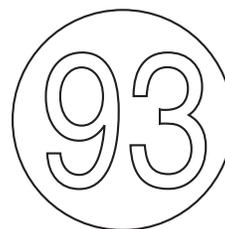




J. K. COTTON LIMITED

ANNUAL REPORT 2015-2016



J. K. COTTON LIMITED

BOARD OF DIRECTORS :

SHRI YADUPATI SINGHANIA (*Chairman & Managing Director*)

SHRI NIDHIPATI SINGHANIA

SMT. VARSHA SINGHANIA

DR. KRISHNA BEHARI AGARWAL

SHRI ASHOK GUPTA

DR. JAGANNATH GUPTA

SHRI KRISHNA DAS GUPTA

SHRI PADAM KUMAR JAIN

SHRI RAVINDRA KUMAR TANDON

CEO :

SHRI ABHISHEK SINGHANIA

BUSINESS HEAD :

DR. ANIL GUPTA

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

YES BANK LTD.

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 93rd Annual General Meeting of J.K.Cotton Limited will be held on Friday, the 12th August, 2016 at 11 A.M. at Merchants' Chamber of Uttar Pradesh, 14/76, Civil Lines, Kanpur-208 001 to transact the following business:-

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2016, 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 Ashok Gupta (DIN 00135288), 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 P.L. Tandon & Company, Chartered Accountants, Kanpur (**ICAI Registration No.000186C**), who have offered themselves for re-appointment and 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 re-appointed as Statutory Auditors of the Company for the Financial Year 2016-17, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company 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.

SPECIAL BUSINESS :

4. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 25000/- plus service tax as applicable and reimbursement of actual traveling and out of pocket expenses for the Financial Year ending 31st March, 2017 as recommended by the Audit Committee and approved by the Board of Directors of the Company in its meeting held on 23rd May, 2016, be paid to M/s R. M. Bansal & Co., Cost Accountants, for the conduct of the cost audit of the Company's Textile manufacturing unit at Kanpur for the year 2016-17, be and is hereby ratified and confirmed."
5. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to provisions of Sections 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), 15,000, 6% Cumulative Redeemable Preference Shares of Rs. 100/- each and 35,000, 8.5% Cumulative Redeemable Preference Shares of Rs.100/- each forming part of the Authorised Capital be and are hereby reclassified into 25,000, 6% Non-Cumulative Redeemable Preference Shares of Rs. 100/- each and 25,000, 8.5% Non-Cumulative Redeemable Preference Shares of Rs.100/- each."

"RESOLVED FURTHER THAT the nomenclature of existing 6% Cumulative Redeemable Preference Shares of Rs. 100/- each and 8.5% Cumulative Redeemable Preference Shares of Rs. 100/- each be and is hereby changed as 6% Non-Cumulative Redeemable Preference Shares of Rs. 100/- each and 8.5% Non-Cumulative Redeemable Preference Shares of Rs. 100/- each respectively."

"RESOLVED FURTHER THAT the Board of the Company be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things and to settle any question, difficulty or doubt that may arise in regard to the said resolution and to give such direction as may be deemed necessary or expedient to give effect to the said resolution."

6. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:
"RESOLVED THAT pursuant to Section 13 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) the existing Clause 5 of the Memorandum of Association of the Company be and is hereby altered by deleting the same and substituting in its place instead the following new clause:-

5. The Share Capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty Five Crores only) divided into 2,45,00,000 Equity Shares of Rs.10/- each, 25000, 6% Non-Cumulative Redeemable Preference Shares of Rs.100/- each and 25000, 8.5% Non-Cumulative Redeemable Preference Shares of Rs.100/- each with power to increase or reduce the Capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary,

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modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company.”

“**RESOLVED FURTHER THAT** the Board of the Company be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things and to settle any question, difficulty or doubt that may arise in regard to the said resolution and to give such directions as may be deemed necessary or expedient to give effect to the said resolution.”

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

“**RESOLVED THAT** pursuant to provisions of Section 55 of the Companies Act, 2013 to the extent applicable and other applicable provisions, if any, of the Companies Act, 1956 / 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and enabling provisions of the Memorandum and Articles of Association of Company and subject to such approvals, permissions and sanctions as may be required from any Governmental or Regulatory authorities and subject to such condition(s) and modification(s) as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall be deemed to include any Committee which the Board constituted and/or may constitute to exercise its powers conferred by this resolution), the consent and approval of the Company be and is hereby accorded to the Board to create, offer, issue and allot 15,720, 6% Non-Cumulative Redeemable Preference Shares of Rs.100/- each for the purpose of discharging of liability of existing 5000, 6% Non-Cumulative Redeemable Preference Shares of Rs. 100/- each, 6,000, 8.5% Non-Cumulative Redeemable Preference Shares of Rs. 100/- each and 4720, 8.5% Non-Cumulative Redeemable Preference Shares of Rs. 100/- each (hereinafter referred to as ‘unredeemed Preference shares’) and such issue and allotment of such new Preference shares shall inter-alia be on the following terms and conditions :

