip (posted on envelope). In case the Serial Number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
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"> 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 as mentioned in instruction (v).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.

- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein 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 resolutions of 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed 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.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

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- 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - 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.
16. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
 17. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 18. The Company has appointed M/s. Banthia & Co., (Prop. Mr. G.K.Banthia) of Kanpur, Practicing Company Secretaries (C.P.No. 1405) as the Scrutinizer for conducting the e-voting process in fair and transparent manner.
 19. A copy of this notice has been placed on the website of the Company and on the website of CDSL.
 20. 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. 7th August, 2019.
 22. For abundant clarity, please note that the Shareholders who have already voted prior to the meeting date may also attend the meeting but shall not be entitled to vote at the meeting venue.
 23. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.
 24. The results shall be declared on or after the Annual General Meeting of the company and shall be deemed to be passed on the date of Annual General Meeting. The results alongwith the Scrutinizer's Report shall be placed on the website of the company i.e. www.jkcotton.com within 2 days of passing of the resolutions at the Annual General Meeting of the company.

J. K. Cotton Ltd.

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

ITEM NO. 3: -

Pursuant to Secretarial Standard 2 issued by the Institute of Company Secretaries of India, following information is furnished about the Shri Yadupati Singhania proposed to be re-appointed as Chairman & Managing Director.

Name of the Director	Yadupati Singhania
Age	65
Qualification and Experience	Shri Yadupati Singhania is B. Tech from IIT, Kanpur. He is associated with the Company as Promoter Director since 1987. At present he is acting as the Chairman & Managing Director of the Company. He has vast experience in Textile & Cement Industry. He is acting as Chairman and Managing Director of J.K. Cement Ltd.
Terms and conditions of appointment or re-appointment	Re-Appointment as Chairman & Managing Director, not liable to retire by rotation for a period of five years commencing from 26th May, 2020 to 25th May, 2025 without any remuneration/perquisites
Date of first appointment on the Board	25/03/1987
Shareholding in the Company	As on 31.03.2019, he held 6736158 (28.57%) shares in the Company
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None
Number of Meetings of the Board attended during the year	4
Other Directorships	J. K. Cement Limited, J.K.Traders Limited, Jay Kay Cem (Eastern) Limited, J.K.Cement (Western) Limited, Jaykaycem (Northern) Limited, Yadu International Limited, Ace Investments Private Limited, Express Newspapers Private Limited, Jaykaycem (Central) Limited, Employer's Association of Northern India, Uttar Pradesh Cricket Association, Bhagwandas Goenka Educational Institution
Memberships/Chairmanship of Committee of other Board	None

In the 92nd Annual General Meeting of the Company, the consent of the Company was accorded to the appointment of Shri Yadupati Singhania as Chairman and Managing Director of the Company for a period of five years commencing from 26th May, 2015 to 25th May, 2020. Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 29th May, 2019 approved re-appointment of Shri Yadupati Singhania as Chairman & Managing Director of the Company for a period of 5 Years from 26th May, 2020 to 25th May, 2025 on the terms and conditions as recommended by the Board of Directors (hereinafter referred to as 'the Board' which expression shall also include the Nomination and Remuneration Committee of the Board), in exercise of its discretion to alter and vary from time to time, the terms and conditions of the said appointment.

As per Article 95 of the Articles of Association of the Company, Shri Yadupati Singhania, Chairman and Managing Director, whilst holding office as Chairman and Managing Director shall not be subject to retirement by rotation. He will not be entitled to any remuneration and no sitting fees will be paid to him.

As the terms of re-appointment are in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V of the said Act, Central Government approval is not required for this re-appointment.

The Board of Directors considered various aspects inter-alia including technical qualification of Shri Yadupati Singhania, his vast experience, his devotion to the Company's affairs and the Company's performance during his tenure as Chairman and Managing Director and hence, recommends the resolution for your approval.

None of the Directors and/or Key managerial Personnel and their relatives except Shri Yadupati Singhania himself and his relatives may be deemed to be concerned or interested in the Resolution.

J. K. Cotton Ltd.

ITEM NO. 4:-

Pursuant to Secretarial Standard 2 issued by the Institute of Company Secretaries of India, following information is furnished about the Director proposed to be appointed/re-appointed.

Name of the Director	Jagannath Gupta
Age	76
Qualification and Experience	Dr.Jagannath Gupta is M.Com., Ph.D, C.A.I.I.B, D.I.F. He has vast experience in Finance, Banking and Capital Market.He is a member of the CSR Committee and the Chairman of the Audit Committee and Stakeholders' Relationship Committee of the Company. He is also on the Board of Directors of Jaiprakash Power Ventures Limited, RSPL Limited, Prayagraj Power Generation Company Limited & Merchants Chamber Of Uttar Pradesh.
Terms and conditions of appointment or re-appointment	Non-Independent Independent Director
Date of first appointment on the Board	28/07/2003
Shareholding in the Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None
Number of Meetings of the Board attended during the year	4
Other Directorships	Jaiprakash Power Ventures Limited, RSPL Limited, Prayagraj Power Generation Company Limited & Merchants Chamber Of Uttar Pradesh
Memberships/Chairmanship of Committee of other Board	Member of Audit Committee of RSPL Limited and Chairman of Audit Committee of Prayagraj Power Generation Company Limited

In the 91st Annual General Meeting of the Company, Dr.Jagannath Gupta was appointed as an Independent Director of the Company to hold office for five consecutive years till respective Annual General Meeting i.e. the ensuing Annual General Meeting and being eligible, offers himself for re-appointment and based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company proposes his re-appointment as an Independent Director for five consecutive years till respective Annual General Meeting.

The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Dr. Jagannath Gupta for the office of Director of the Company.

Dr. Jagannath Gupta is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

In the opinion of the Board, Dr. Jagannath Gupta fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder for his re-appointment as an Independent Director of the Company and is independent of the management.

The Board perused the report of performance evaluation of Dr. Jagannath Gupta and evaluated his performance. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. Jagannath Gupta as an Independent Director. Accordingly, the Board recommends the resolution in relation to re-appointment of Dr. Jagannath Gupta as an Independent Director, for the approval by the shareholders of the Company.

Except Dr. Jagannath Gupta, being an appointee, none of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Summary of the Performance Evaluation Report of Dr. Jagannath Gupta is as follows:

S. No.	Assessment Criteria	Average Rating*
1.	Attendance and participation in the meetings	5
2.	Raising of Concerns to the Board	5
3.	Safeguard of Confidential information	5
4.	Rendering independent, unbiased opinion and resolution of issues at meetings	5
5.	Initiative in terms of new ideas and planning for the Company	5
6.	Safeguarding interest of whistle-blowers under vigil mechanism	5
7.	Timely inputs on the minutes of the meetings of the Board and Committee's, if any	5

* Average Rating is the average of ratings given by the Directors on a scale of 1-5.

J. K. Cotton Ltd.

ITEM NO. 5: -

Pursuant to Secretarial Standard 2 issued by the Institute of Company Secretaries of India, following information is furnished about the Director proposed to be appointed/re-appointed.

Name of the Director	Krishna Behari Agarwal
Age	79
Qualification and Experience	Dr. Krishna Behari Agarwal is M. Com., LL.B., Ph.D., AICWA, FCS. He has vast experience in the fields of Finance, Accounts and Capital Market. He was President of U.P. Stock Exchange Ltd. and Merchants' Chamber of Uttar Pradesh. He is a member of the Audit Committee and Stakeholder's Relationship Committee and the Chairman of CSR Committee, Nomination & Remuneration Committee and Committee of Directors of the Company. He is also on the Board of Directors of J.K. Cement Ltd., Jaykay Enterprises Ltd, Key Corp Ltd. & Jaykaycem (Central) Ltd.
Terms and conditions of appointment or re-appointment	Non-Independent Independent Director
Date of first appointment on the Board	09/11/2010
Shareholding in the Company	As on 31.3.2019, he held 5 nos. of equity shares of the Company.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None
Number of Meetings of the Board attended during the year	4
Other Directorships	J.K. Cement Ltd., Jaykay Enterprises Ltd, Key Corp Ltd. & Jaykaycem (Central) Ltd.
Memberships/Chairmanship of Committee of other Board	Chairman of Audit Committee and Stakeholders' Relationship Committee of J. K. Cement Limited as well as Jaykay Enterprises Limited.

In the 91st Annual General Meeting of the Company, Dr. Krishna Behari Agarwal was appointed as an Independent Director of the Company to hold office for five consecutive years till respective Annual General Meeting i.e. the ensuing Annual General Meeting and being eligible, offers himself for re-appointment and based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company proposes his re-appointment as an Independent Director for five consecutive years till respective Annual General Meeting.

The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Dr. Krishna Behari Agarwal for the office of Director of the Company.

Dr. Krishna Behari Agarwal is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

In the opinion of the Board, Dr. Krishna Behari Agarwal fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board perused the report of performance evaluation of Dr. Krishna Behari Agarwal and evaluated his performance. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. Krishna Behari Agarwal as an Independent Director. Accordingly, the Board recommends the resolution in relation to re-appointment of Dr. Krishna Behari Agarwal as an Independent Director, for the approval by the shareholders of the Company.

The Summary of the Performance Evaluation Report of Dr. Krishna Behari Agarwal is as follows:

S. No.	Assessment Criteria	Average Rating*
1.	Attendance and participation in the meetings	5
2.	Raising of Concerns to the Board	5
3.	Safeguard of Confidential information	5
4.	Rendering independent, unbiased opinion and resolution of issues at meetings	5
5.	Initiative in terms of new ideas and planning for the Company	5
6.	Safeguarding interest of whistle-blowers under vigil mechanism	5
7.	Timely inputs on the minutes of the meetings of the Board and Committee's, if any	5

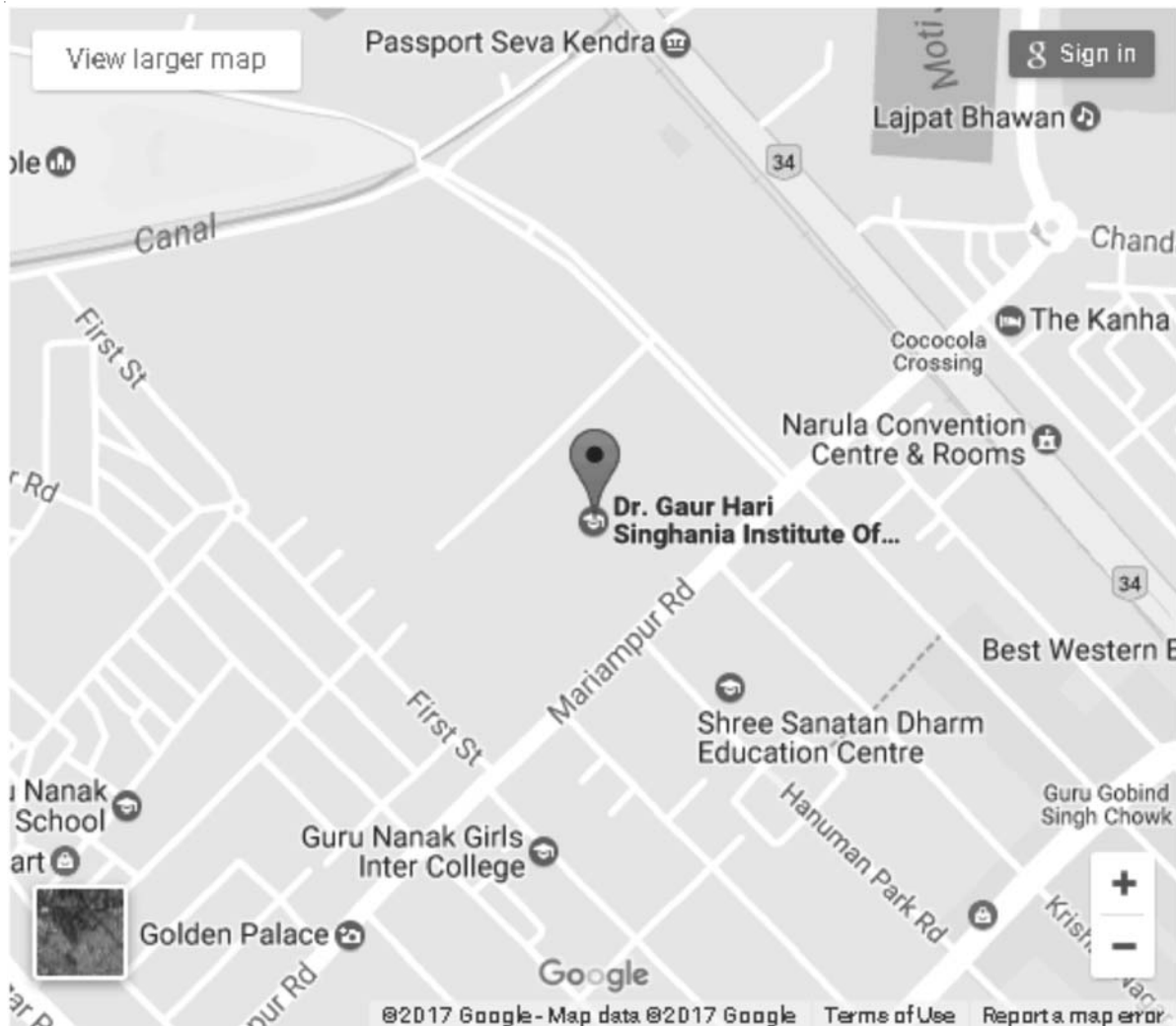
* Average Rating is the average of ratings given by the Directors on a scale of 1-5.

