



J. K. COTTON LIMITED

ANNUAL REPORT 2016-2017



J. K. COTTON LIMITED

BOARD OF DIRECTORS :

	DIN
SHRI YADUPATI SINGHANIA (<i>Chairman & Managing Director</i>)	00050364
SHRI NIDHIPATI SINGHANIA	00171211
SMT. VARSHA SINGHANIA	01646846
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
AXIS BANK LTD.
BANK OF INDIA
ICICI BANK LTD.
IDBI BANK LTD.
ORIENTAL BANK OF COMMERCE
PUNJAB NATIONAL BANK
STATE BANK OF INDIA

AUDITORS :

MESSRS. P. L. TANDON & CO.
Chartered Accountants

REGISTERED OFFICE :

KAMLA TOWER, KANPUR

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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

Notice is hereby given that the 94th Annual General Meeting of J.K.Cotton Limited will be held on Wednesday, the 26th July, 2017 at 12.30 P.M. at 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 Audited Balance Sheet as at 31st March, 2017, Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Nidhipati Singhania (DIN 00171211), who retires by rotation and being eligible offers himself for re-appointment.
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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s Gupta Vaish & Company, Chartered Accountants, Kanpur (ICAI Registration No.005087C), who have confirmed their eligibility to be appointed as Auditors, in terms of the provisions of Section 141 of the Act and the Rules, be and are hereby appointed as Statutory Auditors of the Company for a term of five years to hold office from the conclusion of 94th Annual General Meeting until the conclusion of the 99th Annual General Meeting of the Company, subject to ratification by shareholders at each Annual General Meeting to be held hereafter on such remuneration plus service tax, out-of-pocket expenses, etc. as may be mutually agreed upon by the Board of Directors and the Auditors.”

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND 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. The instrument of proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed not less than 48 hours before the commencement of the meeting. A Proxy form is annexed herewith. Proxies submitted on behalf of the Companies, Societies etc. must be supported by an appropriate resolution/authority as applicable.

[The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, setting out the material facts is annexed hereto.

2. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 19th July, 2017 to Wednesday, 26th July, 2017 (both days inclusive).
3. Members/ proxies should bring their attendance slip duly filled in for attending the meeting.
4. 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.
5. **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.**
6. Members are requested to bring their copies of the Annual Report, as copies of the Report will not be re-distributed at the Meeting.
7. Members seeking any information with regard to the accounts of the Company are requested to write to the Company at its Registered Office, so as to reach at least 10 days before the date of the Meeting to enable the Management to keep the information ready.
8. **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.**
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members can submit their PAN details to the Company / RTA Agent of the Company.
10. All the documents referred to in the accompanying Notice and the Statement pursuant to Section 102 of the Companies Act, 2013, will be available for inspection by the members at the Registered Office of the Company during business hours on any working day excluding Saturday up to the date of the Annual General Meeting of the Company.
11. A Route map showing directions to reach the venue of AGM is given at the end of this Notice as per the requirements of the Secretarial Standard-2 on "General Meeting"

Instructions for the voting through electronic means

In terms of Sections 107 and 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an

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alternative mode of voting which will enable the Members to cast their votes electronically on any or all of the businesses specified in the accompanying 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. 19th July, 2017 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 23rd July, 2017 (9.00 a.m.) and ends on 25th July, 2017 (5.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 19th July, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iv) Click on Shareholders.
 - (v) Now Enter your User ID
For CDSL: 16 digits beneficiary ID,
For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (vi) Next enter the Image Verification as displayed and Click on Login.
 - (vii) 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.
 - (viii) If you are a first time user follow the steps given below:
For Members holding shares in Demat Form and Physical Form PAN Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
Members who have not updated their PAN with the Company/Depository Participant are requested to use in the PAN Field the first two characters of their name in Capital Letters followed by the Serial Number given at the top/beginning of the address slip (posted on envelope).
 - In case the sequence 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. e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
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.
- 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 (iv).
- (ix) After entering these details appropriately, click on "SUBMIT" tab.
 - (x) 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.
 - (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
 - (xiii) 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 the option NO implies that you dissent to the Resolution.
 - (xiv) Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.
 - (xv) 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.
 - (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
 - (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xix) **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. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
 - (xx) 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

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- 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.
 - 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 emailed 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.
- (xxi) 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.
- (xxii) 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.
- (xxiii) A copy of this notice has been placed on the website of the Company and on the website of CDSL.
- (xxiv) 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. 19th July, 2017.
- (xxv) 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.
- (xxvi) 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.

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

ITEM NO. 2 :-

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

Name of the Director	Nidhipati Singhania
Age	58
Qualification and Experience	Shri Nidhipati Singhania is a M.COM. He is a Non-Executive Non-Independent Director on the Board of the Company. He is also Director of Arr Emm Holdings Private Limited since 1995. He has a vast experience of 34 years in various companies. He has been a director of the Company since 1987.
Terms and conditions of appointment or re-appointment	Promoter, Non-Executive, Non-Independent
Date of first appointment on the Board	25/03/1987
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	1
Other Directorships	Arr Emm Holdings Private Limited
Memberships/Chairmanship of Committee of other Board	None

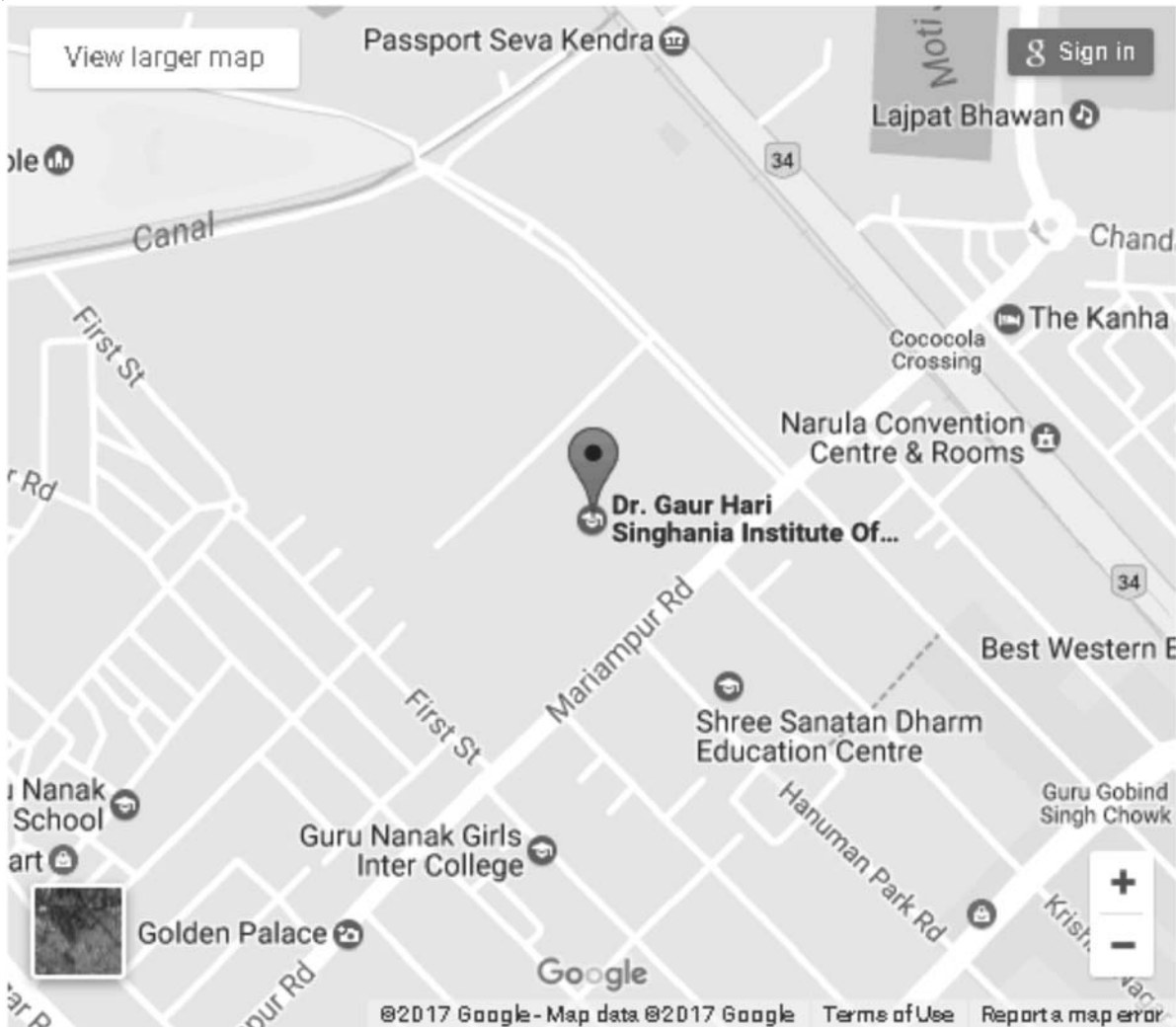
Place : Kanpur
Dated : 18th May, 2017

By order of the Board
HARSHIT GUNANI
Company Secretary

J. K. Cotton Ltd.

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 94th Annual Report together with the Audited Statement of Accounts of the Company for the Financial Year ended 31st March, 2017.