- (i) The Preference shares shall carry a preferential right vis-a-vis Equity shares of the Company with respect to payment of dividend and in case of winding up, of repayment of capital;
- (ii) The Preference shares shall be non-participating;
- (iii) The Preference shares shall carry dividend @ 6% on non-cumulative basis;
- (iv) The Preference shares shall carry voting rights as per provisions of Section 47(2) of the Companies Act, 2013; and
- (v) The Preference shares shall be redeemed at the expiry of five years from the date of allotment or such earlier date as may be decided by the Board of Directors of the Company and such redemption shall be at par and in accordance with the provisions of Section 55

of the Companies Act, 2013 and the rules made thereunder.

“**RESOLVED FURTHER THAT** the Board of the Company be and is hereby authorized to allot preference shares, fix record date, take such steps and to do all such other acts, deeds, matters and things and to settle any question, difficulty or doubt that may arise in regard to the said resolution and to give such directions as may be deemed necessary or expedient to give effect to the said resolution and matters incidental, consequential, ancillary and connected therewith and the consent of the members of the Company shall be deemed to have been accorded expressly by the authority of this resolution.”

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 Friday, 5th August, 2016 to Friday, 12th August, 2016 (both day 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**

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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 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 Ltd. (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. 5th August, 2016 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 9th August, 2016 (9.00 a.m.) and ends on 11th August, 2016 (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. 5th August, 2016 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
 - a. For CDSL : 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (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.

Dividend Bank Details or Date of (DOB) 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

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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 "RESOLUTIONS 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 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. 5th August, 2016.
- (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.

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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	Ashok Gupta
Age	62
Qualification and Experience	Shri Ashok Gupta is a B.BM and FCA. He is a Non-Executive Non-Independent Director on the Board of the Company. He is also Managing Director of Jaykay Enterprises Limited. He has about 38 years of experience in the fields of finance and accounts.
Terms and conditions of appointment or re-appointment	Non-Executive Director liable to retire by rotation
Date of first appointment on the Board	25/10/2012
Shareholding in the Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None
Number of Meetings of the Board attended during the year	4
Other Directorships	Jaykay Enterprises Limited Khandelwal Extractions Limited
Memberships/Chairmanship of Committee of other Board	Jaykay Enterprises Limited Audit Committee - Member

ITEM NO. 4 :-

Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, provides that the Board shall appoint a Cost Accountant in practice on the recommendation of the Audit Committee, which shall also recommend remuneration for such Cost Auditor. The remuneration recommended by Audit Committee shall be considered and approved by the Board of Directors and ratified by the shareholders.

On recommendation of Audit Committee at its meeting held on 23rd May, 2016, the Board has considered and approved appointment of M/s R.M. Bansal & Co., Cost Accountants for conduct of Cost Audit of the Company's Textile manufacturing unit at Kanpur at a remuneration of Rs. 25,000/- plus applicable service tax and reimbursement of actual traveling and out of pocket expenses for the Financial year ending 31st March, 2017.

The Resolution at item No. 4 of the Notice is set out as an Ordinary Resolution for approval and ratification by shareholders in terms of section 148 of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice.

ITEM NO. 5&6 :-

The present capital structure of the Company is as under:

Particulars	Equity Share Capital	Preference Share Capital
Authorised Capital	2,45,00,000 Equity Shares of Rs. 10/- each amounting to Rs. 24,50,00,000/-	15000, 6% Cumulative Redeemable Preference Shares of Rs.100/- each 35000, 8.5% Cumulative Redeemable Preference Shares of Rs.100/- each
Issued, Subscribed and Paid-up Capital	2,35,77,750 Equity Shares of Rs. 10/- each amounting to Rs. 23,57,77,500/-	5,000, 6% Cumulative Redeemable Preference Shares of Rs. 100/- each amounting to Rs. 5,00,000/- 10,720, 8.5% Cumulative Redeemable Preference Shares of Rs. 100/- each amounting to Rs. 10,72,000/-