Except Dr. Krishna Behari Agarwal, being an appointee, none of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5 of the Notice.

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MAP SHOWING VENUE OF ANNUAL GENERAL MEETING OF J. K. COTTON LIMITED

VENUE: Auditorium of Dr. Gaur Hari Singhania Institute of Management & Research, Kamla Nagar Kanpur-208 005



DIRECTORS' REPORT

TO THE MEMBERS,

The Directors are pleased to present their 96th Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2019.

1. FINANCIAL SUMMARY AND HIGHLIGHTS

	2018-19 ₹/Lacs	2017-18 ₹/Lacs
Sales	1,484.58	5,708.40
Profit/(Loss) before Finance, Cost and Depreciation	404.24	2,732.30
Finance Cost	(185.98)	(180.00)
Profit/(Loss) before Depreciation	218.26	2,552.30
Depreciation	(18.80)	(14.81)
Net Profit/(Loss) Before Tax	199.46	2,537.49
Transfer from Capital Reserve	369.94	522
Net Profit/(Loss) Before Tax	569.40	3,059.49
Add : Tax Expense (Incl. Def. Tax & Tax adjustment of earlier years)	283.03	(680.41)
Profit/(Loss) from continuing operations	852.43	2,379.08
Profit/(Loss) from discontinued operations	(405.34)	(2,405.53)
Profit/(Loss) for the period	447.09	(26.45)
Other Comprehensive Income	17.40	17.89
Total Comprehensive Profit/(Loss)	464.49	(8.56)

The Company earned a Net Profit of Rs. 4.64 crores (compared to a loss of Rs. 0.08 crores incurred in the previous year).

The Board of Directors of your company has decided to transfer the amount of profits earned during FY 2018-19 to Retained Earnings for the year under review. In view of carried forward losses, the Directors are unable to recommend dividend.

2. STATE OF AFFAIRS OF THE COMPANY

A. Emerald Gulistan Division

The Company had under taken real estate project by the name of Emerald Gulistan at Jajmau, Kanpur. The Company developed 405 Residential plots in Phase-I of Emerald Gulistan Project out of which 334 plots have been booked as on 31.03.19. The Company continued focusing on booking and sales of unsold plots in Phase-I of the project. Also, the Company had constructed 45 LIG and 45 EWS houses.

During the year, company launched three new products i.e. Villas, Independent Floor and Small Plots. 1 Villa, 38 Independent Floors and 88 Small Plots were booked during the year.

B. Emerald Orchard Division

The Company had decided to undertake two Affordable Housing (EWS) Project(s) under Pradhan Mantri Awas Yojana to be developed by the Company on its property situated at 84/29 and 84/50, Kalpi Road, Kanpur respectively. The Company had submitted its proposal with the State Government for which proposals were approved by the Government.

Subsequently, the State Government announced a revised PMAY Scheme, which was considered more beneficial to the Company in comparison to the preceding scheme. Hence, the Company submitted its tender documents in the revised PMAY scheme to undertake Affordable Housing (EWS) Project(s) under Pradhan Mantri Awas Yojana to be developed on its property situated at 84/29, Kalpi Road, Kanpur and is waiting for the approval from State Government. The aforesaid project has been named "Emerald Orchard" and a new Division of the Company has been created in the name of "Emerald Orchard Division".

3. RISK MANAGEMENT

The company has implemented a Risk Management Policy, 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.

Audit Committee has been entrusted with the responsibility to assist the Board in (a) Overseeing implementation of Company's risk management policy, (b) Overseeing all the risks that the organization faces, identification and assessment of risks and maintaining adequate risk management infrastructure in place capable of addressing those risks and (c) Overseeing all the risks that the organization faces, identification and assessment of risks and maintaining adequate risk management infrastructure in place capable of addressing those risks.

4. EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company in MGT 9 is annexed hereto marked as Annexure A and forms an integral part of this Report.

5. DIRECTORS

- 5.1 In accordance with the provisions of the Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Shri Ashok Gupta, Director will retire by rotation at the forthcoming Annual General Meeting and being eligible offer himself for re-appointment.
- 5.2 The Company has received declarations from all the Independent Directors of the Company under sub-section (6) of section 149 confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013.
- 5.3 The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act.
- 5.4 In the 91st Annual General Meeting of the Company, Dr. Jagannath Gupta and Dr. Krishna Behari Agarwal were respectively appointed as Independent Director of the Company to hold office for five consecutive years till respective Annual General Meeting i.e. the ensuing Annual General Meeting and are proposed to be re-appointed. The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail their services.
- 5.5 In the 92nd Annual General Meeting of the Company, the consent of the Company was accorded to the appointment of Shri Yadupati Singhania as Chairman and Managing Director of the Company for a period of five years commencing from 26th May, 2015 to 25th May, 2020. Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at its

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meeting held on 29th May, 2019 approved re-appointment of Shri Yadupati Singhania as Chairman & Managing Director of the Company for a period of 5 Years from 26th May, 2020 to 25th May, 2025.

- 5.6 During the year under review, Smt. Varsha Singhania (DIN: 01646846) resigned from Directorship w.e.f. 07th September, 2018. The Board places on record its sincere appreciation for the valuable services rendered by her.

6. KEY MANAGERIAL PERSONNEL

The following persons have been designated as Key Managerial Personnel of the Company pursuant to Section 2(51) and Section 203 of the Companies Act, 2013, read with Rules framed thereunder

1. Shri Yadupati Singhania, Chairman & Managing Director
2. Ms. Sonali Agarwal, Chief Financial Officer
3. Shri Harshit Gunani, Company Secretary

7. MEETINGS OF THE BOARD OF DIRECTORS

During the financial year ended 31st March, 2019, Four Board Meetings were held on the following dates:-

- a) 23rd May, 2018
- b) 10th August, 2018
- c) 14th November, 2018
- d) 13th February, 2019

8. WHISTLE BLOWER POLICY/VIGIL MECHANISM SYSTEM

The company as per the section 177 of the Companies Act, 2013 has in place the Vigil (Whistle Blower) Mechanism, which aims to provide a channel to the Directors and employees to report to the management instances of unethical behavior, actual or unsuspected fraud or violation of the Company's code of conduct. The policy provides adequate safeguards against victimization of employees and Directors who avail of Whistle Blower/Vigil Mechanism and also provide for direct access to the Chairman of the Audit Committee etc.

9. 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. 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:

1. Remuneration is based on the principles of:
 - (i) pay for responsibility
 - (ii) pay for potential and
 - (iii) pay for growth.
2. 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.
3. 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.

10. FORMAL ANNUAL EVALUATION OF BOARD, ITS COMMITTEES AND ITS DIRECTORS

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out annual evaluation of its own performance as well as the performance of Audit Committee, Stakeholders' Relationship Committee, Nomination & Remuneration Committee, CSR Committee and Committee of Directors on various parameters including effectiveness of decision making process, risk management, providing necessary advice to management, effectiveness of communication and participation, etc.

The Board of Directors also evaluated performance of its individual directors on various parameters including attendance, effective participation in meeting, maintaining confidentiality and rendering independent, unbiased opinion and resolution of issues at meetings.

11. RELATED PARTY TRANSACTIONS

All transactions with Related Parties are placed before the Audit Committee as 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 an 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 in form AOC-2 is not required. Suitable disclosure has been made in the Annual Report.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- i) in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures;
- ii) 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;
- iii) 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;
- iv) the Directors had prepared the Annual Accounts on a going concern basis;
- v) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
- vi) 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.

13. AUDITORS

13.1 Observations of the Auditors are explained wherever necessary in the appropriate Notes to Accounts and call for no further comments.

13.2 The present Auditors, M/s. Gupta Vaish & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company at the 94th Annual General Meeting in pursuance of section 139(2) of the Companies Act, until the conclusion of 99th Annual General Meeting.

13.3 No frauds were found and hence none were reported by auditors under sub-section (12) of section 143.

14. SECRETARIAL AUDITOR

The Board has appointed M/s. Banthia & Co, Practising Company Secretaries (Prop. Mr. G.K.Banthia) of Kanpur, to conduct Secretarial Audit for the Financial Year 2019-20. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. (See Annexure B)

15. SECRETARIAL STANDARDS

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

16. 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.

17. AUDIT COMMITTEE

The Audit Committee of the Company comprises of the Independent Directors namely Dr. Jagannath Gupta (Chairman), Dr. Krishna Behari Agarwal, Shri Padam Kumar Jain and Shri Ravindra Kumar Tandon. All the recommendations made by the Audit Committee were accepted by the Board.

During the financial year ended 31st March, 2019, Four Audit Committee Meetings were held on the following dates:-

- 23rd May, 2018
- 9th August, 2018
- 14th November, 2018
- 13th February, 2019

18. LOANS, GUARANTEE AND INVESTMENT

Your Company has neither given any loan, guarantee nor made any investments which are covered under Section 186 of the Companies Act, 2013.

19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

As there has been no manufacturing operation during the year, there is nothing to be reported with regard to conservation of energy and technology absorption. Moreover, 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.

20. 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.

21. 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.

22. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company is an equal opportunity employer and consciously strives to build a work culture that promotes dignity of all employees. As required under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has implemented a policy on prevention, prohibition and redressal of sexual harassment at the workplace, which has been uploaded on the website of the Company i.e. www.jkcotton.com. All women employees are covered under the policy. An Internal Complaints Committee had been set up to redress complaints relating to sexual harassment.

During the year, the Company received no complaint on sexual harassment. Hence, there were no complaints pending for more than 90 days.

23. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting: Date/Time: Wednesday, the 14th August, 2019 at 11.00 AM.

Venue: Auditorium of Dr. Gaur Hari Singhania Institute of Management & Research, Kamla Nagar, Kanpur.

Date of Book Closure: Wednesday, 7th August, 2019 to Wednesday, the 14th August, 2019. (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. Hence, the equity shares of the Company can be dematerialized by the shareholders. 2,24,58,247 Equity Shares of face value of Rs. 10/- each representing 95.25% of the paid up Equity Capital of the Company have been dematerialized till 31.03.2019.

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

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

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accordance with law. All share transfers etc. are approved by Committee of Directors, which meets periodically.

Address for Correspondence:

J.K. Cotton Limited

Kamla Tower, Kanpur-208001

Tele. No. (0512) 2371478-481, Fax. (0512) 2332665

Email: harshit@jkcotton.com

24. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

Composition of Committee:

- i. Dr. Krishna Behari Agarwal, Chairman
- ii. Shri Ashok Gupta, Member
- iii. Shri Jagannath Gupta, Member (appointed in place of Smt. Varsha Singhania, who resigned from Directorship and consequently from membership of CSR Committee w.e.f. 07.09.18)

During the financial year ended 31st March, 2019, Two CSR Committee Meetings were held on the following dates:-

- a) 19th May, 2018
- b) 26th November, 2018

The Annual Report on CSR activities is annexed herewith as "Annexure C".

25. NOMINATION & REMUNERATION COMMITTEE

Nomination & Remuneration Committee of the Company comprises of the following directors:

- i. Dr. Krishna Behari Agarwal, Chairman
- ii. Shri Krishna Das Gupta, Member
- iii. Shri Nidhipati Singhania, Member

During the financial year ended 31st March, 2019, One Meeting of Nomination & Remuneration Committee was held on 22nd May, 2018.