1. FINANCIAL RESULTS

	2016-17 ₹/Lacs	2015-16 ₹/Lacs
Sales	8106.34	8601.30
Profit/(Loss) before Finance Cost and Depreciation	1300.54	3382.90
Finance Cost	(1875.09)	(1739.33)
Profit/(Loss) before Depreciation	(574.55)	1643.57
Depreciation	(455.33)	(478.54)
Net Profit/(Loss) Before Exceptional Items	(1029.88)	1165.03
Transfer from Capital Reserve	906.19	-
Net Profit/(Loss) Before Tax	(123.69)	1165.03
Add : Deferred Tax	221.24	390.52
Profit/(Loss) after Tax	97.55	1555.55

The Company earned a Net Profit of ₹ 0.98 crores (compared to a profit of ₹ 15.55 crores in the previous year). In view of carried forward losses, the Directors are unable to recommend dividend.

2. STATE OF AFFAIRS OF THE COMPANY

A. Textile Unit

The operations of Textile unit have been affected due to direction of Central Pollution Control Board (CPCB), details whereof are mentioned at item no. 19 of this report. The management is evaluating the feasibility of operating the Mill and trying their best to resume operations.

B. Real Estate Division

Financial Year 2016-17 was a challenging year for the Real Estate Sector, the Company faced a decline in bookings/sales and reduction in profits. Management shall launch new phase of the project in a phased manner.

The Real Estate (Regulation and Development) Act is a landmark reform for the real estate sector which has the potential to address many serious concerns for stakeholders. While there will undoubtedly be significant short term challenges as a result of this Act. It will create a stronger sector over the longer term.

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 Nidhipati Singhania, 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 in terms of sub-section (7) of section 149 confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013.

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, 2017, Five Board Meetings were held on the following dates:-

- a) 23rd May, 2016
- b) 12th August, 2016
- c) 24th August, 2016
- d) 11th November, 2016
- e) 14th February, 2017

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. This policy also lays down criteria for determining qualifications, positive attributes and independence of a director.

The Company's Remuneration policy is based on the principles of (i) pay for responsibility (ii) pay for potential and (iii) pay for growth. Keeping in view the above, the Nomination and Remuneration Committee is vested with all the necessary powers and authorities to ensure appropriate disclosure on remuneration to the Managing Director including details of fixed components and performance linked incentives.

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As for the Non-executive Directors, their appointment 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. 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 transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

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. There were no material related party transactions i.e transactions exceeding ten percent of annual turnover as per the last audited financial statements entered into during the year. Thus disclosure in form AOC-2 is not required. Suitable disclosure has been made in the Annual Report.

11. 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.

12. AUDITORS

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

12.2 The present Auditors, M/s. P.L.Tandon & Co., Chartered Accountants, will retire from their office at the ensuing Annual General Meeting in pursuance of section 139(2) of the Companies Act, 2013. Therefore a new auditor is required to be appointed in forthcoming Annual General Meeting. Further Company has received consent letter from M/s Gupta Vaish & Co., Chartered Accountants to act as Statutory Auditors.

They have confirmed their eligibility to the effect that their appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for appointment.

Accordingly, it is proposed for the members of the Company to approve the appointment of M/s Gupta Vaish & Co., Chartered Accountants to act as Statutory Auditors of the Company for a term of five years from the conclusion of 94th Annual General Meeting until the conclusion of the 99th Annual General Meeting of the Company, subject to ratification by shareholders at each annual general meeting to be held thereafter is also proposed for approval of members in item no. 3 above.

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

13. 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 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. (See Annexure B).

14. INTERNAL 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 of the Board of Directors also reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening them, from time to time.

15. 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.

16. 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.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are annexed as Annexure C and form an integral part of the Report.

18. 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.

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19. 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

Central Pollution Control Board (CPCB) had directed the Company not to undertake any manufacturing operations till installation and commissioning of online monitoring system and data to SPCBs/PCCs and CPCB. In Compliance of the same, we have complied with installation and commissioning of online continuous effluent monitoring system (OCEMS) and provided URL & password to assess data submitted from OCEMS. CPCB has allowed us to resume manufacturing operations after seeking valid consent to operate under Air (Prevention and Control of Pollution) Act and Water (Prevention and Control of Pollution) Act from Uttar Pradesh Pollution Control Board (UPPCB). Our application seeking the aforesaid consent is pending before UPPCB

20. EXIT OPPORTUNITY TO PUBLIC SHAREHOLDERS

Delhi Stock Exchange (DSE) was de-recognised as Stock Exchange by SEBI vide its order dated 19.11.2014. The Uttar Pradesh Stock Exchange (UPSE) also ceased to be a Stock Exchange. Therefore the listing agreements with the said Stock Exchanges came to an end and the securities ceased to be listed and were transferred to dissemination board of BSE and NSE. In pursuance of SEBI Circular dated 17.04.2015, an exit opportunity has been provided vide Exit offer dated 11.01.2016 to public shareholders from Shri Yadupati Singhania, Promoter of J. K. Cotton Limited.

In terms of SEBI Circular dated October 10, 2016, those shareholders who could not offer their shares under exit offer may do so on or before 18.01.2018 at 5.30 PM at the same price i.e. Rs. 12.09/- per share. Shareholders are requested to avail the same.

21. 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 has been set up to redress complaints relating to sexual harassment.

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

21. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting: Date /Time: Wednesday, the 26th July, 2017 at 12.30 P.M.

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

Date of Book Closure: Wednesday, 19th July, 2017 to Wednesday, 26th July, 2017. (Both Days Inclusive)

Depository Details: The equity shares of the Company are admitted in NSDL and ISIN No. "INE088UQ1015" has been allotted to the Company.

Hence, the equity shares of the Company can be dematerialized by the shareholders. 2,21,98,028 Equity Shares of face value of Rs. 10/- each representing 94.15% of the paid up Equity Capital of the Company have been dematerialized till 31.03.2017.

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 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

22. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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. Smt. Varsha Singhania, Member

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

23. 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 : 18th May, 2017

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

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on Financial Year ended on 31.03.2017

**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	73.40
2.	Fabrics	13121 & 13131	26.60

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - N/A.

IVA. (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, 2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	10435758	137542	10573300	44.84	10733937	258681	10992618	46.62	1.78
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	50	2063	0.01	-
Total shareholding of Promoter (A)	21853999	137592	21991591	93.27	22152178	258731	22410909	95.05	1.78
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	6239	6239	0.03	-	6239	6239	0.03	-

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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	21650	300685	322335	1.37	650	74276	74926	0.32	-1.05
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	990059	990059	4.20	6100	896624	902724	3.83	-0.37
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	73674	73674	0.31	39100	-	39100	0.16	-0.15
c) Others (specify)									
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts	-	50440	50440	0.21	-	440	440	-	-0.21
Societies	-	44270	44270	0.19	-	44270	44270	0.19	-
Sub-total (B) (2):-	21650	1459128	1480778	6.28	45850	1015610	1061460	4.50	-1.78
Total Public Shareholding (B)=(B)(1)+(B)(2) -	21650	1564509	1586159	6.73	45850	1120991	1166841	4.95	-1.78
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	21875649	1702101	23577750	100	22198028	1379722	23577750	100	-

B) Shareholding of Promoter-

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	6304427	26.74	-	6723745	28.52	-	-1.78

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

SN	Shareholding of each Directors and each Key Managerial Personnel	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
3.	Shri Yadupati Singhania					
	At the beginning of the year	-	6304427	26.74	6304427	26.74
	04.04.2016	4050	-	-	6308477	26.76
	05.04.2016	21650	-	-	6330127	26.85
	12.04.2016	59154	-	-	6389281	27.10
	20.04.2016	2770	-	-	6392051	27.11

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27.04.2016	1220	-	-	6393271	27.12
04.05.2016	2640	-	-	6395911	27.13
12.05.2016	1840	-	-	6397751	27.13
26.05.2016	3205	-	-	6400956	27.15
06.06.2016	2723	-	-	6403679	27.16
23.06.2016	970	-	-	6404649	27.16
12.07.2016	10400	-	-	6415049	27.21
30.07.2016	4555	-	-	6419604	27.23
04.08.2016	3630	-	-	6423234	27.24
20.08.2016	3870	-	-	6427104	27.26
05.09.2016	1540	-	-	6428644	27.27
20.09.2016	3745	-	-	6432389	27.28
05.10.2016	975	-	-	6433364	27.29
25.10.2016	24095	-	-	6457459	27.39
22.11.2016	980	-	-	6458439	27.39
19.12.2016	4436	-	-	6462875	27.41
05.01.2017	14515	-	-	6477390	27.47
17.01.2017	6185	-	-	6483575	27.50
20.01.2017	238070	-	-	6721645	28.51
03.03.2017	2100	-	-	6723745	28.52
At the end of the year		6723745	28.52		