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Out of the Issued, Subscribed and Paid up share capital, 5000, 6% Cumulative Redeemable Preference Shares of Rs.100/- each and 6000, 8.5% Cumulative Redeemable Preference Shares of Rs.100/- each and 4720, 8.5% Cumulative Redeemable Preference Shares of Rs.100/- each aggregating to Rs. 15,72,000(hereinafter referred to as 'unredeemed Preference shares') and it is proposed to redeem the unredeemed Preference shares. In order to facilitate issue of new Preference Shares to the holders of unredeemed Preference shares, it is proposed that 15,000, 6% Cumulative Redeemable Preference Shares of Rs. 100/- each and 35,000, 8.5% Cumulative Redeemable Preference Shares of Rs.100/- each forming part of the Authorised Capital be and are hereby reclassified into 25,000, 6% Non-Cumulative Redeemable Preference Shares of Rs. 100/- each and 25,000, 8.5% Non-Cumulative Redeemable Preference Shares of Rs.100/- each respectively. In terms of the approval of preference shares in its meeting held on 4th January, 2016/ consent in writing to variation of rights, which inter-alia provided for change of nomenclature of Preference Shares from "Cumulative" to "Non-Cumulative", the nomenclature of the existing Preference shares is being changed to specifically reflect Non-Cumulative character of Preference shares. The said change of nomenclature is sought to be effected by passing of resolution as set out at item No. 5 of the Notice. Consequent upon change of nomenclature of Preference share capital, the Capital clause 5 of the Memorandum of Association is required to be altered to reflect the changed capital structure which is sought to be effected by passing of Special Resolution proposed at item No. 6 of the Notice. The Board recommends the resolutions as set out at item No. 5 and 6 of the Notice for your approval.

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

ITEM NO. 7 :-

The present capital structure of the Company is as under:

5000, 6% Cumulative Redeemable Preference Shares of Rs.100/- each, 6000, 8.5% Cumulative Redeemable Preference Shares of Rs.100/- each and 4720, 8.5% Cumulative Redeemable Preference Shares of Rs.100/- each aggregating to Rs. 15,72,000/- shall become due for redemption on 30th September,2016. Since the Company does not have adequate distributable profit which may be applied for redemption of the said Preference Shares, it is proposed to issue fresh Preference shares to redeem existing Preference shares in terms of the provisions of Section 55 of the Companies Act, 2013 as may be applicable.

The Special Resolution set out at item No. 7 of the Notice is intended to seek members' approval empowering the Board of Directors of the Company to issue Non-Cumulative Redeemable Preference Shares to the promoters of the Company for discharging of redemption liability of unredeemed Preference shares. Statement of disclosures as required under Rule 9 (3) of Companies (Share Capital and Debentures) Rules, 2014 and the terms of issue of Preference shares are as under :

Issue size, number of Preference Shares to be issued and nominal value of each share	15,720 Preference shares of Rs. 100/- each aggregating to Rs. 15,72,000/-
Nature of Shares	Non-Cumulative, Non-participating, Non-convertible into Equity Shares and Redeemable Preference Shares (hereafter also referred as NCRPS).
Objectives of the issue	To discharge liability of/redeem unredeemed Preference Shares.
Basis for issue Price	NCRPS will be issued at par value of Rs. 100/- each.
Terms of issue and rate of dividend on each share	NCRPS shall carry dividend @6% as stated in the resolution.
Terms, manner and mode of Redemption	NCRPS shall be redeemable at par at the expiry of 5 years or at such earlier date as may be decided by Board.
Shareholding Pattern of the Company as on date.	Pre and post issue shareholding pattern of the Company in respect of Equity and Preference share capital is provided hereinafter.
Expected dilution in Equity capital upon conversion of Preference shares.	No dilution in Equity capital is envisaged as NCRPS proposed to be issued are Non-convertible.

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SHAREHOLDING PATTERN – EQUITY SHARE CAPITAL

Sl. No.	Category	Pre–Issue		Post Issue	
		No. of Shares held	% of Shareholding	No. of Shares held	% of Shareholding
A.	Promoters' Holding				
	1. Indian :				
	Individual	10573300	44.84	10573300	44.84
	Bodies Corporate	11416228	48.42	11416228	48.42
	Any other (Person acting in concert)	2063	0.01	2063	0.01
	Sub–Total	21991591	93.27	21991591	93.27
2. Foreign Promoters	–	–	–	–	
	Sub–Total (A)	21991591	93.27	21991591	93.27
B.	Non–Promoters' holding				
	1. Institutional Investors	105381	0.45	105381	0.45
	2. Non–Institution:				
	Bodies Corporate	322335	1.37	322335	1.37
	Directors and Relatives	35	0.00	35	0.00
	Indian Public	1063698	4.51	1063698	4.51
	Others(Individuals, trusts& Societies)	94710	0.40	94710	0.40
	Sub–Total (B)	1586159	6.73	1586159	6.73
	GRAND TOTAL (A+B)	23577750	100.00	23577750	100.00

SHAREHOLDING PATTERN–PREFERENCE SHARE CAPITAL (Comprising of All Series)