26. STAKEHOLDERS' RELATIONSHIP COMMITTEE

Stakeholders' Relationship Committee of the Company comprises of the following directors:

- i. Dr. Jagannath Gupta, Chairman
- ii. Shri Krishna Behari Agarwal, Member
- iii. Shri Ashok Gupta, Member

Smt. Varsha Singhania resigned from Directorship and consequently from membership of Stakeholders' Relationship Committee w.e.f. 07th September, 2018

During the financial year ended 31st March, 2019, Four Stakeholders' Relationship Committee Meetings were held on the following dates:-

- a) 23rd May, 2018
- b) 9th August, 2018
- c) 14th November, 2018
- d) 13th February, 2019

27. MAINTENANCE OF COST RECORDS

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Act, is required by the Company and accordingly such accounts and records are made and maintained.

28. 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.

Place : Kanpur
Dated : 29th May, 2019

For and on behalf of the Board
SHRIYADUPATI SINGHANIA
Chairman & Managing Director

J. K. Cotton Ltd.

Annexure-A

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS :

1. CIN	U17111UP1924PLC000275
2. Registration Date	24.10.1924
3. Name of the Company	J. K. COTTON LIMITED
4. Category/Sub-category of the Company	Public Limited Company
5. Address of the Registered office & contact details	Kamla Tower, Kanpur – 208 001 Tel. No. 0512-2371478-481 Email : harshit@jkcotton.com Website : www.jkcotton.com
6. Whether listed company	NO
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	Jaykay Enterprises Limited Share Registrar and Transfer Agent Kamla Tower, Kanpur-208001 Email: jkshr@jkcement.com Contact- 2371478-81 Ext: 18322

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Real Estate Activities	68100	100.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
1	THE COMPANY HAS NO HOLDING/SUBSIDIARY OR ASSOCIATE.				

IV. (A) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March, 2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	10992235	12326	11004561	46.67	10992285	12746	11005031	46.67	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	11416228	-	11416228	48.42	11416228	-	11416228	48.42	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	2013	50	2063	0.01	2013	-	2013	0.01	-
Sub Total (A) (1)	22410476	12376	22422852	95.10	22410526	12746	22423272	95.10	-
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = A1+A2	22410476	12376	22422852	95.10	22410526	12746	22423272	95.10	-

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B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	6239	6239	0.03	-	6239	6239	0.03	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	99142	99142	0.42	-	99142	99142	0.42	-
g) FIs -	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	-	105381	105381	0.45	-	105381	105381	0.45	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	650	74276	74926	0.32	3850	69576	73426	0.32	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	8021	883160	891181	3.78	16707	874654	891361	3.78	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	39100	-	39100	0.16	39100	-	39100	0.16	-
c) Others (specify)									
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	440	440	-	-	440	440	-	-
Societies	-	44270	44270	0.19	-	44270	44270	0.19	-
Sub-total (B) (2):-	47771	1001746	1049517	4.45	59657	988940	1048597	4.45	-
Total Public Shareholding (B)=(B)(1)+(B)(2) -	47771	1107127	1154898	4.90	60157	1094321	1154478	4.90	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	22198028	1379722	23577750	100	22470683	1107067	23577750	100	-

B) Shareholding of Promoter (Equity Share Capital) -

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Yadupati Singhania	6735688	28.57	-	6736158	28.57	-	-

C) Change in Promoters' Shareholding (Equity Share Capital) (please specify, if there is no change) -

SN		Date wise Increase/ Decrease	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Shri Yadupati Singhania					
	At the beginning of the year	-	6735688	28.57	6735688	28.57
	Date wise Increase in Promoters Share holding during the year :					
	02.08.2018	50	-	-	6735738	28.57
	26.09.2018	420	-	-	6736158	28.57
	At the end of the year	-	-	-	6736158	28.57

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D) Shareholding Pattern of top ten Shareholders (Equity Share Capital) : (Other than Directors, Promoters and Holders of GDRs and ADRs) :

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of the top 10 Shareholders				
1.	The Oriental Insurance Co. Ltd At the beginning of the year Date wise Increase / Decrease in Shareholding during the year At the End of the year	47800 – 47800	0.20 – 0.20	47800 – 47800	0.20 – 0.20
2.	Sir Padampat Singhania Memorial Education Foundation At the beginning of the year Date wise Increase / Decrease in Shareholding during the year At the End of the year	44270 – 44270	0.18 – 0.18	44270 – 44270	0.18 – 0.18
3.	Shyamadevi Agrawal At the beginning of the year Date wise Increase / Decrease in Shareholding during the year At the End of the year	39100 – 39100	0.16 – 0.16	39100 – 39100	0.16 – 0.16
4.	Life Insurance Corporation of India At the beginning of the year Date wise Increase / Decrease in Shareholding during the year At the End of the year	26242 – 26242	0.11 – 0.11	26242 – 26242	0.11 – 0.11
5.	National Insurance Co. Ltd At the beginning of the year Date wise Increase / Decrease in Shareholding during the year At the End of the year	25100 – 25100	0.11 – 0.11	25100 – 25100	0.11 – 0.11
6.	The Raymond Woollen Mills Ltd At the beginning of the year Date wise Increase / Decrease in Shareholding during the year At the End of the year	10610 – 10610	0.04 – 0.04	10610 – 10610	0.04 – 0.04
7.	The Hooghly Mills Co. Ltd At the beginning of the year Date wise Increase / Decrease in Shareholding during the year At the End of the year	10000 – 10000	0.04 – 0.04	10000 – 10000	0.04 – 0.04
8.	Manmohan R. Mohta Sushma Mohta At the beginning of the year Date wise Increase / Decrease in Shareholding during the year At the End of the year	10000 – 10000	0.04 – 0.04	10000 – 10000	0.04 – 0.04
9.	Annapurna Projects Ltd At the beginning of the year Date wise Increase / Decrease in Shareholding during the year At the End of the year	7200 – 7200	0.03 – 0.03	7200 – 7200	0.03 – 0.03
10.	Suryodaya Inv & Trad Com Ltd At the beginning of the year Date wise Increase / Decrease in Shareholding during the year At the End of the year	6000 – 6000	0.02 – 0.02	6000 – 6000	0.02 – 0.02

E) Shareholding of Directors and Key Managerial Personnel (Equity Share Capital) :

SN	Shareholding of each Directors and each Key Managerial Personnel	Date wise Increase/ Decrease No. of Shares	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Shri Padam Kumar Jain, Director At the beginning of the year Change during the year At the end of the year	–	30 – 30	– – –	30 30 30	– – –

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2.	Shri Yadupati Singhania, Managing Director					
	At the beginning of the year	–	6735688	28.52	6735688	28.52
	Date wise Increase in Promoters Share holding during the year					
	02.08.2018	50	–	–	6735738	28.57
	26.09.2018	420	–	–	6736158	28.57
	At the end of the year	–	6735688	28.57	6736158	28.57
3.	Dr. K.B. Agarwal, Director					
	At the beginning of the year	–	5	–	5	–
	Changes during the year	–	–	–	5	–
	At the end of the year	–	5	–	5	–
4.	Ms. Sonali Agarwal, CFO					
	At the beginning of the year	–	5	–	5	–
	Changes during the year	–	–	–	5	–
	At the end of the year	–	5	–	5	–
5.	Shri Harshit Gunani, Company Secretary					
	At the beginning of the year	–	6	–	6	–
	Changes during the year	–	–	–	6	–
	At the end of the year	–	6	–	6	–

IVB. (A) SHARE HOLDING PATTERN (Preference Share Capital Breakup as percentage of Total Preference Share Capital) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March, 2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	–	15720	15720	0.36	15720	–	15720	0.36	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	–	3069000	3069000	70.04	3069000	–	3069000	70.04	–
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any other	–	–	–	–	–	–	–	–	–
Sub Total (A1)	–	3069000	3069000	70.40	3084720	–	3084720	70.40	–
(2) Foreign									
a) NRI Individuals	–	–	–	–	–	–	–	–	–
b) Other Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks / FI	–	–	–	–	–	–	–	–	–
e) Any other	–	–	–	–	–	–	–	–	–
Sub Total (A2)	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A) = (A1)+(A2)	–	3084720	3084720	70.40	3084720	–	3084720	70.40	–
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks / FI	–	–	–	–	–	–	–	–	–
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)–	–	–	–	–	–	–	–	–	–
Sub-total (B)(1)–	–	–	–	–	–	–	–	–	–

J. K. Cotton Ltd.

2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	1297000	1297000	29.60	706000	591000	1297000	29.60	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)									
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Societies	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	4381720	4381720	100.00	-	4381720	4381720	100.00	-

B) Shareholding of Promoter (Preference Share Capital) -

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Shri Yadupati Singhania	15720	100.00	-	15720	100.00	-	-

C) Change in Promoters' Shareholding (Preference Share Capital) (please specify, if there is no change) -

SN		Date wise Increase/ Decrease	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Shri Yadupati Singhania					
	At the beginning of the year		15720	100.00	15720	100.00
	Date wise increase/Decrease in Shareholding during the year	-	-	-	-	-
	At the end of the year		15720	100.00	15720	100.00

J. K. Cotton Ltd.

D) Shareholding Pattern (Preference Share Capital) of top ten Shareholders : (Other than Directors, Promoters and Holders of GDRs and ADRs) :

SN	For each of the top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Ujala Merchants and Traders Ltd				
	At the beginning of the year	706000	16.11	706000	16.11
	Date wise increase/Decrease in Shareholding during the year	–	–	706000	16.11
	At the end of the year	706000	16.11	706000	16.11
2.	Sarvashaktiman Traders Pvt Ltd				
	At the beginning of the year	591000	13.49	591000	13.49
	Date wise increase/Decrease in Shareholding during the year	–	–	591000	13.49
	At the end of the year	591000	13.49	591000	13.49

E) Shareholding (Preference Share) of Directors and Key Managerial Personnel :

SN	Shareholding of each Directors and each Key Managerial Personnel	Date wise Increase/ Decrease No. of Shares	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Shri Yadupati Singhania, Managing Director					
	At the beginning of the year		15720	100.00	15720	100.00
	Date wise increase/Decrease in Shareholding during the year		–	–	–	–
	At the end of the year		15720	100.00	15720	100.00

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits*	Total Indebtedness
Indebtedness at the beginning of the financial year				4,00,00,000
i) Principal Amount	NIL	4,00,00,000		
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	4,00,00,000		4,00,00,000
Change in Indebtedness during the financial year				
* Addition	NIL	NIL	NIL	NIL
* Reduction	NIL	2,00,00,000	NIL	2,00,00,000
Net Change	NIL	(2,00,00,000)	NIL	(2,00,00,000)
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	2,00,00,000	NIL	2,00,00,000
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	2,00,00,000	NIL	2,00,00,000

*Deposits denotes inter corporate deposits.

J. K. Cotton Ltd.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A Remuneration to Managing Director, Whole-time Directors and/or Manager : N.A.

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors					Total Amount
		Dr. K.B. Agarwal	Dr. J.N. Gupta	Shri R.K. Tandon	Shri K.D. Gupta	Shri P. K. Jain	
1.	Independent Directors						
	Fee for attending board committee meetings	70000	52000	40000	18000	40000	220000
	Commission	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL
	Total (1)	70000	52000	40000	18000	40000	220000
2.	Other Non-Executive Directors	Shri Nidhipati Singhania	Shri Ashok Gupta	Smt. Varsha Singhania			
	Fee for attending board committee meetings	8000	47000	NIL			55000
	Commission	NIL	NIL	NIL			NIL
	Others, please specify	NIL	NIL	NIL			NIL
	Total (2)	8000	47000	NIL			55000
	Total (B)=(1+2)						275000
	Total Managerial Remuneration						275000
	Overall Ceiling as per the Act	Limit prescribed under Rule 4 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,19,000	6,96,900	12,15,900
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission	NIL	NIL	NIL
	– as % of profit	NIL	NIL	NIL
	others, specify...	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL
	Total	5,19,000	6,96,900	12,15,900

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: No penalties/punishment imposed during financial year.