D) Shareholding Pattern 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		Shareholding of the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	The Oriental Insurance Co. Ltd	47800	0.20	47800	0.20
2.	Sir Padampat Singhania Memorial Education Foundation	44270	0.18	44270	0.18
3.	Shyamadevi Agrawal	39100	0.16	39100	0.16
4.	National Insurance Co. Ltd	25100	0.11	25100	0.11
5.	Life Insurance Corporation of India	26242	0.11	26242	0.11
6.	The Raymond Woollen Mills Ltd	-	-	10610	0.04
7.	The Hooghly Mills Co. Ltd	-	-	10000	0.04
8.	Manmohan R. Mohta	-	-	-	-
	Sushma Mohta	-	-	10000	0.04
9.	Annapurna Projects Ltd	-	-	7200	0.03
10.	Suryodaya Inv & Trad Com Ltd	-	-	6000	0.02
11.	J. K. Credit and Finance Ltd.	88642	0.37	-	-
12.	M/s Nav Bharat Vanijya Ltd.	58850	0.24	-	-
13.	Surya Commercials Ltd.	58019	0.24	-	-
14.	Pulp & Paper Research Institute	50000	0.21	-	-
15.	Shri Vijaypat Singhania	21663	0.09	-	-

E) Shareholding 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 Padam Kumar Jain					
	At the beginning of the year		30	-	30	-
	Change during the year	-	-	-	-	-
	.At the end of the year		30	-	30	-
2.	Shri Yadupati Singhania					
	At the beginning of the year	-	6304427	26.74	6304427	26.74
	04.04.2016	4050			6308477	26.76
	05.04.2016	21650			6330127	26.85
	12.04.2016	59154			6389281	27.10
	20.04.2016	2770			6392051	27.11

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	27.04.2016	1220			6393271	27.12
	04.05.2016	2640			6395911	27.13
	12.05.2016	1840			6397751	27.13
	26.05.2016	3205			6400956	27.15
	06.06.2016	2723			6403679	27.16
	23.06.2016	970			6404649	27.16
	12.07.2016	10400			6415049	27.21
	30.07.2016	4555			6419604	27.23
	04.08.2016	3630			6423234	27.24
	20.08.2016	3870			6427104	27.26
	05.09.2016	1540			6428644	27.27
	20.09.2016	3745			6432389	27.28
	05.10.2016	975			6433364	27.29
	25.10.2016	24095			6457459	27.39
	22.11.2016	980			6458439	27.39
	19.12.2016	4436			6462875	27.41
	05.01.2017	14515			6477390	27.47
	17.01.2017	6185			6483575	27.50
	20.01.2017	238070			6721645	28.51
	03.03.2017	2100			6723745	28.52
	At the end of the year		28.52	6723745		
3.	Dr. Krishna Behari Agarwal					
	At the beginning of the year	-	5	-	5	-
	Change during the year	-	-	-	-	-
	At the end of the year	-	5	-	5	-
4.	Ms. Sonali Agarwal					
	At the beginning of the year	-	5	-	5	-
	Change during the year	-	-	-	-	-
	At the end of the year	-	5	-	5	-

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, 2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF		239	239	1.52		15720	15720	100.00	98.48
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.		4	4	0.03		-	-	-	-0.03
e) Banks / FI									
f) Any other									
Total shareholding of Promoter (A)		243	243	1.55		15720	15720	100.00	98.45
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		4000	4000	25.44		-	-	-	-25.44
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-		4000	4000	25.44		-	-	-	-25.44

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2. Non-Institutions									
a) Bodies Corp.									
i) Indian	10419	10419	66.28		-	-	-	-	-66.28
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	412	412	2.62		-	-	-	-	-2.62
c) Others (specify)									
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts	646	646	4.11		-	-	-	-	-4.11
Societies									
Sub-total (B)(2):-	11477	11477	73.01		-	-	-	-	-73.01
Total Public Shareholding (B)=(B)(1)+(B)(2)	15477	15477	98.45		-	-	-	-	-98.45
C. Shares held by Custodian for GDRs & ADRs	-	-	-		-	-	-	-	-
Grand Total (A+B+C)	15720	15720	100.00		15720	15720	100.00	-	-

B) Shareholding of Promoter-

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	7	0.05	-	15720	100.00	-	99.95
2.	Shri Abhishek Singhania	100	0.64	-	-	-	-	-0.64

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

SN	Shareholding of each Directors and each Key Managerial Personnel	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		7	0.05	7	0.05
	20.09.2016	55			62	0.40
	24.09.2016	15720			15782	50.20
	30.09.2016	-62			15720	100.00
	At the end of the year				15720	100.00

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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		Shareholding of the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Surya Commercial Ltd.	10415	66.25	-	-
2.	National Insurance Co. Ltd.	4000	25.45	-	-
3.	Shri Lakshmi Pat Singhania Education Foundation	397	2.52	-	-
4.	Lala Kailashpat Singhania Sports Foundation	249	1.58	-	-
5.	Mr. Vijaypat Singhania	141	0.90	-	-
6.	Mrs. Usha Devi Singhania	77	0.49	-	-
7.	Mr. Ramapati Singhania	77	0.49	-	-
8.	Mr. Pradeep Singh Chhajjer	75	0.48	-	-
9.	Lady Ansuiya Devi	55	0.35	-	-
10.	Mr. Satish Kumar Agarwal	50	0.32	-	-

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					
	At the beginning of the year		7	0.05	7	0.05
	20.09.2016	55			62	0.40
	24.09.2016	15720			15782	50.20
	30.09.2016	(-)62			15720	100.00
	At the end of the year				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				
i) Principal Amount	78806209	540000000	494075000	1112881209
ii) Interest due but not paid	NIL	217613907	119711937	337325844
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	78806209	757613907	613786937	1450207053
Change in Indebtedness during the financial year				
* Addition	NIL	7681769	101168461	178150230
* Reduction	78806209	NIL	51450000	130256209
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	540000000	531875000	1071875000
ii) Interest due but not paid	NIL	294595676	131630398	426226074
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	834595676	663505398	1498101074

*Deposits denotes inter corporate deposits.

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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	1,02,000	52,000	45,000	21,000	38,000	2,58,000
	Commission	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL
	Total (1)	1,02,000	52,000	45,000	21,000	38,000	2,58,000
2.	Other Non-Executive Directors						
	Fee for attending board committee meetings	8,000	76,000	8,000			92,000
	Commission	NIL	NIL	NIL			NIL
	Others, please specify	NIL	NIL	NIL			NIL
	Total (2)	8,000	76,000	8,000			92,000
	Total (B)=(1+2)						3,50,000
	Total Managerial Remuneration						3,50,000
	Overall Ceiling as per the Act						

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	3,97,928	5,54,200	9,52,128
	(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	3,97,928	5,54,200	9,52,128

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

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2017

[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,
Uttar Pradesh, 208001.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by J.K.Cotton Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided 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, 2017 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 Limited for the Financial Year ended on 31st March, 2017 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')

(N.A. As 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. However, the shares of the Company continue to be placed on the Dissemination Board of BSE/ NSE)

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (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;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (6) I further report that reliance has been placed on the management representation 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.
- (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.

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 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

J. K. Cotton Ltd.

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 the Company listed at UPSE AND DSE Stock Exchanges ceased as recognized exchanges and the SEBI (Listing Obligations And Disclosure Requirements) Regulation 2015 with said exchanges also ceased. The shares of Company have been transferred to dissemination Board of BSE and NSE. Exit offer has been given to shareholders of the Company as per SEBI Circular No.CIR/MRD/DSA/05/2015 dt.17.04.2015 which closed on January 19,2017. However,in compliance of SEBI Circular of October10,2016 on exclusive listed companies and Exit offer although closed but obligatory upon promoters to

acquire shares tendered by public shareholder up to January 1, 2018.

- (b) The Company commenced activity related to Real Estate in 2015.Effective from May 1, 2017 Real Estate (Regulation And Development) Act 2016 will be applicable on the Company.
- (c) Company constituted CSR Committee during the year as per prescribed Rules and held its meeting during the year.
- (d) Order of Central Pollution Control Board directing not to undertake manufacturing operations has been revoked. However application for consent under Air (Prevention and Control of Pollution) Act and Water (Prevention and Control of Pollution) Act are pending for approval before the UP Pollution Control Board to resume manufacturing operations.
- (e) Application for renewal of Factory License applied in October 2015 and October 2016 and Fire services on June 20, 2016 pending for approval.

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

Date : 18.05.2017
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.