Sl. No.	Category	Pre–Issue		Post Issue	
		No. of Shares held	% of Shareholding	No. of Shares held	% of Shareholding
A.	Promoters' Holding				
	1. Indian :				
	Individual	239	1.52	15720	100.00
	Bodies Corporate	4	0.03	–	–
	Sub–Total	243	1.55	15720	100.00
	2. Foreign Promoters	–	–	–	–
	Sub–Total (A)	243	1.55	15720	100.00
B.	Non–Promoters' holding				
	1. Institutional Investors	4000	25.44	–	–
	2. Non–Institution:				
	Bodies Corporate	10419	66.28	–	–
	Directors and Relatives	–	–	–	–
	Indian Public	–	–	–	–
	Others(Individuals, trusts& Societies)	1058	6.73	–	–
	Sub–Total (B)	15477	98.45	–	–
	GRAND TOTAL(A+B)	15720	100.00	15720	100.00

J. K. Cotton Ltd.

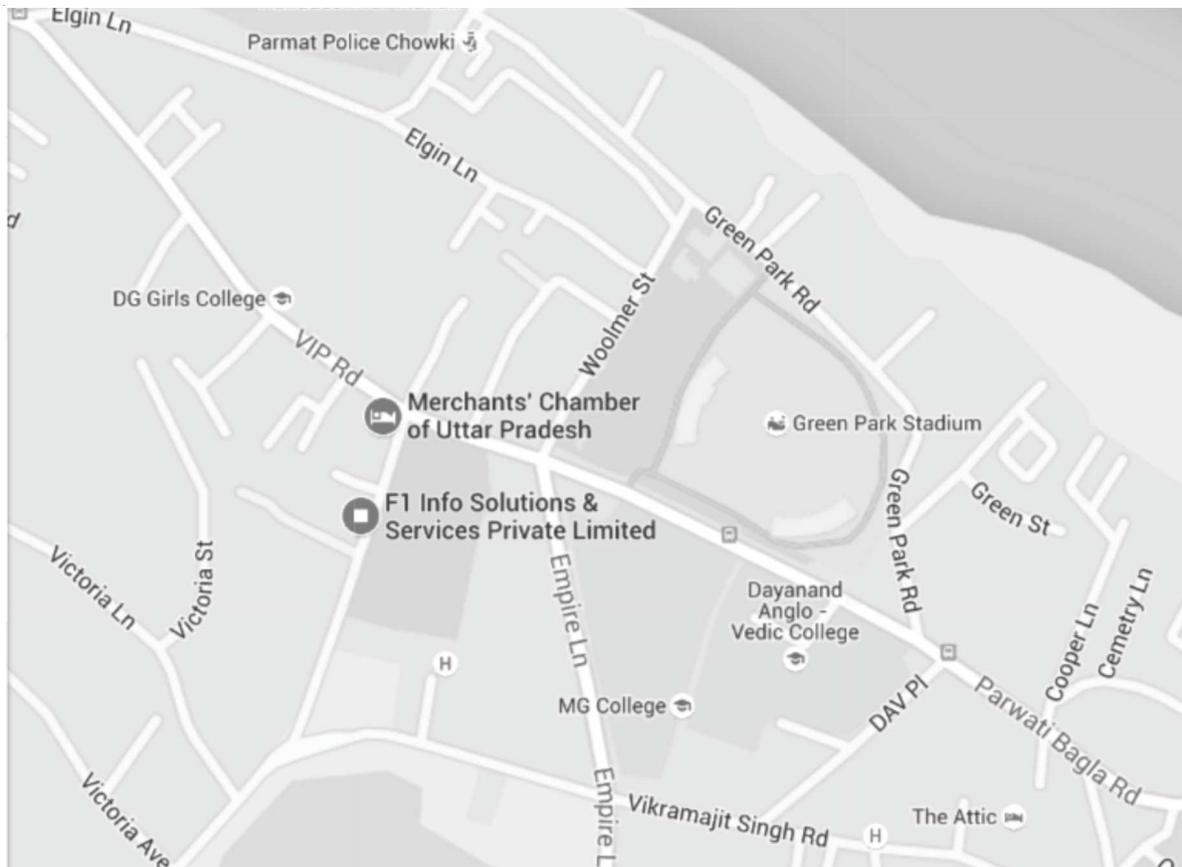
The Board recommends the Special Resolution as set out at item No. 7 of the Notice for approval by members of the Company. None of the Directors of the Company except Shri Yadupati Singhania, being the holder of 8.5 % Cumulative Redeemable Preference Shares of the Company or any Key Managerial Personnel of the Company and their relatives may be deemed to be concerned financially or otherwise, in the resolution.