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
J. K. COTTON LIMITED
Kamla Tower, Kanpur.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by J. K. Cotton Ltd. (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by J. K. Cotton Ltd. for the financial year ended on 31st March, 2019 according to the provisions of:

- (1) The Companies Act, 2013 (the Act) and the rules made there under ;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under.
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;(NA)
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;(NA)
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;(NA)

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (NA)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;(NA)
- (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 clients;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;(NA)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (NA)
(Note: The shares listed on the UPSE and DSE Exchanges ceased to be recognized Stock Exchanges during F.Y 2015-16 and SEBI (Listing Obligations And Disclosure Requirements) Regulations 2015 also ceased to be effective. The shares of the Company have been removed from the Dissemination Board of BSE in March 2018 and from NSE in April 2018.)

- (6) I further report that reliance has been placed on the management representation by Company for compliances and systems, and mechanisms formed by Company on compliance with other laws, there is no specific Law applicable to the company except Real Estate (Regulation And Development) Act, 2016 effective from May 1, 2017:

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India, including revised SS1 & SS2 w.e.f. 01.10.2017
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (N.A.)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. [(a) form DPT 3, return of deposits or transactions not considered as deposits has not yet been filed by the Company with ROC), (b) Company has replied on 14/12/2018 by filing reply to call for information regarding compliance of provisions of Corporate Social Responsibility u/s 135 r/w/ sec. 134(3)(o) of the Act and rules thereto to CSR Cell, Ministry of Corporate Affairs.]

We have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other

J. K. Cotton Ltd.

applicable Acts, Laws, and Regulations to the Company.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Director and Independent Directors. 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 Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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 are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I 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.

I further report that during the audit period, there were no other events having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc. during the period under review except:

- (a) The shares of Company have been removed from dissemination Board of BSE in March, 2018 and from NSE in April 2018.

- (b) A recovery suit filed by M/s Hitads Pvt. Ltd., plaintiff against the Company had been decided in favour of the plaintiff for an amount of Rs. 41.27 Lacs + 18 % p.a interest and cost of litigation. The said order has been stayed by the Hon'ble High Court of Delhi on appeal filed by the Company.
- (c) Sale/otherwise disposal of whole of plant and machinery of textiles division of the company at Kalpi Road Kanpur including licenses, permits, consents approval etc., as approved by shareholders empowering Board of Directors to is continuing .
- (d) The Company is engaged in Real Estate activities only.
- (e) Company has undertaken project under Affordable Housing (EWS) under revised UP Govt. Notification No. 2/2018/1132/Aath-1-18-106 Vividh/2018 dt. 12.07.2018 under Pradhan Mantri Aawas Yojana and submitted bid with KDA in this connection

For Banthia & Company
Company Secretaries

G. K. Banthia (Proprietor)
Membership No. ACS 4933
C P No :1405

Date : 29.05.2019
Place : Kanpur

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 Members
J. K. Cotton Ltd.
Kamla Tower
Kanpur

Our report of even date is to be read along with this letter.

1. It is the responsibility of the management of the company to maintain secretarial record, devise proper systems to ensure compliance with the provisions of all the applicable laws and to ensure that the systems are adequate and operate effectively.
2. Our responsibility is to express an opinion on these secretarial records based on our audit.
3. 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.

4. We have not verified the correctness and appropriateness of finance records and Books of Accounts of the company.
5. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer:

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 Banthia & Company
Company Secretaries

G. K. Banthia (Proprietor)
Membership No. ACS 4933
C P No :1405

Date : 29.05.2019
Place : Kanpur

ANNUAL REPORT ON CSR ACTIVITIES

1. **A brief outline of the Company's CSR policy, including overview of projects or programs undertaken and a reference to the web-link to the CSR policy and projects or programs.**

The CSR Policy was approved by the Board of Directors at its Meeting held on 11th November, 2016 and has been uploaded on the Company's website.

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 Board of Directors of the Company through its CSR Committee will plan and monitor the expenditure of CSR activities. The Company's commitment to CSR will be manifested by investing resources in any of the areas enumerated in Schedule VII of the Companies Act, 2013.

The Company undertook the following projects during the year:

1. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
2. protection of national heritage including restoration of buildings and sites of historical importance

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

The web link to the CSR Policy is [http://www.jkcotton.com/pdf/policies/CORPORATE%20SOCIAL%20RESPONSIBILITY%20POLICY%20\(1\).pdf](http://www.jkcotton.com/pdf/policies/CORPORATE%20SOCIAL%20RESPONSIBILITY%20POLICY%20(1).pdf).

2. **The Composition of the CSR Committee.**

- i. Dr. Krishna Behari Agarwal, Chairman
- ii. Shri Ashok Gupta, Member
- iii. Shri Jagannath Gupta, Member

Note: Smt. Varsha Singhania (DIN 01646846), resigned from directorship of the Company w.e.f 07.09.2018 and the consequent vacancy in CSR Committee was filled by appointment of Shri Jagannath Gupta (DIN 00397952) as member of CSR Committee.

3. **Average net profit of the Company for last three Financial Years i.e. FY 2015-16, FY 2016-17& FY 2017-18.**

The average Net Profit for the last three years is Rs. 5.71 Crores.

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above)**

Prescribed CSR Expenditure is two percent of the amount as in item 3 above i.e.Rs. 11,42,131/-. Hence, Rs. 11,42,131/-was required to be spent during the Financial Year 2018-19.

5. **Details of CSR spent during Financial Year**

- a. Total amount spent for the Financial Year: Rs. 11,42,949/-
- b. Amount unspent, if any: NIL
- c. Manner in which the amount spent during the financial year:

J. K. Cotton Ltd.

1	2	3	4	5	6	7	8
Sr. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project program wise (Rs. in Lacs)	Amount spent on the projects or programs Sub-heads: 1. Direct expenditure on projects or programs 2. Overheads	Cumulative Expenditure upto the reporting period (Rs. in Lacs)	Amount Spent: Direct or through implementing agency
	protection of national heritage including restoration of buildings and sites of historical importance	protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts	Local area Uttar Pradesh Kanpur Nagar	0.67	Direct expenditure on projects or programs	0.67	Direct
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.	Throughout India	10.76	Direct expenditure on projects or programs	10.76	Through JK Cement Nimbahera Foundation, Implementing Agency
	Total			11.43		11.43	

6. In case the company has failed to spend the two percent of the average net profit of the last three years or any part thereof, the company shall provide the reasons for not spending the amount:

N/A; as the Company has spent two percent of the average net profit of the last three years and no part thereof remains unspent.

7. Responsibility statement of the CSR Committee that the implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and Policy of the company:

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

Sd/-
Shri Yadupati Singhania
Managing Director
(DIN: 00050364)

Sd/-
Shri Krishna Behari Agarwal
Chairman, CSR Committee
(DIN: 00374379)

J. K. Cotton Ltd.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF J. K. COTTON LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of J K COTTON LTD. ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the 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 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, 2019, and profit, 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 financial statements under the provisions of the Companies Act, 2013 and the Rules there under, 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.

Responsibility of Management for 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 financial statements that give a true and fair view of the financial position, financial performance, 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 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 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.

J. K. Cotton Ltd.

- 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 financial statements, including the disclosures, and whether the 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.
- Report on Other Legal and Regulatory Requirements**
- As required by the Companies (Auditor's Report) Order, 2016 ("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:**
- 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.
- a. 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.
 - b. 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.
 - c. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - d. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - e. 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.
 - f. 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, 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 financial statements. (Refer Note No.41)
 - 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.

For Gupta Vaish & Co.
Chartered Accountants
Registration Number: 005087C

RAJENDRA GUPTA
Partner
Date : 29.05.2019
Place : Kanpur

RAJENDRA GUPTA
Partner
Membership Number: 073250

J. K. Cotton Ltd.

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

Re: J.K.COTTON LIMITED

The Annexure referred to in our Independent Auditors’ Report to the members of the Company on the financial statements for the year ended 31st March, 2019, We report that:

i. In respect of its Fixed Assets:

- (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 assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of the immovable properties are held in the name of the Company. However, the company does not hold title deeds of some buildings, details given below:

Total No. of Cases	: 13
Gross Block	: Rs. 3,80,67,756
Net Block	: Rs. 3,80,67,756

ii. In respect of its Inventories:

As explained to us, inventories have been physically verified during the year by the management at reasonable intervals and discrepancies noticed on verification between physical stocks and the book records were not material.

iii. In respect of loans, secured or unsecured, granted by the Company to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013, according to the information and explanations given to us :

The Company has not granted any loan to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore the provisions of the Companies (Auditor’s Report) order, 2016, are not applicable to the company.

iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investment made .

v. 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, therefore, the provisions of paragraph 3(v) of the Companies (Auditor’s Report) order, 2016, are not applicable to the company.

vi. 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.

vii. 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, goods and services tax, 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, goods and services tax, Service Tax, Duty of Custom, Duty of Excise, Goods and Services Tax, Value Added Tax, Cess and other material Statutory dues were in arrear as at 31st March, 2019 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, custom duty, excise duty or value added tax which have not been deposited on account of any dispute.

viii. As the company has no Loan outstanding from Financial Institutions, Bank or Debenture holders at any time during the year, the provisions of the Companies (Auditor’s Report) Order, 2016 are, therefore, not applicable to the company.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, provisions of paragraph 3(ix) of the Companies (Auditor’s Report) order, 2016, are not applicable to the company.

x. According to the information and explanations given to us, no material fraud by the company or on the company by its officer or employees has been noticed or reported during the year.

xi. According to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for managerial

J. K. Cotton Ltd.

- remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- 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 paragraph 3 (xii) of the Companies (Auditor's Report) order, 2016, 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, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non- cash transactions with directors or persons connected with him, Therefore the provisions of paragraph 3 (xv) of the Companies (Auditor's Report) order, 2016, are not applicable to the company.
- xvi. The company is not required to be registered under section 45 – IA of the Reserve Bank of India Act, 1934.

For Gupta Vaish & Co.
Chartered Accountants
Registration Number: 005087C

RAJENDRA GUPTA
Partner
Membership Number: 073250

Date : 29.05.2019
Place : Kanpur

J. K. Cotton Ltd.

ANNEXURE “B” TO THE INDEPENDENT AUDITORS REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF J. K. COTTON LIMITED

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 LIMITED (“the Company”) as of 31 March 2019 in conjunction with our audit of the 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 2019, 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 Gupta Vaish & Co.
Chartered Accountants
Registration Number: 005087C

RAJENDRA GUPTA
Partner
Membership Number: 073250

Date : 29.05.2019
Place : Kanpur

J. K. Cotton Ltd.

ACCOUNTS

J. K. Cotton Ltd.

BALANCE SHEET

AS AT 31ST MARCH, 2019

	Note No.	As at 31.3.2019 (₹)	As at 31.3.2018 (₹)
I. ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment	1	25,10,20,401	37,60,82,998
(b) Other Intangible Assets	2	3,80,916	1,06,550
(c) Financial Assets			
(i) Investments	3	—	—
(ii) Others	4	94,92,719	2,04,53,237
(d) Deferred Tax Assets (net)	5	2,51,23,493	—
(e) Other Non Current Assets	6	—	—
		<u>28,60,17,529</u>	<u>39,66,42,785</u>
(2) Current Assets			
(a) Inventories	7	1,99,17,23,251	1,48,23,14,255
(b) Financial Assets			
(i) Investments	8	2,59,62,568	—
(ii) Trade Receivables	9	—	29,33,15,170
(iii) Cash and Cash Equivalents	10	4,13,94,874	9,23,70,045
(iv) Bank balances	11	14,56,06,259	9,43,07,334
(v) Others	12	72,45,789	55,72,110
(c) Current Tax Assets (Net)	13	1,59,14,425	1,29,72,378
(d) Other Current Assets	14	4,99,42,962	2,48,50,048
		<u>2,27,77,90,128</u>	<u>2,00,57,01,340</u>
		<u>2,56,38,07,657</u>	<u>2,40,23,44,125</u>
II. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Equity Share Capital	15	23,57,77,500	23,57,77,500
(b) Other Equity	16	27,90,78,780	64,08,29,037
		<u>51,48,56,280</u>	<u>87,66,06,537</u>
(2) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	43,81,72,000	43,81,72,000
(b) Long Term Provisions	18	65,10,392	58,22,826
(c) Deferred tax liabilities (Net)	5	—	31,79,484
		<u>44,46,82,392</u>	<u>44,71,74,310</u>
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	2,00,00,000	4,00,00,000
(ii) Trade Payables	20	10,53,51,287	8,55,02,842
(iii) Other Financial Liabilities	21	5,21,32,508	2,11,46,321
(b) Other Current Liabilities	22	1,42,67,03,190	93,09,05,115
(c) Short term Provisions	23	82,000	10,09,000
		<u>1,60,42,68,985</u>	<u>1,07,85,63,278</u>
		<u>2,56,38,07,657</u>	<u>2,40,23,44,125</u>