Banthia & Company
Company Secretaries

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

Date : 18.05.2017
Place : Kanpur

J. K. Cotton Ltd.

Annexure-C

A. CONSERVATION OF ENERGY

Your Company has not consumed energy of any significant level and accordingly no measures were necessary for conservation of energy and no additional investment was required thereof.

B. TECHNOLOGY ABSORPTION

Particulars with respect to adoption of the latest Technology Absorption, Research and Development

The Company continues to adopt the latest technology

and provides latest platforms to the employees to execute their duties.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(a) Foreign Exchange Earnings :- Mentioned in Notes on Accounts

(b) Foreign Exchange Used :- Mentioned in Notes on Accounts

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Particulars	2016-2017	2015-2016
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
(A) Purchased:		
Textile Segment		
Units/KWH (000)	3659.51	2318.52
Total Amount (₹ in Lacs)	305.32	221.76
Rate/Unit (₹)	8.34	9.56
(B) Own Generation		
Textile Segment		
(Through Diesel Generator)		
Units/KWH (000)	63.53	17.05
Unit per litre of Diesel	2.33	2.05
Rate/Unit (₹)	22.02	27.08
2. Husk		
Textile Segment		
Quantity (MT)	3503	2266
Total Cost (₹ in Lacs)	107.56	81.30
Average Rate (₹ per MT)	3070.40	3587.88
3. Diesel		
Textile Segment		
Quantity (Ltrs)	27286	8298
Total Cost (₹ in Lacs)	13.99	4.62
Average Rate (₹ per Ltr)	51.28	55.65
B. CONSUMPTION PER UNIT OF PRODUCTION		
Electricity		
Cloth (KWH/Metre)	2.77	2.22

ANNUAL REPORT ON CSR ACTIVITES

- 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. The web link is [http://jk cotton.com/pdf/policies/corporate%20social%20responsibility%20policy%20\(1\).pdf](http://jk cotton.com/pdf/policies/corporate%20social%20responsibility%20policy%20(1).pdf)

The Company did not undertake any CSR activity during the year.

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

i. Dr. Krishna Behari Agarwal, Chairman

ii. Shri Ashok Gupta, Member

iii. Smt. Varsha Singhania, Member

- 3. Average net profit of the Company for three Financial Years.**

The average Net Profit for the last three years is in negative i.e. average loss of 977.89 Lacs.

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

No amount required to be spent for the Financial Year 2016-17.

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

a. Total amount spent for the Financial Year: NIL

b. Amount unspent, if any: NIL

c. Manner in which the amount spent during the Financial Year: N/A

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)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF J. K. COTTON LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of J.K.COTTON LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1- 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.
- 2- As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - (d) 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.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the

J. K. Cotton Ltd.

directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with 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. 39(A) to the financial statements;
 - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring

amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

- iv. The company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the company and as produced to us by the management. – Refer Note No 40.

For P. L. TANDON & CO.
Chartered Accountants
Firm Reg. No. 000186C

GIRISH KUMAR MITTAL
Partner
Membership No. 511729

Place : Kanpur
Date : 18.05.2017

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, 2017, 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 acquired during the year 1961 and onwards other than Furniture and Fittings, Office Equipments and a part of Plant and Machinery comprising Electric Fittings and Equipments.
- (b) A part of Fixed 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 Freehold Land are held in the erstwhile names of the Company. Details are 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 paragraph 3(iii) of the Companies (Auditor's Report) order, 2016, are not applicable to the company.

iv. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments 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, 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, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were in arrear as at 31st March, 2017 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, service tax, custom duty, excise duty or value added tax which have not been deposited on account of any dispute.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks.

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, the 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 officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals

J. K. Cotton Ltd.

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. Accordingly, 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, transaction 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 allotted 15720 Preference Shares of Rs 100/-each at par to party covered in the register maintained under section 189 of the Companies

Act,2013.In our opinion ,the price at which shares have been issued is not prejudicial to the interest of the company.

- xv. According to the information and explanations given to us and on our examination of the records of the Company, the Company has not entered in to non cash transactions with directors or person connected with them. Accordingly, 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 45 – IA of the Reserve Bank of India Act 1934.

For P. L. TANDON & CO.
Chartered Accountants
Firm Reg. No. 000186C

GIRISH KUMAR MITTAL
Partner
Membership No. 511729

Place : Kanpur
Date : 18.05.2017

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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 2017 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 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P. L. TANDON & CO.
Chartered Accountants
Firm Reg. No. 000186C

GIRISH KUMAR MITTAL
Partner
Membership No. 511729

Place : Kanpur
Date : 18.05.2017

J. K. Cotton Ltd.
BALANCE SHEET
AS AT 31ST MARCH, 2017

	Note No.	As at 31.3.2017 (₹)	As at 31.3.2016 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	23,73,49,500	23,73,49,500
(b) Reserves & Surplus	2	69,38,85,503	77,47,49,448
		<u>93,12,35,003</u>	<u>1,01,20,98,948</u>
(2) Non Current Liabilities			
(a) Long Term Borrowings	3	8,57,14,284	17,42,85,713
(b) Other Long Term Liabilities	4	2,40,939	2,40,939
(c) Long Term Provisions	5	1,55,28,913	2,29,27,062
		<u>10,14,84,136</u>	<u>19,74,53,714</u>
(3) Current Liabilities			
(a) Short Term Borrowings	6	57,18,75,000	61,28,81,209
(b) Trade Payables	7	12,15,50,490	4,51,33,794
(c) Other Current Liabilities	8	1,22,88,89,895	1,10,07,03,943
(d) Short Term Provisions	9	36,08,004	48,85,000
		<u>1,92,59,23,389</u>	<u>1,76,36,03,946</u>
		<u>2,95,86,42,528</u>	<u>2,97,31,56,608</u>
II. ASSETS			
(1) Non Current Assets			
(a) Property, Plant & Equipments	10		
(i) Tangible Assets		54,55,22,418	58,14,81,347
(ii) Intangible Assets		8,64,921	20,29,589
(b) Deferred Tax Asset	11	6,11,76,802	3,90,52,462
(c) Non Current Investments	12	9,00,114	9,00,114
(d) Long Term Loans and Advances	13	51,25,948	70,07,242
		<u>61,35,90,203</u>	<u>63,04,70,754</u>
(2) Current Assets			
(a) Inventories	14	1,63,12,99,375	1,71,14,79,660
(b) Trade Receivables	15	54,83,52,354	51,61,08,661
(c) Cash and Cash Equivalent	16	14,69,95,907	7,49,69,685
(d) Short Term Loans and Advances	17	1,53,59,407	3,84,81,183
(e) Other Current Assets	18	30,45,282	16,46,665
		<u>2,34,50,52,325</u>	<u>2,34,26,85,854</u>
		<u>2,95,86,42,528</u>	<u>2,97,31,56,608</u>
Significant Accounting Policies & Notes on Financial Statements	1 -42		

As per our Report attached

For P. L. TANDON & CO.,
Chartered Accountants
GIRISH KUMAR MITTAL
Partner
Place : Kanpur
Dated : 18th May, 2017

YADUPATI SINGHANIA
Chairman & Managing Director
SONALI AGARWAL
Chief Financial Officer
HARSHIT GUNANI
Company Secretary

KRISHNA BEHARI AGARWAL
JAGANNATH GUPTA
ASHOK GUPTA } Directors

J. K. Cotton Ltd.

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	Note No.	Year Ended 31.3.2017 (₹)	Year Ended 31.3.2016 (₹)
Revenue from operations	19	81,68,56,860	86,17,18,447
Other Income	20	3,51,08,772	3,74,01,054
Total Revenue		<u>85,19,65,632</u>	<u>89,91,19,501</u>
Expenses			
Cost of Materials Consumed	21	5,70,66,374	5,19,82,265
Purchases of Stock-In-Trade		-	9,57,114
Changes in Inventories of Finished Goods, Work-In-Progress and Stock In Trade	22	6,20,87,486	(3,15,40,906)
Employee Benefits Expense	23	6,93,40,673	8,27,80,058
Finance Costs	24	18,75,09,073	17,39,33,097
Depreciation and Amortization Expense		4,55,33,178	4,78,53,673
Land Development & Construction Expenses	25	32,96,77,994	33,40,76,668
Other Expenses	26	20,37,39,139	12,25,74,324
Total Expenses		<u>95,49,53,917</u>	<u>78,26,16,293</u>
Profit/(Loss) Before Exceptional and Extraordinary Items and Tax		(10,29,88,285)	11,65,03,208
Transfer from Capital Reserve		9,06,19,434	-
Profit/(Loss) Before Tax		(1,23,68,851)	11,65,03,208
Tax Expenses			
Deferred Tax (Refer Note No.11)		2,21,24,340	3,90,52,462
Profit/(Loss) for the Year		<u>97,55,489</u>	<u>15,55,55,670</u>
Earning per Equity Share of face value of Rs. 10/- each			
Basic & Diluted.		0.41	6.60