Place : Kanpur
Dated : 23rd May, 2016

By order of the Board
HARSHIT GUNANI
Company Secretary

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

VENUE: Merchants' Chamber of Uttar Pradesh, 14/76, Civil Lines, Kanpur-208 001



DIRECTORS' REPORT

TO THE MEMBERS,

The Directors are pleased to present their 93rd Annual Report together with the Audited Statement of Accounts of the Company for the Financial Year ended 31st March, 2016.

1. Financial Results :

	2015-16 ₹/Lacs	2014-15 ₹/Lacs
Sales	8601.30	3627.98
Profit/(Loss) before Finance		
Cost and Depreciation	3382.90	(292.57)
Finance Cost	(1739.33)	(1380.58)
Profit/(Loss) before Depreciation	1643.57	(1673.15)
Depreciation	(478.54)	(448.99)
Net Profit/(Loss) Before		
Exceptional Items	1165.03	(2122.14)
Exceptional Items	-	-
Net Profit/(Loss) Before Tax	1165.03	(2122.14)
Add : Deferred Tax	390.52	-
Profit/(Loss) after Tax	1555.55	(2122.14)

The Company earned a Net Profit of ₹ 15.55 crores (compared to a loss of ₹ 21.22 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 Weaving, Processing and Yarn Dyeing Department of Textile unit functioned during the year. The operating loss of Textile division has come down in F.Y. 2015-16. The management is trying their best to utilize entire capacity, improving contribution per meter and reducing expenses at the same time manufacturing quality products to cater to the needs of the customer which includes brands. Due to your Company's aggressive marketing, it has received good orders from Raymond, ITC, Spykar, VF Corporation, Indus League, Future Group, Reliance E Commerce, etc.

FUTURE PLAN OF ACTION

- Focus on performance based technologies and products.
- Focus on green technologies.
- Use of new sustainable fibers, newer finished products with coating, brushing, calendaring and utilization of newer chemicals.
- Adoption of new technology for quality improvement, cost reduction and managing risks involved in the business.

B. Real Estate Division

During the year, the development work in Phase I of Real Estate Project at Jajmau, Kanpur is almost complete. The Company has also commenced the booking for plots. The initial response is encouraging.

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.

During the year, your Directors have discontinued Risk Management Committee and 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.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks, inter alia, are Regulations, Competition, Business risk, Technology Obsolescence, Retention of talent etc. Business risk, inter-alia, further includes Financial risk, Political risk, Legal risk etc.

The main areas of risk and concerns are the price sensitiveness of yarn for weaving and grey cloth for processing; the higher interest cost and high debt servicing obligations; the need for upgrading the technology and revamping some of the existing production facilities and utilities; and the cheaper imports of textile articles, labour problems, power, etc. The Company has developed general response strategies for management of risks. Hence, the Company takes informed decisions to either avoid or reduce or transfer or accept the risk and mitigate the same.

4. EXTRACT OF ANNUAL RETURN

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

5. DIRECTORS

- 5.1 In accordance with the provisions of the Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Shri Ashok Gupta, Director will retire by rotation at the forthcoming Annual General Meeting and being eligible offer himself for re-appointment.
- 5.2 During the year under review Shri Sharad Pat Singhania (DIN 01373865), Independent Director of the Company has resigned from office w.e.f 19th August, 2015. The Board places on record its sincere appreciation for the valuable services rendered by him.
- 5.3 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

During the year under review, the company has appointed Shri Harshit Gunani, Company Secretary as Key Managerial Personnel.

7. MEETINGS OF THE BOARD OF DIRECTORS

During the financial year ended 31st March, 2016, Four Board Meetings were held on the following dates:-

- a) 26th May, 2015

J. K. Cotton Ltd.

- b) 10th August, 2015
- c) 28th October, 2015
- d) 10th February, 2016

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.

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

12.3 No frauds were found and hence none were reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government.

13. COST AUDITORS

The present Cost Auditors, M/s R. M. Bansal & Co., Cost Accountants, were appointed at the Board meeting of the Company held on 23rd May, 2016. You are requested to consider and approve the Remuneration.

14. SECRETARIAL AUDITOR

The Board has appointed M/s. Banthia & Co, Practising Company Secretaries (Prop. Mr. G.K.Banthia) of Kanpur, to conduct Secretarial Audit for the Financial Year 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.(See Annexure B).

15. 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.

An Independent firm of Chartered Accountants carries out Internal Audit on a random basis to detect flaws in the system. Internal Audit reports are prepared on the respective areas/units to create awareness and corrective actions are taken to rectify them. These reports are reviewed by the management team and then by the Audit Committee of the Board for follow up action. 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.