Significant Accounting Policies &
Notes on Financial Statements

1 -43

As per our Report attached

For GUPTA VAISH & CO.,
Chartered Accountants
RAJENDRA GUPTA
Partner

Place : Kanpur
Dated : 29th May, 2019

SONALI AGARWAL
Chief Financial Officer

HARSHIT GUNANI
Company Secretary

YADUPATI SINGHANIA
Chairman & Managing Director

KRISHNA BEHARI AGARWAL
ASHOK GUPTA

} Directors

J. K. Cotton Ltd.

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

	Note No.	Year Ended 31.3.2019 (₹)	Year Ended 31.3.2018 (₹)
Revenue from operations	24	14,84,57,763	55,93,74,688
Other Income	25	2,72,06,251	4,66,71,198
Total Income		<u>17,56,64,014</u>	<u>60,60,45,886</u>
Expenses			
Changes in Inventories of Finished Goods, Work-In-Progress and Stock In Trade	26	(18,28,61,388)	1,30,09,4800
Employee Benefits Expense	27	1,11,08,150	8,14,4467
Finance Costs	28	1,85,98,368	1,80,00,000
Depreciation and Amortization Expense	29	18,79,754	14,81,283
Cost of Construction & Development Expenses	30	24,19,76,230	15,03,32,715
Other Expenses	31	6,50,17,054	4,42,43,505
Total Expenses		<u>15,57,18,168</u>	<u>35,22,96,770</u>
Profit/(Loss) Before Tax		1,99,45,846	25,37,49,116
Transfer from Capital Reserve		3,69,93,580	5,22,00,234
Profit/(Loss) Before Tax		5,69,39,426	30,59,49,350
Tax Expenses			
Current Tax (MAT)		—	36,50,000
Tax for Previous Years		—	35,165
Deferred Tax (including MAT credit entitlement)		(2,83,02,977)	6,43,56,285
Profit/(Loss) for the Period from continuing operations		8,52,42,403	23,79,07,900
Profit/(Loss) from discontinued operations	42	(4,05,34,329)	(24,05,53,132)
Profit/(Loss) for the period		4,47,08,074	(26,45,232)
Other Comprehensive Income			
A (i) Items that will be reclassified to profit or loss			
Fair Value change on Equity Instrument through Other Comprehensive Income		8,17,102	—
B (ii) Items that will not be reclassified to profit or loss			
Re- measurement of defined benefits plan		9,23,000	17,89,000
Total comprehensive income for the year		<u>4,64,48,176</u>	<u>(8,56,232)</u>
Earning per Equity Share (for continuing operation)			
Basic & Diluted.		3.62	10.09
Earning per Equity Share (for discontinued operation)			
Basic & Diluted.		(1.72)	(10.20)
Earning per Equity Share of face value of Rs. 10/-each (for discontinued & continuing operations)			
Basic & Diluted.		1.90	(0.11)
Significant Accounting Policies & Notes on Financial Statements	1-43		

As per our Report attached

For GUPTA VAISH & CO.,
Chartered Accountants
RAJENDRA GUPTA
Partner

Place : Kanpur
Dated : 29th May, 2019

SONALI AGARWAL
Chief Financial Officer

HARSHIT GUNANI
Company Secretary

YADUPATI SINGHANIA
Chairman & Managing Director

KRISHNA BEHARI AGARWAL }
ASHOK GUPTA } Directors

J. K. Cotton Ltd.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

	2018-2019 (₹)	2017-2018 (₹)
A. Cash flow from operating Activities		
Profit/(Loss) before Tax incl. loss from discontinued operations	1,64,05,097	6,53,96,218
Adjustments for:		
Adjustment of Capital Reserve	(3,69,93,580)	(5,22,00,234)
Depreciation	2,47,27,526	11,62,45,610
OCI adjustment	9,23,000	17,89,000
Loss on Sale of Fixed Assets	5,20,062	4,81,04,926
Interest expenses	1,85,98,368	4,91,21,864
Profit on Sale of Assets	—	(62,83,767)
Profit on sale of Investments	(1,45,466)	(2,64,45,344)
Dividend Received	(24,840)	(1,24,210)
Interest income	(1,36,30,843)	(94,82,277)
Operating Profit before Working Capital Changes	1,03,79,324	18,61,21,786
(Increase)/Decrease in Inventories	(17,85,90,693)	14,89,85,120
(Increase)/Decrease in Trade receivables	1,53,449	25,50,37,184
(Increase)/Decrease in Other financial assets	1,09,60,518	(82,81,838)
(Increase)/Decrease in Other assets	(2,50,92,914)	(1,02,17,247)
Increase/(Decrease) in Trade Payables	1,98,48,445	(3,60,47,648)
Increase/(Decrease) in Other financial liabilities	2,72,86,187	(4,82,65,044)
Increase/(Decrease) in Other liabilities	8,69,36,640	6,74,71,032
Increase/(Decrease) in provisions	(2,39,434)	(1,23,05,091)
Net Cash Flow from Operations	(4,83,58,478)	54,24,98,254
Refund/ (Taxes Paid)	(29,42,047)	(1,04,23,317)
Net Cash From Operating Activities	(5,13,00,525)	53,20,74,937
B. Cash Flow from Investing Activities		
Movement in fixed deposit	(5,12,98,925)	(5,96,59,005)
Purchase of Fixed Assets	(81,54,897)	(3,00,87,281)
Purchase of Investments	(2,90,00,000)	—
Interest Income	1,19,57,164	65,73,778
Dividend Received	24,840	1,24,210
Sale of Investments	40,00,000	2,73,45,458
Sale of Fixed Assets	10,76,95,540	4,22,18,303
Net Cash Used in Investing Activities	3,52,23,722	(1,34,84,537)
C. Cash Flow from Financing Activities		
Proceeds/(Repayment) of Unsecured Loan	(2,00,00,000)	(51,50,00,000)
Interest paid	(1,48,98,368)	(1,13,96,534)
Net Cash Used in Financing Activities	(3,48,98,368)	(52,63,96,534)
Net Increase/(Decrease) in Cash & Cash equivalents	(5,09,75,171)	(20,97,597)
Opening Balance of Cash & Cash equivalents	9,23,70,045	9,44,67,642
Closing Balance of Cash & Cash equivalents	4,13,94,874	9,23,70,045
Note : 1. Cash and Cash Equivalents consist of cheques, drafts, balances with banks and deposits with original maturity of upto 3 months.		
2. Reconciliation of cash and cash equivalents		
Cash and cash equivalent as per Note No. 10	4,13,94,874	9,23,70,045
3. Previous year figures have been regrouped/rearranged/ restated wherever considered necessary		

As per our Report attached

For GUPTA VAISH & CO.,
Chartered Accountants
RAJENDRA GUPTA
Partner

Place : Kanpur
Dated : 29th May, 2019

SONALI AGARWAL
Chief Financial Officer

HARSHIT GUNANI
Company Secretary

YADUPATI SINGHANIA
Chairman & Managing Director

KRISHNA BEHARI AGARWAL }
ASHOK GUPTA } Directors

J. K. Cotton Ltd.

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2019

A. EQUITY SHARE CAPITAL

(Amount in ₹)

Balance at the beginning of the Reporting Period i.e. 1st April, 2017	Changes in equity share capital during the year 2017-18	Balance at the end of the Reporting Period i.e. 31st March, 2018	Changes in equity share capital during the year 2018-19	Balance at the end of the Reporting Period i.e. 31st March, 2019
23,57,77,500	—	23,57,77,500	—	23,57,77,500

B. OTHER EQUITY

(Amount in ₹)

	Reserve and Surplus				Total
	Capital Reserve	Securities Premium Reserve	Retained Earnings	Capital Redemption Reserve	
AS ON 31 MARCH 2018					
Balance at the beginning of the reporting period i.e., 1st April, 2017	1,27,57,14,938	2,09,98,650	(60,60,14,886)	31,86,800	69,38,85,502
Profit/(Loss) for the year			(26,45,232)		
Transfer to profit and loss	(5,22,00,234)				
Other comprehensive income for the year			17.89,000		
Balance at the end of the reporting period i.e., 31st March, 2018	1,22,35,14,704	2,09,98,650	(60,68,71,118)	31,86,800	64,08,29,036

	Reserve and Surplus					Total
	Capital Reserve	Securities Premium Reserve	Retained Earnings	Equity Instrument through other Comprehensive Income	Capital Redemption Reserve	
AS ON 31 MARCH 2019						
Balance at the beginning of the reporting period i.e., 1st April, 2018	1,22,35,14,704	2,09,98,650	(60,68,71,118)		31,86,800	64,08,29,036
Adjustment for IndAS 115			(37,12,04,853)			
Profit/(Loss) for the year			4,47,08,074			
Transfer to profit and loss	(3,69,93,580)					
Other comprehensive income for the year			9,23,000	8,17,102		
Balance at the end of the reporting period i.e., 31st, March, 2019	1,18,65,21,124	2,09,98,650	(93,24,44,897)	8,17,102	31,86,800	27,90,78,779

J. K. Cotton Ltd.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

1. PROPERTY, PLANT & EQUIPMENTS

	GROSS BLOCK			DEPRECIATION					NET BLOCK		
Description of Assets	As at 1.04.2017	Additions	Sales/ Adjustments	As at 31.3.2018	As at 1.4.2017	Sales/ Adjustments	For the year	Impairment Loss	Upto 31.3.2018	As at 31.3.2018	As at 31.3.2017
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Tangible Assets											
Land	3,80,67,756	—	—	3,80,67,756	—	—	—	—	—	3,80,67,756	3,80,67,756
Buildings	8,43,11,216	—	—	8,43,11,216	4,08,21,823	—	18,43,261	—	4,26,65,084	4,16,46,132	4,34,89,393
Plant & Machinery	94,47,05,632	3,00,09,781	13,11,88,984	84,35,26,429	48,75,31,369	4,67,72,496	3,89,15,238	7,28,21,374	55,24,95,485	29,10,30,944	45,71,74,263
Furniture & Fittings	97,71,417	—	—	97,71,417	66,60,033	—	5,27,763	—	71,87,796	25,83,621	31,11,384
Office Equipments.	36,04,460	77,500	31,500	36,50,460	26,14,981	1,21,524	3,32,170	—	28,25,627	8,24,833	9,89,479
Vehicles	45,75,763	—	8,36,633	37,39,130	18,85,620	6,05,378	5,29,176	—	18,09,418	19,29,712	26,90,143
Total	1,08,50,36,244	3,00,87,281	13,20,57,117	98,30,66,408	53,95,13,826	4,74,99,398	4,21,47,608	7,28,21,374	60,69,83,410	37,60,82,998	54,55,22,418

	GROSS BLOCK			DEPRECIATION				NET BLOCK		
Description of Assets	As at 1.04.2018	Additions	Sales/ Adjustments	As at 31.3.2019	As at 1.4.2018	Sales/ Adjustments	For the year	Impairment Loss	Upto 31.3.2019	As at 31.3.2019
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Tangible Assets										
Land	3,80,67,756	—	—	3,80,67,756	—	—	—	—	—	3,80,67,756
Buildings	8,43,11,216	—	—	8,43,11,216	4,26,65,084	—	15,59,702	—	4,42,24,786	4,00,86,430
Plant & Machinery*	84,35,26,429	30,73,621	19,45,80,547	65,20,19,503	55,24,95,485	8,63,93,327	21,71,248	1,95,69,000	48,78,42,406	16,41,77,097
Furniture & Fittings	97,71,417	76,550	—	98,47,967	71,87,796	—	4,95,164	—	76,82,960	21,65,007
Office Equipments	36,50,460	10,94,943	—	47,45,403	28,25,627	—	1,76,471	—	30,02,098	17,43,305
Vehicles	37,39,130	35,38,006	63,541	72,13,595	18,09,418	35,159	6,58,530	—	24,32,789	47,80,806
Total	98,30,66,408	77,83,120	19,46,44,088	79,62,05,440	60,69,83,410	8,64,28,486	50,61,115	1,95,69,000	54,51,85,039	25,10,20,401

Note:

₹ 64,86,562 of sale value of Plant & Machinery of which cost is not ascertainable

* includes ₹ 15,11,83,000 being realisable value of Plant and Machinery held for sale.