Significant Accounting Policies &
Notes on Financial Statements 1-42

As per our Report attached

For P. L. TANDON & CO.,
Chartered Accountants
GIRISH KUMAR MITTAL
Partner
Place : Kanpur
Dated : 18th May, 2017

YADUPATI SINGHANIA
Chairman & Managing Director
SONALI AGARWAL
Chief Financial Officer
HARSHIT GUNANI
Company Secretary

KRISHNA BEHARI AGARWAL
JAGANNATH GUPTA
ASHOK GUPTA } *Directors*

J. K. Cotton Ltd.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	2016-2017 (₹)	2015-2016 (₹)
A. Cash flow from operating Activities		
Profit/(Loss) before Tax	(1,23,68,851)	11,65,03,208
Adjustments for:		
Adjustment of Capital Reserve	(9,06,19,434)	-
Depreciation	4,55,33,178	4,78,53,673
Profit on Sale of Assets	(26,26,261)	-
Dividend Received	(4,140)	(1,92,923)
Balances written back	-	(9,00,000)
Interest income	(51,70,062)	(79,97,167)
Liability Written Back	(40,59,945)	-
Interest expenses	18,34,07,073	16,93,89,585
Provision for diminution in value of Stock	15,35,633	-
Provision for doubtful debts written back	(1,11,43,480)	(53,90,664)
Provision for diminution in value of stock written back	(20,28,333)	(7,31,449)
Balances Written Off	43,63,883	7,03,939
Bad Debts written off	1,23,84,708	44,44,763
Provision for Doubtful Debts	1,38,54,303	11,76,595
Profit on sale of Investments	-	(50,208)
Loss on Sale of Fixed Assets	1,67,138	4,21,658
Operating Profit before Working Capital Changes	13,32,25,410	32,52,31,010
(Increase)/Decrease in Inventories	7,90,58,080	(3,16,22,527)
(Increase)/Decrease in Trade & Other Receivables	(2,60,82,095)	(48,56,52,374)
Increase/(Decrease) in Trade Payables & Other liabilities	2,18,93,776	35,25,09,414
Net Cash Flow from Operations	20,80,95,171	16,04,65,523
Refund/ (Taxes Paid)	8,98,062	(23,30,101)
Net Cash From Operating Activities	20,89,93,233	15,81,35,422
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(93,62,562)	(1,13,76,685)
Interest Income	38,70,346	72,93,796
Sale of Investments	-	62,349
Sale of Fixed Assets	34,12,104	3,09,106
Net Cash Used in Investing Activities	(20,80,112)	(37,11,434)
C. Cash Flow from Financing Activities		
Proceeds/(Repayment) of Cash Credit Account	(7,88,06,209)	7,88,06,209
Proceeds/(Repayment) of Unsecured Loan	3,78,00,000	(11,69,25,000)
Dividend Received	4,140	1,92,923
Interest paid	(9,38,84,830)	(9,71,53,345)
Net Cash Used in Financing Activities	(13,48,86,899)	(13,50,79,213)
Net Increase/(Decrease) in Cash & Cash equivalents	7,20,26,222	1,93,44,775
Opening Balance of Cash & Cash equivalents	7,49,69,685	5,56,24,910
Closing Balance of Cash & Cash equivalents	14,69,95,907	7,49,69,685

As per our Report attached

For P. L. TANDON & CO.,
Chartered Accountants
GIRISH KUMAR MITTAL
Partner
Place : Kanpur
Dated : 18th May, 2017

YADUPATI SINGHANIA
Chairman & Managing Director
SONALI AGARWAL
Chief Financial Officer
HARSHIT GUNANI
Company Secretary

KRISHNA BEHARI AGARWAL
JAGANNATH GUPTA
ASHOK GUPTA } Directors

J. K. Cotton Ltd.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	As at 31.3.2017 (₹)	As at 31.3.2016 (₹)		
1. SHARE CAPITAL				
AUTHORISED :				
24500000 Equity Shares of ₹ 10/- each	24,50,00,000	24,50,00,000		
15000 6% Cumulative Redeemable Preference Shares of ₹ 100/- each	–	15,00,000		
35000 8.5% Cumulative Redeemable Preference Shares of ₹ 100/- each	–	35,00,000		
25000 6% Non Cumulative Redeemable Preference Shares of ₹ 100/- each	25,00,000	–		
25000 8.5% Non Cumulative Redeemable Preference Shares of ₹ 100/- each	25,00,000	–		
	<u>25,00,00,000</u>	<u>25,00,00,000</u>		
ISSUED, SUBSCRIBED AND PAID-UP :				
23577750 Equity Shares of ₹10/- each	23,57,77,500	23,57,77,500		
5000 6% Cumulative Redeemable Preference Shares of ₹ 100/- each	–	5,00,000		
10720 8.5% Cumulative Redeemable Preference Shares of ₹ 100/- each	–	10,72,000		
15720 6% Non Cumulative Redeemable Preference Shares of ₹ 100/- each	15,72,000	–		
	<u>23,73,49,500</u>	<u>23,73,49,500</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) The reconciliation of the number of Preference shares outstanding is set out below				
Shares at the beginning of the year	15,720	15,720		
Shares issued during the year	15,720	–		
Shares redeemed during the year	15,720	–		
Shares at the end of the year	15,720	15,720		
(c) 6% Non Cumulative Redeemable Preference shares of ₹ 15,72,000/- due for redemption on 24.08.2021.				
(d) Details of Shareholders holding more than 5% Shares of the Company -				
	% of holding	31.3.2017 No. of Shares	% of holding	31.3.2016 No. of Shares
EQUITY SHARES				
1. M/s Yadu International Ltd.	7.30	17,20,000	7.30	17,20,000
2. Mrs. 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	28.52	67,23,745	26.74	63,04,427
5. M/s Jaykay Enterprises Ltd.	40.34	95,10,360	40.34	95,10,360
PREFERENCE SHARES				
1. 6% Cumulative Redeemable Preference Shares of ₹ 100/- each				
i) Surya Commercials Ltd.	–	–	100.00	5,000
2. 8.5% Cumulative Redeemable Preference Shares of ₹ 100/- each				
(i) National Insurance Co. Ltd.	–	–	37.31	4,000
(ii) Surya Commercials Ltd.	–	–	17.49	1,875
(iii) Surya Commercials Ltd.	–	–	33.02	3,540
3. 6% Non Cumulative Redeemable Preference Shares of ₹ 100/- each				
(i) Mr. Yadupati Singhania	100.00	15,720	–	–

J. K. Cotton Ltd.

	As at 31.03.2017		As at 31.03.2016	
	₹	₹	₹	₹
2. RESERVES AND SURPLUS				
Capital Reserve				
As per last Balance Sheet	1,36,63,34,372		1,36,63,34,372	
Less: Transfer to Profit Loss Statement	<u>9,06,19,434*</u>	1,27,57,14,938	<u>—</u>	1,36,63,34,372
Capital Redemption Reserve				
As per last Balance Sheet		31,86,800		31,86,800
Share Premium Account				
As per last Balance Sheet		2,09,98,650		2,09,98,650
Surplus				
As per last Balance Sheet	(61,57,70,374)		(77,13,26,044)	
Add: Balance in Profit & Loss Statement	<u>97,55,489</u>	<u>(60,60,14,885)</u>	<u>15,55,55,670</u>	<u>(61,57,70,374)</u>
		69,38,85,503		77,47,49,448

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

	As at 31.3.2017 (₹)	As at 31.3.2016 (₹)
3. LONG TERM BORROWINGS		
Unsecured Loan from related party	<u>8,57,14,284</u>	<u>17,42,85,713</u>
	8,57,14,284	17,42,85,713

Maturity Profile

Year	Oct., 2020	Oct., 2019	Oct., 2018	Total
Amount ₹	2,85,71,426	2,85,71,429	2,85,71,429	8,57,14,284

4. OTHER LONG TERM LIABILITIES

Deposits	<u>2,40,939</u>	<u>2,40,939</u>
	2,40,939	2,40,939

5. LONG TERM PROVISIONS

a) Gratuity	1,33,00,875	1,94,78,919
b) Leave Encashment	<u>22,28,038</u>	<u>34,48,143</u>
	1,55,28,913	2,29,27,062

6. SHORTTERM BORROWINGS

Secured

a) Cash Credit from Bank	—	7,88,06,209
Secured against Exclusive First Charge on Whole Current Assets related to Textile Division (Present& Future)and having Collateral Security in the shape of equitable mortgage of Land & Building of the Company's Textile Division situated at Zarib Chawki, Kanpur		

Unsecured

a) From Related Party	4,00,00,000	4,00,00,000
b) From Inter–Corporate Deposits	<u>53,18,75,000</u>	<u>53,40,75,000</u>
	57,18,75,000	61,28,81,209