16. AUDIT COMMITTEE

The Audit Committee of the Company comprises of the Independent Directors namely Dr. Jagannath Gupta (Chairman), Dr. Krishna

J. K. Cotton Ltd.

Behari Agarwal, Shri Padam Kumar Jain and Shri Ravindra Kumar Tandon. All the recommendations made by the Audit Committee were accepted by the Board.

17. LOANS, GUARANTEE AND INVESTMENT

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

18. 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.

19. 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.

20. 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

Delhi Stock Exchange (DSE) was de-recognised as Stock Exchange by SEBI vide its order dated 19.11.2014. Pursuant to SEBI's Exit Order dated 09.06.2015, the Uttar Pradesh Stock Exchange (UPSE) was allowed exit through voluntary surrender of de-recognition. Accordingly UPSE 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. Consequently, Corporate Governance Report and Management Discussion and Analysis Report shall not form part of Director Report. 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. Shareholders are requested to avail the same.

21. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the Report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company.

22. SEXUAL HARRASMENT 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.

Awareness programmes were conducted across the Company to sensitize the employees to uphold the dignity of their colleagues at workplace, particularly with respect to prevention of sexual harassment.

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

23. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting : Date /Time: Friday, the 12th August, 2016 at 11 A.M.

Venue : At Merchants Chamber of Uttar Pradesh, 14/76, Civil Lines, Kanpur-208 001.

Date of Book Closure: Friday, 5th August, 2016 to Friday, 12th August, 2016. (Both Days Inclusive)

Depository Details : The equity shares of the Company have been admitted in NSDL. NSDL vide its Circular No. NSDL/PI/2016/0156 dated January 20, 2016 has allotted ISIN "INE088U01015" to the Company. Hence, the equity shares of the Company can be dematerialized by the shareholders. 2,18,75,649 Equity Shares of face value of Rs. 10/- each representing 92.78% of the paid up Equity Capital of the Company have been dematerialised till 31.03.2016.

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 transfer etc. are approved by Committee of Directors, which meets periodically.

Address for Correspondence :

J.K. Cotton Limited
Kamla Tower, Kanpur-208001
Tele. No. (0512) 2371478-481
Fax. (0512) 2332665
Email: harshit@jkcotton.com

24. Corporate Social Responsibility (CSR)

Since your Company now meets the criteria specified in sub-section (1) of section 135, CSR Committee was constituted in the meeting of Board of Directors held on 23rd May, 2016. Company's CSR Policy shall be drawn up in the forthcoming meeting of CSR Committee to plan and implement CSR activities as per provisions of Companies Act, 2013.

25. 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 : 23rd May, 2016

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 31.03.2016

**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	84.94
2.	Fabrics	13121 & 13131	13.63

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

IV. 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 1st April-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	–	10307119	10307119	43.72	10435758	137542	10573300	44.84	1.12
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	–	11416228	11416228	48.42	11416228	–	11416228	48.42	–
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any other	–	2063	2063	.01	2013	50	2063	0.01	–
Total shareholding of Promoter (A)	–	21725410	21725410	92.14	21853999	137592	21991591	93.27	1.13
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	Nil
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	-	105381	105381	0.45	-	105381	105381	0.45	Nil
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	440145	440145	1.87	21650	300685	322335	1.37	0.50
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	1032140	1032140	4.39	-	990059	990059	4.20	0.19
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	73674	73674	0.31	-	73674	73674	0.31	-
c) Others (specify)									
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts	-	50440	50440	0.21	-	50440	50440	0.21	-
Societies	-	150560	150560	0.64	-	44270	44270	0.19	0.45
Sub-total (B) (2):-	-	1748959	1748959	7.41	21650	1459128	1480778	6.28	1.13
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	1854340	1854340	7.86	21650	1564509	1586159	6.73	1.13
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	23577750	23577750	100	21875649	1702101	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.	Gaur Hari Singhania	1963246	8.33	-	-	-	-	8.33
2.	Govind Hari Singhania	12326	0.05	-	-	-	-	0.05
3.	Yadupati Singhania	4075000	17.28	-	6304427	26.74	-	9.46

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
1.	Dr. Gaur Hari Singhania					
	At the beginning of the year	-	1963246	8.33	1963246	8.33
	.on 22.05.2015*	(-) 1963246	-	-	-	-
	At the end of the year	-	-	-	-	-

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2.	Shri Govind Hari Singhania At the beginning of the year on 18.06.2015** At the end of the year	- (-) 12326 -	12326 - -	0.05 - -	12326 - -	0.05 - -
3.	Shri Yadupati Singhania At the beginning of the year .on 22.05.2015* on 11.03.2016 on 08.02.2016 on 15.02.2016 on 22.02.2016 on 29.02.2016 on 10.03.2016 on 23.03.2016 At the end of the year	- 1963246 140965 791 4734 17765 7020 92131 2775 -	4075000 - - - - - - - - -	17.28 - - - - - - - - -	4075000 6038246 6179211 6180002 6184736 6202501 6209521 6301652 6304427 6304427	17.28 25.61 26.21 26.21 26.23 26.31 26.34 26.73 26.74 26.74