J. K. Cotton Ltd.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

2. OTHER INTANGIBLE ASSETS

	GROSS BLOCK			DEPRECIATION					NET BLOCK		
Description of Assets	As at 1.04.2017	Additions	Sales/ Adjustments	As at 31.3.2018	As at 1.4.2017	Sales/ Adjustments	For the year	Impairment Loss	Upto 31.3.2018	As at 31.3.2018	As at 31.3.2017
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Intangible Assets											
Computer Software	53,65,234	—	—	53,65,234	45,00,313	5,18,257	12,76,628	—	52,58,684	1,06,550	8,64,921
Total	53,65,234	—	—	53,65,234	45,00,313	5,18,257	12,76,628	—	52,58,684	1,06,550	8,64,921

Description of Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 1.04.2018	Additions	Sales/ Adjustments	As at 31.3.2019	As at 1.4.2018	Sales/ Adjustments	For the year	Impairment Loss	Upto 31.3.2019	As at 31.3.2019
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Intangible Assets										
Computer Software	53,65,234	3,71,777	—	57,37,011	52,58,684	—	97,411	—	53,56,095	3,80,916
Total	53,65,234	3,71,777	—	57,37,011	52,58,684	—	97,411	—	53,56,095	3,80,916

NON CURRENT ASSETS

3. NON CURRENT INVESTMENTS

a) In Equity Shares - Unquoted fully paidup	—	—
-2070 Bonus Equity shares of Accurate Finman Services Ltd.	—	—

4. OTHER NON CURRENT FINANCIAL ASSETS

Fixed Deposits	94,92,719	2,04,53,237
	94,92,719	2,04,53,237

4.1 Fixed Deposits ₹ 94,92,719 (Previous Year ₹1,04,53,237) pledged with Bank towards Bank Guarantee for EPCG Licence

5. DEFERRED TAX (NET)

a ¹) Deferred Tax Liability		
Difference between Net Book Value of Depreciable Capital Assets As per Books vis-à-vis Written Down Value As Per IncomeTax	(4,36,17,120)	(6,73,39,999)
a ²) Deferred Tax Asset		
Item Under The Income Tax Act Which Will Be Allowed On Actual Payment	62,61,400	1,00,19,601
Unabsorbed Losses	5,88,29,213	5,04,90,914
	2,14,73,493	(68,29,484)
b) MAT credit entitlement	36,50,000	36,50,000
	2,51,23,493	(31,79,484)

J. K. Cotton Ltd.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31.3.2019 (₹)	As at 31.3.2018 (₹)
6. OTHER NON CURRENT ASSETS		
a) Capital Advances		
Considered Good	—	—
Doubtful	45,921	45,921
	45,921	45,921
Less: Provision for Doubtful Advances	45,921	45,921
	—	—
CURRENT ASSETS		
7. INVENTORIES		
a) Stores & Spare Parts	—	42,70,695
b) Work In Progress - Real Estate	1,99,17,23,251	1,47,80,43,560
	1,99,17,23,251	1,48,23,14,255
8. INVESTMENTS		
IN MUTUAL FUNDS- UNQUOTED:		
(At fair value through Other Comprehensive Income)		
SBI Liquid Mutual Fund	2,59,62,568	—
Total Aggregate Value of Unquoted Investments	2,59,62,568	—
Aggregate Value of Investments measured at FVTOCI	2,59,62,568	—
9. TRADE RECEIVABLES		
Unsecured		
Considered Good*	—	29,33,15,170
Credit Impaired	1,21,01,129	1,22,84,592
	1,21,01,129	30,55,99,762
Less : Allowance for Credit Impaired	1,21,01,129	1,22,84,592
	—	29,33,15,170
10. CASH AND CASH EQUIVALENT		
a) Balances with Banks		
In Current Account	1,90,15,350	5,04,09,715
In Fixed Deposit	2,16,00,912	4,17,80,585
b) Cash on Hand	7,78,612	1,79,745
	4,13,94,874	9,23,70,045
11. BALANCE WITH BANKS		
a) Balance In Fixed Deposits with Bank	14,56,06,259	9,43,07,334
	14,56,06,259	9,43,07,334
10.1 Fixed Deposits of Rs. 1169816 (Previous Year Nil) pledged with Bank towards Bank Guarantee to Pollution Control Board		
12. OTHER CURRENT FINANCIAL ASSETS		
a) Interest accrued on FDR with Banks	72,45,789	55,72,110
	72,45,789	55,72,110

J. K. Cotton Ltd.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31.3.2019 (₹)	As at 31.3.2018 (₹)
13. CURRENT TAX ASSETS (NET)		
a) Advance Tax & TDS (net of provision)	1,59,14,425	129,72,378
	<u>1,59,14,425</u>	<u>129,72,378</u>
14. OTHER CURRENT ASSETS		
a) Prepaid Expenses	2,25,600	4,86,253
b) Deposits	1,45,46,463	1,45,89,187
c) Income Receivable	5,70,239	3,50,794
d) Input Tax Credit under GST	2,53,18,269	20,89,837
e) Others Loans & Advances		
Considered Good	92,82,391	73,33,977
Doubtful	2,46,882	2,46,882
	<u>95,29,273</u>	<u>75,80,859</u>
Less: Provision for Doubtful Advances	2,46,882	2,46,882
	<u>92,82,391</u>	<u>73,33,977</u>
	<u>4,99,42,962</u>	<u>2,48,50,048</u>
15. SHARE CAPITAL		
AUTHORISED :		
24500000 Equity shares of ₹ 10/- each	24,50,00,000	24,50,00,000
4525000 6% Non Cumulative Redeemable Preference Shares of ₹ 100/- each	45,25,00,000	45,25,00,000
25000 8.5% Non Cumulative Redeemable Preference Shares of ₹ 100/- each	25,00,000	25,00,000
	<u>70,00,00,000</u>	<u>70,00,00,000</u>
ISSUED, SUBSCRIBED AND PAID-UP :		
23577750 Equity shares of ₹ 10/- each	23,57,77,500	23,57,77,500
	<u>23,57,77,500</u>	<u>23,57,77,500</u>
(a) The reconciliation of the number of Equity shares outstanding is set out below :-		
Shares at the beginning of the year	2,35,77,750	2,35,77,750
Shares at the end of the year	2,35,77,750	2,35,77,750
(b) Details of Shareholders holding more than 5% Shares of the Company:-		
	31.3.2019	31.3.2018
	% of Holding	% of Holding
	No of Shares	No of Shares
Equity Shares		
1. M/s Yadu International Ltd.	7.30 17,20,000	7.30 17,20,000
2. Smt. Sushila Devi Singhania	8.04 18,95,000	8.04 18,95,000
3. Mrs. Kavita Singhania	9.97 23,50,000	9.97 23,50,000
4. Mr. Yadupati Singhania	28.57 67,36,158	28.57 67,35,688
5. M/s Jaykay Enterprises Ltd.	40.34 95,10,360	40.34 95,10,360

J. K. Cotton Ltd.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31.3.2019 (₹)	As at 31.3.2018 (₹)
16. OTHER EQUITY		
Capital Reserve		
Balance at the beginning of the year	1,22,35,14,704	1,27,57,14,938
Less : Transfer to Profit Loss Statement	*3,69,93,580	*5,22,00,234
Balance at the end of the year	<u>1,18,65,21,124</u>	<u>1,22,35,14,704</u>
Capital Redemption Reserve		
Balance at the end of the year	31,86,800	3,18,6800
Share Premium Account		
Balance at the end of the year	2,09,98,650	2,09,98,650
Retained Earnings		
Balance at the beginning of the year	(60,68,71,117)	(60,60,14,885)
Less: Effect of Ind AS 115 (Refer Note no. 38 and 43.3.1)	(37,12,04,853)	—
Add : Re-measurement of defined benefits Plan (OCI)	9,23,000	17,89,000
Add : Ind AS profit for the year	4,47,08,074	(26,45,232)
Balance at the end of the year	<u>(93,24,44,896)</u>	<u>(60,68,71,117)</u>
Other Comprehensive Income		
Balance at the beginning of the year	—	—
Add: Fair Value change on Equity Instrument through Other Comprehensive Income	8,17,102	—
Balance at the end of the year	<u>8,17,102</u>	<u>—</u>
	<u>27,90,78,780</u>	<u>64,08,29,037</u>

* Transfer pertains to the Area for which Sale Deed executed during the year.

Notes to Other Equity

- 16.1) 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.
- 16.2) 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.
- 16.3) Share Premium Account represents the amount received in excess of face value of shares issued in earlier years.
- 16.4) Retained Earnings represents the cumulative profits of the Company and effect of re-measurement of defined obligations. This reserve can be utilized in accordance with the provision of the Companies Act, 2013.
- 16.5) Other Comprehensive Income (OCI), represents the fair value changes of specified items which will be reclassified to Profit and Loss Account in future years.

NON CURRENT LIABILITIES

17. BORROWINGS

a) 4381720,6% Non Cumulative Redeemable Preference Shares of ₹ 100/- each	43,81,72,000	43,81,72,000
	<u>43,81,72,000</u>	<u>43,81,72,000</u>

- 17.1) Directors have decided not to pay any Dividend on Preference and Equity Shares during the year.

J. K. Cotton Ltd.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31.3.2019 (₹)	As at 31.3.2018 (₹)
18. LONG TERM PROVISIONS		
a) Gratuity	47,26,978	44,81,924
b) Leave Encashment	17,83,414	13,40,902
	<u>65,10,392</u>	<u>58,22,826</u>
CURRENT LIABILITIES		
FINANCIAL LIABILITIES		
19. BORROWINGS		
Unsecured		
a) From Related Party	2,00,00,000	4,00,00,000
	<u>2,00,00,000</u>	<u>4,00,00,000</u>
20. TRADE PAYABLES		
a) Micro and Small Enterprises	—	—
b) Others	10,53,51,287	8,55,02,842
	<u>10,53,51,287</u>	<u>8,55,02,842</u>
21. OTHER CURRENT FINANCIAL LIABILITIES		
a) Other Payables	5,21,11,508	2,11,25,321
b) Unclaimed Preference Shares (Redemption Money)	21,000	21,000
	<u>5,21,32,508</u>	<u>2,11,46,321</u>
Other payables include employees liabilities, expenses payable .		
22. OTHER CURRENT LIABILITIES		
a) Advance from Customers	1,16,29,24,637	64,85,51,066
b) Deposits	26,03,70,266	24,90,30,487
c) Others	34,08,287	3,33,23,562
	<u>1,42,67,03,190</u>	<u>93,09,05,115</u>
23. SHORT TERM PROVISIONS		
a) Gratuity	7,000	6,94,000
b) Leave Encashment	75,000	3,15,000
	<u>82,000</u>	<u>10,09,000</u>

J. K. Cotton Ltd.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	Year Ended 31.3.2019 (₹)	Year Ended 31.3.2018 (₹)
24. REVENUE FROM OPERATIONS		
a) Revenue from Real Estate	14,84,57,763	55,93,74,688
	14,84,57,763	55,93,74,688
25. OTHER INCOME		
a) Interest on Fixed Deposits	1,33,27,778	91,81,280
b) Dividend received	24,840	1,24,210
c) Rent	1,33,32,986	1,04,28,382
d) Miscellaneous Receipt	5,20,647	2,69,33,589
e) Sundry Sales	—	3,737
	2,72,06,251	4,66,71,198
26. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE		
(a) Inventories at the end of the year		
Work-in-Progress (Real Estate)	1,99,17,23,251	1,47,80,43,560
Total (a)	1,99,17,23,251	1,47,80,43,560
(b) Inventories at the beginning of the year		
Work-in-Progress (Real Estate)*	1,80,88,61,863	1,60,81,38,360
Total (b)	1,80,88,61,863	1,60,81,38,360
Total (b-a)	(18,28,61,388)	13,00,94,800
* Note: Current year includes opening adjustments on transition to Ind AS 115		
27. EMPLOYEE BENEFITS EXPENSE		
a) Salaries and Wages	99,64,916	53,66,444
b) Contribution to Provident and other Funds	8,51,828	24,02,501
c) Staff welfare expenses	2,91,406	3,75,522
	1,11,08,150	81,44,467
28. FINANCE COST		
a) Interest Expenses	1,85,98,368	1,80,00,000
	1,85,98,368	1,80,00,000
29. DEPRECIATION & AMORTISATION EXPENSE		
a) Depreciation on tangible assets	17,82,343	14,11,787
b) Amortisation on intangible assets	97,411	69,496
	18,79,754	14,81,283