J. K. Cotton Ltd.

	As at 31.3.2017 (₹)	As at 31.3.2016 (₹)
7. TRADE PAYABLES		
a) Micro, Small and Medium Enterprises	–	–
b) Others	12,15,50,490	4,51,33,794
	<u>12,15,50,490</u>	<u>4,51,33,794</u>
8. OTHER CURRENT LIABILITIES		
a) Current Maturity of Long Term Debts - Unsecured	41,42,85,716	32,57,14,287
b) Other Payables	15,67,03,330	22,09,63,445
c) Interest accrued and due on borrowings	42,62,26,074	33,73,25,844
d) Unclaimed Preference Shares (Redemption money)	21,000	–
e) Deposits	23,16,53,775	21,67,00,367
	<u>1,22,88,89,895</u>	<u>1,10,07,03,943</u>
Other payables include employees liabilities, advance from customers.		
9. SHORT TERM PROVISIONS		
a) Gratuity	32,40,004	43,90,000
b) Leave Encashment	3,68,000	4,95,000
	<u>36,08,004</u>	<u>48,85,000</u>

10. PROPERTY, PLANT & EQUIPMENTS

Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 1.04.2016 ₹	Addi- tions ₹	Sales/ Adjust- ments ₹	As at 31.3.2017 ₹	As at 1.4.2016 ₹	Sales/ Adjust- ments ₹	For the year ₹	Upto 31.3.2017 ₹	As at 31.3.2017 ₹	As at 31.3.2016 ₹
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	3,89,10,325	–	19,11,498	4,08,21,823	4,34,89,393	4,54,00,891
Plant & Machinery	93,86,58,838	88,11,279	*27,64,485	94,47,05,632	45,01,90,146	26,26,261	3,99,67,484	48,75,31,369	45,71,74,263	48,84,68,692
Furniture & Fittings	94,99,994	2,71,423	–	97,71,417	53,70,407	–	12,89,626	66,60,033	31,11,384	41,29,587
Office Equipments.	35,54,260	50,200	–	36,04,460	24,01,183	–	2,13,798	26,14,981	9,89,479	11,53,077
Vehicles	62,95,239	10,200	17,29,676	45,75,763	20,33,895	9,14,919	7,66,644	18,85,620	26,90,143	42,61,344
	<u>1,08,03,87,303</u>	<u>91,43,102</u>	<u>44,94,161</u>	<u>1,08,50,36,244</u>	<u>49,89,05,956</u>	<u>35,41,180</u>	<u>4,41,49,050</u>	<u>53,95,13,826</u>	<u>54,55,22,418</u>	<u>58,14,81,347</u>
Intangible Assets										
Computer Software	51,45,774	2,19,460	–	53,65,234	31,16,185	–	13,84,128	45,00,313	8,64,921	20,29,589
	<u>51,45,774</u>	<u>2,19,460</u>	<u>–</u>	<u>53,65,234</u>	<u>31,16,185</u>	<u>–</u>	<u>13,84,128</u>	<u>45,00,313</u>	<u>8,64,921</u>	<u>20,29,589</u>
Total	<u>1,08,55,33,077</u>	<u>93,62,562</u>	<u>44,94,161</u>	<u>1,09,04,01,478</u>	<u>50,20,22,141</u>	<u>35,41,180</u>	<u>4,55,33,178</u>	<u>54,40,14,139</u>	<u>54,63,87,339</u>	<u>58,35,10,936</u>
Previous Year	1,07,52,36,805	2,96,47,581	1,93,51,309	1,08,55,33,077	45,45,18,117	3,49,649	4,78,53,673	50,20,22,141		

Note: : * ₹ 27,64,485 of sale value of Plant & Machinery of which cost is not ascertainable

J. K. Cotton Ltd.

	As at 31.3.2017 (₹)	As at 31.3.2016 (₹)
11. DEFERRED TAX ASSET (NET)		
Deferred Tax Liability		
Difference between Net Book Value of Depreciable Capital Assets As per Books vis-à-vis Written Down Value As Per Income Tax Act	(8,30,19,279)	(9,64,21,868)
Deferred Tax Asset		
Items under The Income Tax Act which will be allowed on actual payment	2,11,69,329	2,00,73,188
Unabsorbed Losses	<u>12,30,26,752</u>	<u>11,54,01,142</u>
	<u>6,11,76,802</u>	<u>3,90,52,462</u>

12. NON CURRENT INVESTMENTS	Nominal Value of each Share (₹)	As at 31.03.2017		As at 31.03.2016	
		No. of Shares	Book Value* (₹)	No. of Shares	Book Value* (₹)
Other Investments - Long Term					
In Equity Shares - Quoted fully paid up					
Bengal & Assam Company Ltd.	10/-	10,351	9,00,114	10,351	9,00,114
In Equity Shares - Unquoted fully paid up					
Accurate Finman Services Ltd.	10/-	2,070	—	2,070	—
			<u>9,00,114</u>		<u>9,00,114</u>
Aggregate Market Value of Quoted Investments.			1,77,05,489		49,17,760
* Investments have been valued at or below cost.					

	As at 31.3.2017 (₹)	As at 31.3.2016 (₹)
13. LONG TERM LOANS AND ADVANCES		
(Unsecured Considered Good)		
a) Capital Advances		
Considered Good	1,15,891	20,73,729
Doubtful	<u>23,94,298</u>	<u>4,41,609</u>
	25,10,189	25,15,338
Less : Provision for Doubtful Advances	<u>23,94,298</u>	<u>4,41,609</u>
	1,15,891	20,73,729
b) Deposits	<u>50,10,057</u>	<u>49,33,513</u>
	<u>51,25,948</u>	<u>70,07,242</u>

J. K. Cotton Ltd.

		As at 31.3.2017		As at 31.3.2016
	(₹)	(₹)	(₹)	(₹)
14. INVENTORIES				
a) Raw Materials	1,65,945		1,65,65,896	
Less : Provision of Diminution in Value of Stock of Yarn	-	1,65,945	19,96,903	1,45,68,993
b) Stores & Spare Parts	1,20,75,334		1,43,85,582	
Less : Provision of Diminution in Value of Stock of Dye & Chemical	17,41,850	1,03,33,484	2,37,647	1,41,47,935
c) Finished goods		1,08,58,163		7,54,69,584
d) Stock in Transit		1,24,700		-
e) Goods In Process - Textiles		16,78,723		5,01,23,615
f) Work In Progress - Real Estate		1,60,81,38,360		1,55,71,69,533
		1,63,12,99,375		1,71,14,79,660
15. TRADE RECEIVABLES				
Unsecured				
a) Outstanding for more than six months				
Considered Good		42,15,708		61,19,730
Doubtful		1,23,06,306		1,16,76,943
b) Others - Considered Good*		54,41,36,646		50,99,88,931
		56,06,58,660		52,77,85,604
Less : Provision for Doubtful Receivables		1,23,06,306		1,16,76,943
		54,83,52,354		51,61,08,661
* Includes Unbilled Revenue of Rs. 51,61,96,167/- (P.Y. Rs. 47,57,10,495/-)				
16. CASH AND CASH EQUIVALENT				
a) Cash on Hand		3,38,271		3,11,223
b) Balances with Banks		5,05,22,807		1,72,86,283
c) Fixed Deposits with Banks*		9,61,34,829		5,73,72,179
		14,69,95,907		7,49,69,685
* Fixed Deposits with Banks includes				
i) Deposits of Rs.7,94,10,024/- (PY Rs. 29,00,132/-) with maturity more than 12 months				
ii) Rs.1,86,36,104/- (PY Rs. 1,14,58,479/-) tied up against Bank Guarantee and Other Commitments				
17. SHORT TERM LOANS AND ADVANCES				
(Unsecured Considered Good)				
a) Advance Tax & TDS		62,34,225		71,32,287
b) Prepaid Expenses		14,22,780		14,75,385
c) Claim Receivables		-		36,46,839
d) Others Loans & Advances				
Considered Good		77,02,402	2,62,26,672	
Doubtful		1,76,721	47,950	
		78,79,123	2,62,74,622	
Less: Provision for Doubtful Advances		1,76,721	47,950	2,62,26,672
		1,53,59,407	3,84,81,183	
18. OTHER CURRENT ASSETS				
a) Interest accrued on FDR with Banks		26,63,611		13,63,895
b) Others		3,81,671		2,82,770
		30,45,282		16,46,665