* Shares transmitted to Shri Yadupati Singhania due to demise of Shri Gaur Hari Singhania

** Shares transmitted to Shri Abhishek Singhania due to demise of Shri Govind Hari Singhania

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.	J. K. Credit and Finance Ltd.	88642	0.37	88642	0.37
2.	M/S Nav Bharat Vanija Ltd.	58850	0.24	58850	0.24
3.	Surya Commercials Ltd.	58019	0.24	58019	0.24
4.	Pulp & Paper Research Institute	50000	0.21	50000	0.21
5.	The Oriental Insurance Co. Ltd.	47800	0.20	47800	0.20
6.	Sir Padampat Singhania Memorial Education Foundation	44270	0.18	44270	0.18
7.	Shyamadevi Agarwal	39100	0.16	39100	0.16
8.	National Insurance Co. Ltd	25100	0.11	25100	0.11
9.	Life Insurance Corporation of India	26242	0.11	26242	0.11
10.	Shri Vjaypat Singhania	21663	0.09	21663	0.09
11.	Kailashpat Singhania Sports Foundation	105910	0.44	-	-
12.	M/s Hilman Capital Finance Ltd.	81985	0.34	-	-
13.	M/s Ridhi Sidhi Commercial Ltd.	34675	0.14	-	-

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 Change during the year .At the end of the year	- - -	30 - 30	- - -	30 - 30	- - -
2.	Shri Yadupati Singhania At the beginning of the year on 22.05.2015* on 11.03.2016 on 08.02.2016 on 15.02.2016 on 22.02.2016 on 29.02.2016 on 10.03.2016 on 23.03.2016 At the end of the year	- 1963246 140965 791 4734 17765 7020 92131 2775 -	4075000 - - - - - - - - -	17.28 - - - - - - - - -	4075000 6038246 6179211 6180002 6184736 6202501 6209521 6301652 6304427 6304427	17.28 25.61 26.21 26.21 26.23 26.31 26.34 26.73 26.74 26.74
3.	Dr. Krishna Behari Agarwal At the beginning of the year Change during the year .At the end of the year	- - -	5 - 5	- - -	5 - 5	- - -

J. K. Cotton Ltd.

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	NIL	54,00,00,000	61,10,00,000	1,15,10,00,000
ii) Interest due but not paid	NIL	14,26,45,831	12,07,21,262	26,33,67,093
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	68,26,45,831	73,17,21,262	1,41,43,67,093
Change in Indebtedness during the financial year				
* Addition	7,88,06,209	7,49,68,076	5,69,90,907	21,07,65,192
* Reduction	NIL	NIL	17,49,25,232	17,49,25,232
Net Change	7,88,06,209	7,49,68,076	(11,79,34,325)	3,58,39,960
Indebtedness at the end of the financial year				
i) Principal Amount	7,88,06,209	54,00,00,000	49,40,75,000	1,11,28,81,209
ii) Interest due but not paid	NIL	21,76,13,907	11,97,11,937	33,73,25,844
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	7,88,06,209	75,76,13,907	61,37,86,937	1,45,02,07,053

*Deposits denotes inter corporate deposits.

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 Sharadpat Singhania	Shri P. K. Jain	
1.	Independent Directors							
	Fee for attending board committee meetings	78,000	57,000	33,000	21,000	NIL	40,000	2,29,000
	Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (1)	78,000	57,000	33,000	21,000	NIL	40,000	2,29,000
2.	Other Non-Executive Directors							
	Shri Yadupati Singhania*	Shri Nidhipati Singhania	Shri Ashok Gupta	Smt. Varsha Singhania				
	Fee for attending board committee meetings	5,000**	5,000	47,000	5,000			62,000
	Commission	NIL	NIL	NIL	NIL			NIL
	Others, please specify	NIL	NIL	NIL	NIL			NIL
	Total (2)	5,000**	5,000	47,000	5,000			62,000
	Total (B)=(1+2)							2,91,000
	Total Managerial Remuneration							2,91,000
	Overall Ceiling as per the Act							2,91,000

* Shri Yadupati Singhania was appointed as Chairman & Managing Director by the Board in its meeting held on 26th May, 2015

** Sitting Fee in the capacity of Vice-chairman (Non-Executive Director)(office held upto 26th May,2015)

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	2,09,000	4,60,000	6,69,000
	(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	2,09,000	4,60,000	6,69,000

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

J. K. Cotton Ltd.

Annexure-B

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2016

[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 Ltd. (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31st, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by J. K. Cotton Ltd. for the financial year ended on March 31st, 2016 according to the provisions of:

- i) The Companies Act, 2013 (The Act) and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under;
- v) 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 Listing Agreement also ceased to be effective.)