J. K. Cotton Ltd.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	Year Ended 31.3.2019 (₹)	Year Ended 31.3.2018 (₹)
30. Land Development & Construction Expenses		
Employee Cost	66,47,321	52,30,716
Cement	78,02,590	36,73,861
Steel	2,51,06,788	58,35,506
Sewage & pipes	18,99,660	7,63,397
Course Sand , Grit & Bricks	28,99,115	3,49,358
Tiles, Marble, Pavers & Granite	1,04,64,346	—
Purchase of Plot (incl. Stamp Duty)	—	1,92,80,700
Contractor Charges	14,39,36,699	5,33,17,884
Less : Amt against cement and TMT bars issued	(2,56,23,239)	—
Electric Sub Station Expenses	47,74,502	1,36,89,125
Site electrification expenses	43,43,432	34,97,534
Electricity consump. & electric install. charges	22,712	63,767
EWS/LIG construction expenses	2,18,630	—
RERA Exp.	1,78,583	—
Service Tax	—	16,71,610
Sample & Model Expenses	25,43,695	12,64,199
MEP Consultancy Services	11,85,521	—
Professional charges	44,06,636	69,16,315
Project Consultancy Management	70,00,000	1,17,71,796
Testing Charges	33,576	1,97,950
Freight	4,88,471	2,79,149
Insurance	—	38,910
Building Construction Expenses – Misc.	—	6,28,170
Gardening & Horticulture Expenses	25,76,183	17,41,653
Security Expenses	5,729	55,42,069
Telephone Expenses	12,37,006	—
Park equipment & Developments	—	13,04,978
Prayer Hall Expenses	58,00,294	45,23,224
Badminton & Basket Ball Court Expenses	9,16,157	—
Party Lawn Expenses (18%)	12,48,339	—
Villa Expenses	79,25,992	—
Map sanction expenses	20,17,302	7,55,657
Compounding fees	32,24,812	—
Other Misc. Expenses	31,29,881	12,23,074
Architectural Services	96,46,880	59,00,000
Tender application Fee	—	6,000
Bricks Cleaning Charges	44,72,905	5,32,560
Establishment Expenses	14,45,712	33,35,53
	24,19,76,230	15,03,32,715

J. K. Cotton Ltd.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	Year Ended 31.3.2019 (₹)	Year Ended 31.3.2018 (₹)
31. OTHER EXPENSES		
Administration & Sundry Expenses		
Rent	5,88,000	5,70,000
Rates & Taxes	12,39,203	14,39,206
Insurance	2,03,872	2,786
Travelling & Conveyance	6,69,271	4,53,876
Directors' Fees	2,75,000	3,46,300
Remuneration to Auditors:		
As Audit Fee	2,00,000	2,00,000
As Tax Audit Fee	50,000	51,500
CSR Expenditure	11,42,949	—
Other Expenses	3,50,34,587	1,57,65,844
	3,94,02,882	1,88,29,512
Selling & Distribution Expenses		
Advertisement & Publicity	76,26,535	22,37,362
Commission on Sale	1,45,35,246	2,20,25,627
Selling Expenses	34,52,391	11,51,004
	2,56,14,172	2,54,13,993
	6,50,17,054	4,42,43,505

32. Balances of personal accounts of Trade Receivable, Trade Payables, Deposits, Loans and Advances are subject to confirmation and reconciliation.

33. 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.

34. 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.

35. EARNINGS PER SHARE (EPS)

	2018-19 ₹ in lacs	2017-18 ₹ in lacs
(a) Net Profit/(Loss)	447.08	(26.45)
(b) Weighted average number of equity shares used as denominator for calculation of EPS	2,35,77,750	2,35,77,750
(c) Basic and diluted earnings per share of ₹ 10/- each	1.90	(0.11)

J. K. Cotton Ltd.

36. DISCLOSURE INTERMS OF Ind AS-19 ARE AS FOLLOWS :

a. Defined contribution plan

Contribution to defined contribution plan recognized as expenses for the year 2018-19 are as under :

Employer's contribution to provident fund ₹ 8,79,051/- ₹ 11,29,409/-

b. Defined Benefit Plan

The present value of obligation is determined based on actuarial valuation using the project unit credit method. The obligation for leave encashment is recognized in the same manner as gratuity.

		₹ in Lacs			
A. Profit & Loss (P & L)		Gratuity unfunded		Leave Encashment unfunded	
		2018-19	2017-18	2018-19	2017-18
1.	Current service cost	2.51	12.69	3.10	7.67
2.	Past Service Cost – plan amendments	0.00	15.31	0.00	2.34
3.	Curtailment Cost / (credit)	0.00	(6.70)	0.00	2.61
4.	Service Cost	2.51	21.30	3.10	12.62
5.	Net Interest on net defined benefit liability / (asset)	14.04	16.13	1.17	0.94
6.	Immediate recognition of (gains)/losses	0.00	0.00	(0.32)	0.80
7.	Cost recognized in P&L	16.55	37.43	3.95	14.36
B Other Comprehensive Income (OCI)					
1.	Actuarial (gain)/loss due to DBO experience	(9.50)	(15.82)	(0.48)	1.78
2.	Actuarial (gain)/loss due to DBO assumption changes	0.27	(2.07)	0.16	(0.98)
3.	Actuarial (gain)/loss arise during period	(9.23)	(17.89)	(0.32)	0.80
4.	Actuarial (gains)/losses recognized in OCI	(9.23)	(17.89)	0.00	0.00
C Defined Benefit Cost					
1.	Service Cost	2.51	21.30	3.10	12.62
2.	Net Interest on net defined benefit liability / (asset)	14.04	16.13	1.17	0.94
3.	Actuarial (gains)/losses recognized in OCI	(9.23)	(17.89)	0.00	0.00
4.	Immediate recognition of (gains)/losses	0.00	0.00	(0.32)	0.80
5.	Defined Benefit Cost	7.32	19.54	3.95	14.36
D Development of Net Balance Sheet Position					
1.	Defined Benefit Obligation (DBO)	(187.72)	(193.86)	(18.59)	(16.56)
2.	Fair Value of Plan Assets (FVA)	0.00	0.00	0.00	0.00
3.	Funded Status [Surplus/(deficit)]	(187.72)	(193.86)	(18.59)	(16.56)
4.	Net Defined Benefit Asset/(Liability)	(187.72)	(193.86)	(18.59)	(16.56)
E CHANGE IN DEFINED BENEFIT OBLIGATION (DBO)					
1.	DBO at end of prior period	193.86	307.24	16.56	25.96
2.	Current Service Cost	2.51	12.69	3.10	7.67
3.	Interest cost on the DBO	14.04	16.13	1.17	0.94
4.	Curtailment (credit)/ cost	0.00	(6.70)	0.00	2.61
5.	Past Service cost – plan amendments	0.00	15.31	0.00	2.34
6.	Actuarial (gain)/loss - experience	(9.50)	(15.82)	(0.48)	1.78
7.	Actuarial (gain)/loss – financial assumptions	0.27	(2.07)	0.16	(0.98)
8.	Benefits paid directly by the Company	(13.46)	(132.92)	(1.92)	(23.76)
9.	DBO at end of current period	187.72	193.86	18.59	16.56

J. K. Cotton Ltd.

A. Profit & Loss (P & L)	Gratuity unfunded		₹ in Lacs	
	2018-19	2017-18	Leave Encashment unfunded	2017-18
F ACTUARIAL ASSUMPTIONS				
1. Discount Rate	7.40%	7.50%	7.40%	7.50%
2. Expected Rate of Return on Plan Assets	N/A	N/A	N/A	N/A
3. Mortality	Indian Assured Lives Mortality (2006-08) (modified) Ult		Indian Assured Lives Mortality (2006-08) (modified) Ult	
4. Turnover Rate	1% of all ages		1% of all ages	
5. Salary Escalator	5%	5%	5%	5%
6. Maximum Limit	₹ 20 lacs	₹ 20 lacs		

37. RELATED PARTY DISCLOSURES:

- (a) Key Management Personnel & their Relatives
 - i) Shri Yadupati Singhania - Chairman & Managing Director
 - ii) Ms. Sonali Agarwal - Chief Financial Officer
 - iii) Shri Harshit Gunani – Company Secretary
 - iv) Smt. Sushila Devi Singhania – Relative of MD
- (b) Others Director's and their Relatives
 - (i) Shri Nidhipati Singhania - Director
 - (ii) Smt. Varsha Singhania – Director upto 6/9/2018
 - (iii) Dr. Krishna Behari Agarwal – Director
 - (iv) Shri Ashok Gupta – Director
 - (v) Dr. Jagannath Gupta – Director
 - (vi) Shri Krishna Das Gupta – Director
 - (vii) Shri Padam Kumar Jain – Director
 - (viii) Shri Ravindra Kumar Tandon – Director
 - (ix) Shri Abhishek Singhania – Relative of Director
 - (x) Smt. Kalpana Singhania – Relative of Director
 - (xi) Shri Ramapati Singhania – Relative of Director
- (b) Enterprises significantly influenced by Key Management Personnel or their Relatives:-
 - i) Jaykay Enterprises Ltd.
 - ii) J.K. Cement Ltd.
 - iii) Yadu International Ltd.
 - iv) Uttar Pradesh Cricket Association

Related Parties relationship as identified by the company and relied upon by the Auditors.

J. K. Cotton Ltd.

Following are the transactions with related parties :

Details of transactions are as follows	2018-19	2017-18
	₹	₹
i) Jaykay Enterprises Ltd.		
a) Rent paid	7,20,000	9,77,500
b) Others	29,500	1,21,902
ii) J.K. Cement Ltd.		
a) Rent received(including GST)	29,05,410	32,39,190
b) Purchase of Cement	59,736	—
iii) Yadu International Ltd		
a) Loan received		
Balance at the beginning of the year	—	50,00,00,000
Loan adjusted from property sold	—	50,00,00,000
Balance at the end of the year	—	—
b) Preference Share allotted to YIL	—	30,69,00,000
iv) Uttar Pradesh Cricket Association		
a) Rent & Maintenance Charges Received	64,27,120	60,57,972
Details of transactions are as follows	2018-19	2017-18
	₹	₹
v) Key management personnel & their Relatives		
a) Shri Yadupati Singhania		
• Loan Received		
Balance at the beginning of the year	4,00,00,000	4,00,00,000
Loan paid during the year	2,00,00,000	—
Balance at the end of the year	2,00,00,000	4,00,00,000
• Rent Paid	39,996	39,996
b) Smt. Sushila Devi Singhania		
Rent Paid	20,004	20,004
c) Shri Abhishek Singhania		
Rent Paid	39,996	39,996
d) Shri Nidhipati Singhania		
Rent Paid	20,004	20,004
e) Smt. Kalpana Singhania		
Rent Paid	19,992	19,992
f) Shri Ramapati Singhania		
Rent Paid	20,004	20,004
g) Ms. Sonali Agarwal		
Remuneration including PF	7,48,020	5,92,360
h) Shri Harshit Gunani		
Remuneration including PF	5,66,520	4,33,831
i) Sitting Fees to other Directors	2,75,000	3,34,000

J. K. Cotton Ltd.

38.1) Disclosure of amount by which financial statements are impacted by application of Ind AS 115 as compared to Ind AS 11 and Ind AS 18:

(Amount in ₹)

Particulars	as at 31-3-2019 (as per Ind AS 11 and Ind AS 18)	impact of application of Ind AS 115 increase/(decrease)		as at 31-3-2019 (after application of Ind AS 115)
		transition impact as at April 1, 2018	For the year 2018-19	
assets	2,76,22,64,311	(37,12,04,853)	17,70,27,48,199	2,56,38,07,657
equity	87,52,44,607	(37,12,04,853)	1,08,16,525	51,48,56,279

38.2) Disclosure pursuant to Ind AS 115 “Revenue from contracts with customers”

(Amount in ₹)

Particulars	For the year 2018-19		
	as per Ind AS 11 and Ind AS 18	Impact of application of Ind AS 115 increase/ (decrease)	After application of Ind AS 115
Revenue from operations	15,45,73,645	(61,15,882)	14,84,57,763
Change in inventory	(16,59,28,981)	1,69,32,407	(18,28,61,388)
Profit before tax	55,88,572	1,08,16,525	1,64,05,097
tax expenses	(2,83,02,977)	—	(2,83,02,977)
Profit after tax after discontinuing operations	3,38,91,549	1,08,16,525	4,47,08,074
Basic earnings per share	1.44	0.53	1.90
Diluted earnings per share	1.44	0.53	1.90

- Under Ind AS 115, revenue from realty business is recognized upon delivery of units as against percentage of completion method followed under Ind AS 11.
- Impact on account of transition: opening Retained earnings as on April 1, 2018 reduced by ₹ 37,12,04,853 with a corresponding increase in inventory by ₹ 33,08,18,302 and decrease in trade receivables by ₹ 70,20,23,155.
- Impact for the year: Profit after tax during the year is higher by ₹ 1,08,16,525, increase in inventory by ₹ 1,69,32,407 and decrease in Revenue from Operations of ₹ 61,15,882.