J. K. Cotton Ltd.

	Year Ended 31.03.2017		Year Ended 31.03.2016
	(₹)	(₹)	(₹)
19. REVENUE FROM OPERATIONS			
Cloth Sales	19,55,91,379		12,86,11,992
Revenue from Real Estate	61,50,42,700		73,15,17,825
Job Work	59,42,796		4,90,308
Duty Drawback	2,79,985		10,98,322
	<u>81,68,56,860</u>		<u>86,17,18,447</u>
20. OTHER INCOME			
a) Interest	51,70,062		79,97,167
b) Dividend received	4,140		1,92,923
c) Rent	88,62,128		94,83,897
d) Provision for doubtful debt no longer required	1,11,43,480		53,90,664
e) Miscellaneous Receipt	64,98,403	3,16,78,213	28,98,527
			<u>2,59,63,178</u>
Other Non Operating Income			
a) Profit on Sale of Fixed Assets	26,26,261		-
b) Sundry Sales	8,04,298		10,93,038
c) Profit from Trading Business	-	34,30,559	1,03,44,838
			<u>1,14,37,876</u>
	<u>3,51,08,772</u>		<u>3,74,01,054</u>
21. COST OF MATERIALS CONSUMED			
Raw Material Consumed (Yarn)	5,70,66,374		5,19,82,265
22. CHANGES IN INVENTORIES OF FINISHED Goods, Work-In-Progress and Stock in Trade			
a) Real Estate			
Opening Stock of WIP	1,55,71,69,533		1,52,16,54,997
Less: Closing Stock of WIP	1,60,81,38,360		1,55,71,69,533
Changes in WIP		(5,09,68,827)	(3,55,14,536)
b) Textile Unit			
Opening Stock of Finished Goods	7,54,69,584		6,32,00,824
Less : Closing Stock of Finished Goods	1,08,58,163		7,54,69,584
Changes in Finished Goods		6,46,11,421	(1,22,68,760)
Opening Stock of WIP	5,01,23,615		6,63,66,005
Less: Closing Stock of WIP	16,78,723		5,01,23,615
Changes in WIP		4,84,44,892	1,62,42,390
Net Changes in Inventories of Finished Goods & WIP		<u>6,20,87,486</u>	<u>(3,15,40,906)</u>
23. Employee Benefits Expense			
a) Salaries and Wages	6,00,88,465		7,26,77,036
b) Contribution to Provident and other Funds	65,99,646		75,09,340
c) Staff welfare expenses	26,52,562		25,93,682
		<u>6,93,40,673</u>	<u>8,27,80,058</u>
24. FINANCE COST			
a) Interest Expenses (Gross)	18,34,07,073		17,11,12,096
Less : Interest capitalised	-	18,34,07,073	17,22,511
b) Other borrowing costs		41,02,000	45,43,512
		<u>18,75,09,073</u>	<u>17,39,33,097</u>

J. K. Cotton Ltd.

25. Land Development & Construction Expenses Includes:

	Year Ended 31.03.2017 (₹)	Year Ended 31.03.2016 (₹)
Salaries & Wages & Bonus	26,21,843	12,46,134
Contribution to PF & Other Funds	25,829	1,10,901
Welfare Expenses	64,178	1,99,499
Cement	75,58,952	1,50,56,219
Steel	43,23,426	1,67,28,052
Sewage & pipes	39,91,493	57,10,315
Ganga Sand	–	41,278
Payment to Contractor	13,26,37,636	12,83,59,599
Electric Sub Station Expenses	5,27,59,665	5,05,66,486
Site electrification expenses	3,42,72,509	3,72,68,983
Electricity consump. & electric install. charges	9,60,201	22,93,824
EWS/LIG construction expenses	1,78,04,214	2,82,32,064
Service Tax	85,23,856	74,87,321
Repairs & Maintenance	71,189	11,87,053
Sample & Model Expenses	–	21,13,875
Professional charges	37,66,332	50,39,352
Project Consultancy Management	3,07,14,316	2,05,32,900
Paid to KDA & Jalkal Vibhag	67,41,436	9,22,364
Interest	–	17,22,511
Freight	3,62,616	12,86,964
STP Expenses	55,38,000	2,25,000
Water Treatment Plant	13,30,000	–
Rates & Taxes	34,657	10,000
Insurance	52,324	20,302
Building Construction Expenses – Misc.	17,83,997	–
Gardening & Horticulture Expenses	27,16,764	13,34,276
Security Expenses	56,10,708	42,45,689
Park equipment & Developments	11,09,875	1,76,531
Architectural Services	42,49,209	18,12,500
Other Expenses	52,769	1,46,676
	32,96,77,994	33,40,76,668

J. K. Cotton Ltd.

		Year Ended 31.03.2017		Year Ended 31.03.2016	
	(₹)	(₹)	(₹)	(₹)	(₹)
26. OTHER EXPENSES					
a) Consumption of Stores & Spares		2,49,61,680		1,93,27,828	
b) Power & Fuel					
Power Consumption	3,19,31,068		2,26,38,243		
Husk Consumption	<u>1,07,55,621</u>	4,26,86,689	<u>81,30,130</u>	3,07,68,373	
c) Sundry Manufacturing Expenses		47,67,916		39,12,840	
d) Repairs & Maintenance					
Buildings	12,44,914		13,04,284		
Machinery	<u>2,07,90,783</u>	2,20,35,697	<u>1,43,36,834</u>	1,56,41,118	
e) Administration & Sundry Expenses					
Rent	14,27,802		37,09,594		
Rates & Taxes	27,45,001		28,82,784		
Insurance	15,33,255		16,31,962		
Travelling & Conveyance	23,35,976		21,60,568		
Directors' Fees (including Service tax)	3,99,850		3,30,962		
Remuneration to Auditors:					
As Audit Fee (Including Service Tax)	2,30,000		2,29,000		
As Tax Audit Fee (Including Service Tax)	57,750		63,320		
For other services	—		11,400		
Provision for Doubtful Debts & Advances	1,38,54,303		11,76,595		
Bad Debts/Advances Write off	1,23,84,708		44,44,763		
Provision of Diminuation in Value of Stock	15,35,633		—		
Expenses relating to previous years	1,48,611		1,94,978		
Loss on sale of Fixed Assets	1,67,138		4,21,658		
Other Expenses	<u>3,63,05,471</u>	7,31,25,498	<u>2,29,53,036</u>	4,02,10,620	
f) Selling & Distribution Expenses					
Advertisement & Publicity	51,17,460		70,75,950		
Commission on Sale	2,71,95,668		21,00,713		
Selling Expenses	<u>38,48,531</u>	3,61,61,659	<u>35,36,882</u>	1,27,13,545	
		<u>20,37,39,139</u>		<u>12,25,74,324</u>	

J. K. Cotton Ltd.

27. Balances of personal accounts of Trade Receivable, Creditors, Deposits, Loans & Advances are subject to confirmation and reconciliation.
28. 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.
29. Impairment losses, as per Accounting Standard 28 issued by the Institute of Chartered Accountants of India have been accounted for to the extent possible of identification.

30. EARNINGS PER SHARE (EPS)

	2016-17 ₹ in lacs	2015-16 ₹ in lacs
(a) Net Profit/(Loss)	97.56	1,555.56
(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	0.41	6.60

31. DISCLOSURE IN TERMS OF AS-15 ARE AS FOLLOWS :

- a. Defined contribution plan

Contribution to defined contribution plan recognized as expenses for the year 2016-17 are as under :

Employer's contribution to provident fund	₹ 21,92,214/-	₹ 20,33,884/-
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- 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.

	Gratuity unfunded 2016-17	₹ in Lacs Leave Encashment unfunded 2016-17
I. EXPENSES RECOGNIZED IN THE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED		
1. Current service cost	26.70	15.58
2. Interest cost	26.85	2.40
3. Expected Return on plan assets	0.00	0.00
4. Past Service Cost	0.00	0.00
5. Net Actuarial(Gains)/losses	(72.30)	(15.73)
Total Expenses	(18.75)	2.25
II. NET ASSETS/(LIABILITIES) RECOGNIZED IN THE BALANCE SHEET AS AT 31.03.2017		
1. Present value of defined benefit obligation	307.24	25.96
2. Fair value of plan assets	0.00	0.00
3. Funded status[Surplus/(Deficit)]	(307.24)	(25.96)
4. Net Asset/(Liability)	(307.24)	(25.96)

J. K. Cotton Ltd.

III. CHANGE IN OBLIGATION DURING THE YEAR ENDED

1. Present value of defined benefit obligation at the beginning of the year	380.51	39.43
2. Current Service Cost	26.70	15.58
3. Interest Cost	26.85	2.40
4. Plan Amendment Cost	0.00	0.00
5. Actuarial Gains/(Losses)	(72.30)	(15.73)
6. Benefits Payments	(54.52)	(15.72)
7. Present Value of Defined Benefit Obligation at the end of the year	307.24	25.96

IV. CHANGE IN ASSETS DURING THE YEAR ENDED

1. Plan Assets at the Beginning of the Year	0.00	0.00
2. Expected Return on Plan Assets	0.00	0.00
3. Contribution by Employer	0.00	0.00
4. Actual Benefits Paid	0.00	0.00
5. Actuarial Gains/(Losses)	0.00	0.00
6. Plan Assets at the end of the Year	0.00	0.00

V. ACTUARIAL ASSUMPTIONS

1. Discount Rate	6.70%	6.70%
2. Expected Rate of Return on Plan Assets	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%
6. Maximum Limit	₹ 10 lacs	

32. RELATED PARTY DISCLOSURES:

- (a) Key management personnel
- i) Shri Yadupati Singhania – Chairman & Managing Director
 - ii) Ms. Sonali Agarwal – Chief Financial Officer
 - iii) Shri Harshit Gunani – Company Secretary
- (b) Others Director's
- (i) Shri Nidhipati Singhania – Director
 - (ii) Smt. Varsha Singhania – Director
 - (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

J. K. Cotton Ltd.

(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.