39. Approval of Financial Statements:

The financial statements were approved for issue by the Board of Directors on 29th May, 2019.

40. Previous year figures have been regrouped / rearranged / restated wherever necessary.

41. Contingent Liabilities

- Claims against the company not acknowledged as debts - Amount unascertainable.
- As per Notification of the Payment of Bonus (Amendment) Act, 2015 dt. 31.12.15, minimum Bonus payment has been increased with retrospective effect from 1st April, 2014. No provision has been made by the Company for differential amount of Bonus amounting to ₹ 19,21,013/- for the F.Y. 2014-15 as Hon'ble High Court stayed the Notification from its retrospective effect.
- A Recovery suit being Civil Suit No. 613850/16 was filed by Mr. Rakesh Bhasin, Director of M/s. Hitads Pvt. Ltd.

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against the Company for recover of outstanding amount of ₹ 74,59,021/- and the same was inter-alia contested on the ground that JK Cotton is sick company. The matter was pending for a long time and was only recently decided vide Judgement dated 24.12.18 in favour of the Plaintiff i.e. M/s Hitads Pvt. Ltd. and it was held entitled to recover a sum of ₹ 41.27 Lakhs Approx. with interest (pending litigation and future) @ 18% p.a. + cost of litigation. But we filed a appeal before the Hon'ble High Court Delhi and the matter was taken up for admission of the appeal on 7.5.2019 before the Hon'ble Justice Mr. V. Kameswar Rao. After Hearing both the parties the Court was pleased to stay the order of trial court dated 24.12.2018 and ordered us to deposit 2/3rd of the decretal amount i.e. ₹ 1,69,19,580/- with Registrar General, Delhi High Court in Demand Draft.

42. STATEMENT OF PROFIT AND LOSS FOR DISCONTINUING OPERATIONS:

Statement of Profit & Loss of discontinued operation of Textile business for the period 01st April 2018 to 31st March 2019 is as under:

PARTICULARS	Note	2018-19 (₹)	2017-18 (₹)
Revenue from operations	42.1	—	1,15,58,803
Other Income	42.2	94,98,815	4,43,64,353
Total Revenue		94,98,815	5,59,23,156
Expenses			
Changes in Inventories of Finished Goods,			
Work-In-Progress and Stock In Trade	42.3	—	1,25,36,886
Employee Benefits Expense	42.4	70,59,563	5,61,31,609
Finance Costs	42.5	—	3,11,21,864
Depreciation, Impairment Loss and			
Amortisation Expense	42.6	2,28,47,772	11,47,64,327
Other Expenses	42.7	2,01,25,809	8,19,21,602
Total Expenses		5,00,33,144	29,64,76,288
Loss Before Tax		(4,05,34,329)	(24,05,53,132)
Loss for the period from discontinuing operations		(4,05,34,329)	(24,05,53,132)
		(₹)	(₹)
42.1 Revenue from Operations			
a) Cloth Sales		—	1,14,65,467
b) Job Work		—	93,336
		—	1,15,58,803
42.2 Other Income			
a) Interest	3,03,065	3,00,997	
b) Rent	—	200	
c) Provision for doubtful debts written back	1,83,463	22,10,623	
d) Profit on sale of Investment	1,45,466	—	
e) Miscellaneous Receipt	—	6,31,994	51,20,958
f) Other Non Operating Income :			
Profit on Sale of Fixed Assets	—	62,83,767	
Sundry Sales	88,66,821	88,66,821	3,04,47,808
		94,98,815	4,43,64,353

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42.3 Changes in Inventories of Finished

Goods, Work-In-Progress and Stock in Trade

a) Opening Stock of Finished Goods	—	1,08,58,163	
Less: Closing Stock of Finished Goods	—	—	
Changes in Finished Goods	—	—	1,08,58,163
b) Opening Stock of WIP	—	16,78,723	
Less : Closing Stock of WIP	—	—	
Changes in WIP	—	—	16,78,723
Net Changes in Inventories of Finished Goods & WIP	—	—	1,25,36,886

42.4 Employee Benefits Expense

a) Salaries and Wages	61,73,640	5,31,69,054
b) Contribution to Provident and other Funds	4,69,650	21,57,536
c) Staff welfare expenses	4,16,273	8,05,019
	70,59,563	5,61,31,609

42.5 Finance Cost

a) Interest Expenses	—	3,11,21,864
	—	3,11,21,864

42.6 Depreciation, Impairment Loss & Amortisation Expense

a) Depreciation on tangible assets	32,78,772	4,07,35,821
b) Impairment Loss on tangible assets	1,95,69,000	7,28,21,374
c) Amortisation on intangible assets	—	12,07,132
	2,28,47,772	11,47,64,327

42.7 Other Expenses

a) Consumption of Stores & Spares		32,806
b) Power & Fuel		38,97,967
c) Sundry Manufacturing Expenses		1,502
d) Repairs & Maintenance		8,18,471
e) Administration & Sundry Expenses		
Rent	3,12,000	5,87,500
Rates & Taxes	15,53,104	17,09,106
Insurance	5,55,921	10,34,724
Travelling & Conveyance	4,16,118	2,67,792
Provision for Doubtful Debts & Advances	—	14,29,786
Bad Debts/Advances Write off	—	42,01,308
Loss on sale of Fixed Assets	5,20,062	4,81,04,926
Other Expenses	1,67,68,604	2,01,25,809
		1,96,93,889
f) Selling & Distribution Expenses		
Commission on Sale	—	24,931
Selling Expenses	—	1,16,894
		1,41,825
	2,01,25,809	8,19,21,602

Note 43 : 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.

43.1 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.

43.2 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 realise 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 realise 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.

43.3 Revenue recognition

43.3.1 Sales revenue

- 1. Revenue from the sale of Textiles goods is recognised 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;

- (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 has adopted Ind AS 115 "Revenue from Contracts with Customers" effective April 1, 2018. Ind AS 115 supersedes Ind AS 11 "Construction Contracts" and Ind AS 18 "Revenue". The Company has applied Ind AS 115 using the modified retrospective method and the cumulative impact of transition to Ind AS 115 has been adjusted against the Retained earnings as at April 1, 2018. Accordingly, the figures of the previous year are not restated under Ind AS 115.

The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognised 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.

43.3.2 Interest

Interest income is recognised using the Effective Interest Method.

43.3.3 Dividend

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

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43.3.4 Other Claims

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

43.4 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.

43.4.1 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.

43.5 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.

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 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 amortised 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.

43.6 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 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.

43.7 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.

43.7.1 Financial assets

43.7.1 Initial recognition and measurement

All financial assets are recognised initially at fair value,

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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.

43.7.2 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)

43.7.2.1 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.

43.7.2.2 Other Equity Investment

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

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.

43.7.2.3 Derecognition 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.

43.7.2.4 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.

43.7.3 Financial liabilities

43.7.3.1 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.

43.7.3.2 Subsequent measurement

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

43.7.3.3 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.

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 risk 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.

43.7.4 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.

43.8 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.

43.9 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.

43.10 Employee Benefits

(i) Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised 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

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performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the company, the recognised 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 recognised 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 recognised 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 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.

43.11 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.

43.12 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 therefor.

43.13 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.

43.14 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 recognised 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.

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

43.16 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. Application 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. 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.

43.16.1 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:

43.16.1.1 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.

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

J. K. Cotton Ltd.

43.16.1.3 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.

43.16.2 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.

43.16.2.1 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.

43.16.2.2 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.

43.16.2.3 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 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.

43.16.2.4 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.

43.17 Abbreviation used:

- | | | |
|----|--------|---|
| a. | CGU | Cash generating unit |
| b. | DCF | Discounted Cash Flow |
| c. | FVTOCI | Fair value through Other Comprehensive Income |
| d. | FVTPL | Fair value through Profit & Loss |
| e. | GAAP | Generally accepted accounting principal |
| f. | Ind AS | Indian Accounting Standards |
| g. | OCI | Other Comprehensive Income |
| h. | P&L | Profit and Loss |
| i. | PPE | Property, Plant and Equipment |
| j. | SPPI | Solely Payment of Principal and Interest |

PROXY FORM

J. K. COTTON LIMITED

(CIN : U17111UP1924PLC000275)

Registered Office: Kamla Tower, Kanpur-208 001, U.P., India

Telephone :0512-2371478-81 • Fax :0512-2332665

E-mail: harshit@jkcotton.com

Website: www.jkcotton.com

Name of the member(s) :

Registered address :

E-mail ID :

Folio No. :

I/We being the member(s) of shares of J.K. Cotton Limited hereby appoint:

1. Name..... Address.....

E-mail id..... Signature.....Or failing him;

2. Name..... Address.....

E-mail id..... Signature.....Or failing him;

3. Name..... Address.....

E-mail id..... Signature.....

TEAR HERE

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 96th Annual General Meeting of the Company to be held at the Auditorium of Dr. Gaur Hari Singhania Institute of Management & Research, Kamla Nagar Kanpur-208 005 on Wednesday, the 14th August, 2019 at 11.00 A.M. and at any adjournment thereof in respect of such resolutions are indicated below :

RESOLUTION No.

Ordinary Business

1. Adoption of Financial Statements for the year ended 31st March, 2019.
 2. Re-appointment of Shri Ashok Gupta as a Director who retires by rotation.
 3. Re-appointment of Shri Yadupati Singhania as Chairman & Managing Director for a period of five years commencing from 26th May, 2020 to 25th May, 2025 without any remuneration/perquisites
 4. Re-appointment of Dr. Jagannath Gupta as Independent Director of the Company to hold office for five consecutive years till respective Annual General Meeting
 5. Re-appointment of Dr. Krishna Behari Agarwal as Independent Director of the Company to hold office for five consecutive years till respective Annual General Meeting.
-

Signed this.....day of, 2019.

Signature of shareholder.....

Signature of Proxy holder(s).....

Affix
Revenue
Stamp of
Rs. ₹/-

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes please refer to the Notice of the 95th Annual General Meeting.
3. Please complete all details including details of member(s) in above box before submission.

ATTENDANCE SLIP
J. K. COTTON LIMITED

(CIN : U17111UP1924PLC000275)

Registered Office: Kamla Tower, Kanpur-208 001, U.P., India • Telephone : 0512-2371478-81 • Fax : 0512-2332665

E-mail: harshit@jkcotton.com • Website: www.jkcotton.com

96th ANNUAL GENERAL MEETING

2019

I/We hereby record my/our presence at the 96th Annual General Meeting of the Company at the Auditorium of Dr. Gaur Hari Singhania Institute of Management & Research, Kamla Nagar Kanpur-208 005 on Wednesday, the 14th August, 2019 at 11.00 A.M.

TEAR HERE

.....
Member's Folio No.

.....
Member's/Proxy's name In Block Letters

.....
Member's /Proxy's Signature

Note:

1. Please complete the Folio No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. Physical copy of the Annual Report for 2018-19 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members of the Company.

If undelivered, please return to :
J. K. COTTON LIMITED
Share Deptt., Kamla Tower,
Kanpur-208 001

solarknp@gmail.com