Following are the transactions with related parties :

Details of transactions are as follows	2016-17	2015-16
	₹	₹
i) Jaykay Enterprises Ltd.		
a) Rent received	Nil	6,00,000
b) Rent paid	13,66,167	12,48,000
c) Others	4,88,902	5,11,480
ii) J.K. Cement Ltd.		
a) Rent received(including Service Tax)	45,42,426	45,01,976
b) Cloth sales	21,040	1,80,740
iii) Yadu International Ltd		
a) Loan received		
Balance at the beginning of the year	50,00,00,000	50,00,00,000
Balance at the end of the year	50,00,00,000	50,00,00,000
b) Interest paid	8,83,04,681	8,32,97,862
c) Finance charges paid	28,75,000	28,62,500
iv) Uttar Pradesh Cricket Association		
a) Rent & Maintenance Charges Received	63,83,679	58,44,738
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
Balance at the end of the year	4,00,00,000	4,00,00,000
Preference Shares allotted	15,72,000	Nil
b) Shri Abhishek Singhania		
Remuneration including PF	5,04,000	6,65,000
c) Ms. Sonali Agarwal		
Remuneration including PF	5,92,360	4,78,350
d) Shri Harshit Gunani		
Remuneration including PF	4,33,831	2,18,199
e) Sitting Fees to Directors	3,99,850	3,30,962
Including Service tax		

J. K. Cotton Ltd.

	2016-17	2015-16
33. VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS		
Raw Material	Nil	Nil
Components and Spare parts	5,42,265	82,171
Capital Goods	13,67,137	Nil

34. VALUE OF RAW MATERIALS CONSUMED

	2016-17		2015-16	
	Amount ₹	Percentage of total Consumption	Amount ₹	Percentage of total Consumption
i) Imported	Nil	Nil	Nil	Nil
ii) Indigenous	5,70,66,374	100%	5,19,82,265	100%

35. VALUE OF STORES AND SPARE CONSUMED

i) Imported	Nil	Nil	Nil	Nil
ii) Indigenous	2,49,61,680	100%	1,93,27,828	100%

Note : Above figures do not include consumption for repairs etc. debited to repairs & maintenance.

	2016-17 (₹)	2015-16 (₹)
36. EXPENDITURE IN FOREIGN CURRENCY		
i) Travelling expenses	Nil	Nil
ii) Commission on Export Sale	1,04,417	7,71,837
iii) Others	1,16,113	Nil
37. EARNINGS IN FOREIGN CURRENCY	35,51,377	2,52,58,201

38. Previous year figures have been regrouped / rearranged wherever necessary.

39. Contingent Liabilities

- (i) Claims against the company not acknowledged as debts - Amount unascertainable.
- (ii) 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.
- (iii) In view of non fulfillment of Export Obligation to the tune of ₹ 24,12,68,401/- under various EPCG Licences, custom duty alongwith Interest to the tune of ₹ 6,27,09,097/- may become payable to Custom Department.

40. Disclosure as required by Notification No 244 dated 30-03-2017 issued by Government of India as under:

During the period from 8th Nov., 2016 to 30th Dec., 2016

	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.16	341000	175392	516392
(+) Permitted Receipts	-	3644347	3644347
(-) Amount Deposited in bank	341000	-	341000
(-) Permitted Payments	-	2074005	2074005
Closing cash in hand as on 30.12.16			1745734

J. K. Cotton Ltd.

41. Segment Reporting

The Company has identified business segments as its primary segment and geographical segments as its secondary segment. Business segments comprise textile segment and real estate segment. There is no any reportable geographical segment which contributes 10 percent or more of the Company's revenue, combined segments result and combined segments asset.

Revenue and expense directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to specific segment have been allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Incomes which are not attributable or allocable to segments have been disclosed as unallocable income.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

Information about Primary Segment

(Amount in Rs.)

Particulars	Business Segments		
	Textile Segment	Real Estate Segment	Total
Year ended March 31, 2017			
Sales to External Customers	22,25,88,541	61,50,65,626	83,76,54,167
Inter Segment Sales	–	–	–
Total Segment Revenue	22,25,88,541	61,50,65,626	83,76,54,167
Other Unallocable Income	–	–	1,43,11,465
Total Revenue			85,19,65,632
Year ended March 31, 2017			
Segment Result	(21,25,27,578)	38,33,76,503	17,08,48,925
Unallocable income – unallocable Expense (Net)			(18,32,17,776)
Profit/(Loss) before tax			(1,23,68,851)
Provision for Current Tax			–
Deferred Tax			2,21,24,340
Profit/(Loss) After tax			97,55,489
AS at March 31, 2017			
Segment Assets	55,87,32,430	2,20,14,50,242	2,76,01,82,672
Unallocable Assets			19,84,59,856
Total Assets			2,95,86,42,528
AS at March 31, 2017			
Segment Liabilities	10,85,98,199	22,15,39,312	33,01,37,511
Unallocable Liabilities			1,69,72,70,014
Total Liabilities			2,02,74,07,525
Year ended March 31, 2017			
Other Information			
Capital Expenditure	60,24,256	33,38,306	93,62,562
Depreciation & amortisation	4,44,55,718	10,77,460	4,55,33,178
Other Significant Non-Cash Expense	3,21,38,529	–	3,21,38,529

J. K. Cotton Ltd.

42. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Concepts

The Financial Statements are prepared under the historical cost convention on accrual basis and in accordance with the applicable mandatory Accounting Standards.

2. Uses of Estimates

The preparation of financial statement in conformity with the generally accepted accounting policies requires management to make estimates and assumption, that affects the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenue and expenses for the year presented. Actual results could differ from these estimates.

3. Property, Plant & Equipments

Gross Block of Fixed Assets is at historical Cost.

4. Depreciation

i) Tangible Assets

Depreciation on Fixed Assets is provided at the Straight Line Method at the rates prescribed in Schedule II to the Companies Act, 2013.

ii) Intangible Assets

Computer Software cost is amortised over a period of three years.

5. Investments

Investments are valued at or below cost.

6. Inventories

Inventories of Textiles are stated at cost or net realizable value, whichever is lower. Cost comprises all costs of purchase, cost of conversion and other cost incurred in bringing inventories to their present location and condition. First in first out is followed for determination of cost. Real estate inventory converted into stock in trade is stated at conversion value based on its fair market valuation and development expenses incurred therefor.

7. Revenue Recognition

Revenue is generally recognised, when no significant uncertainty as to its measurability or collectability exists.

Revenue from sale of Real Estate is recognized on the basis of the "percentage of completion Method" in accordance with guidance note issued by The Institute of Chartered Accountants of India. Revenue is recognized in relation to sold/booked areas only on the basis of percentage of cumulative actual cost incurred thereon as against the total estimated cost of the project under execution subject to such cumulative actual cost being 25% or more of the total estimated cost.

8. Retirement benefits

The Company's contribution to Provident Fund is charged to Profit & Loss Statement. Provisions for Gratuity and leave encashment are made on the basis of actuarial valuation and charged to Profit & Loss Account.

9. Borrowing Cost

Interest and other cost in connection with the borrowing of the funds to the extent related/attribution to the acquisition/construction of qualifying fixed assets are capitalized upto the date when such assets are ready for its intended use and other borrowing costs are charged to Profit & Loss Account.

10. Provision for Current and Deferred Tax

Provision for Current Tax is made on the basis of estimated taxable income for the current accounting period and in accordance with the provisions as per Income Tax Act, 1961.

Deferred tax resulting from 'timing difference' between book and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be adjusted in future. Permanent timing difference adjustments are not accounted for in provisions.

11. Provision/Contingency

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are disclosed.

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 94th 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 26th July, 2017 at 12.30 P.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, 2017.

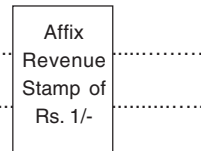
2. Re-appointment of Shri Nidhipati Singhania as a Director who retires by rotation.

3. Appointment of M/s Gupta Vaish & Company, Chartered Accountants as Auditors and fixing their remuneration.

Signed this.....day of, 2017.

Signature of shareholder.....

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



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 94th 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

94th ANNUAL GENERAL MEETING

2017

I/We hereby record my/our presence at the 94th 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 26th July, 2017 at 12.30 P.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 2016-17 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