- 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 client;
 - 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;
- vi) I further report that reliance has been placed on the management representation on compliance with the other laws, there is no specific law applicable to the company.

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 Listing Agreements entered into by the Company with Delhi Stock Exchange and U. P. Stock Exchange (N.A.)

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

I 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 Directors, Non-Executive Directors 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 the directors to schedule the

J. K. Cotton Ltd.

Board Meetings, agenda and detailed notes on agenda is sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decision at the Board Meeting and Committee Meeting are carried out unanimously as recorded in the minutes of the meetings of the board 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 Listing Agreement with said exchanges also ceased. The shares of the 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.
- b) The Company commenced activity related to Real Estate.

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

Date : 23/05/2016
Place : Kanpur

Annexure A

To,
The Members
J. K. Cotton Ltd.
Kamla Tower
Kanpur

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.

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 law 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

Banthia & Company
Company Secretaries

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

Date : 23/05/2016
Place : Kanpur

J. K. Cotton Ltd.

Annexure-C

A. CONSERVATION OF ENERGY

Following conservation measures were taken up during the year

- 1) Installation of condensate recovery pump in V.D.R machine of Process house Department.
- 2) Installation of condensate recovery pump in washer machine of Process house Department.
- 3) Replacement of tube light (36 watt) to L.E.D detail below mention-
 - i) 7 watt- 89 nos
 - ii) 12 watt-10 nos
 - iii) 26 watt- 6 nos
 - iv) 18 watt-1 nos

B. TECHNOLOGY ABSORPTION

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

The Company continues to adopt the latest technology in the textile industry and provides latest platforms to the employees to execute their duties.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

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

Note - AC Drive of 30 kw for Gamma H-Plant has been ordered and will be installed shortly.

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Particulars	2015-2016	2014-2015
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
(A) Purchased:		
Textile Segment		
Units/KWH (000)	2318.52	4594.27
Total Amount (₹ in Lacs)	221.76	348.68
Rate/Unit (₹)	9.56	7.59
(B) Own Generation		
Textile Segment		
(Through Diesel Generator)		
Units/KWH (000)	17.05	65.93
Unit per litre of Diesel	2.05	2.70
Rate/Unit (₹)	27.08	23.52
2. Coal		
Textile Segment		
Quantity (MT)	–	82
Total Cost (₹ in Lacs)	–	9.66
Average Rate (₹ per MT)	–	11782.94
3. Husk		
Textile Segment		
Quantity (MT)	2266	6459
Total Cost (₹ in Lacs)	81.30	281.31
Average Rate (₹ per MT)	3587.88	4355.3
4. Diesel		
Textile Segment		
Quantity (Ltrs)	8298	24431
Total Cost (₹ in Lacs)	4.62	15.51
Average Rate (₹ per Ltr)	55.65	63.47
B. CONSUMPTION PER UNIT OF PRODUCTION		
Electricity		
Cloth (KWH/Metre)	2.22	1.87

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, 2016, 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, 2016, 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

J. K. Cotton Ltd.

- (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.

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

GIRISH KUMAR MITTAL
Partner
Membership No. 511729

Place : Kanpur
Date : 23.05.2016

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, 2016, 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 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, 2016 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 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 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 not made any preferential

allotment or private placement of shares or fully or partly convertible debentures during the year.

- xv. According to the information and explanations given to us and 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 : 23.05.2016

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 2016 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 2016, 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

Place : Kanpur
Date : 23.05.2016

Membership No. 511729

J. K. Cotton Ltd.
BALANCE SHEET
AS AT 31ST MARCH, 2016

	Note No.	As at 31.3.2016 (₹)	As at 31.3.2015 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	23,73,49,500	23,73,49,500
(b) Reserves & Surplus	2	77,47,49,448	61,91,93,778
		<u>1,01,20,98,948</u>	<u>85,65,43,278</u>
(2) Non Current Liabilities			
(a) Long Term Borrowings	3	17,42,85,713	26,28,57,142
(b) Other Long Term Liabilities	4	2,40,939	2,40,939
(c) Long Term Provisions	5	2,29,27,062	2,83,68,810
		<u>19,74,53,714</u>	<u>29,14,66,891</u>
(3) Current Liabilities			
(a) Short Term Borrowings	6	61,28,81,209	65,10,00,000
(b) Trade Payables	7	4,51,33,794	6,05,99,790
(c) Other Current Liabilities	8	1,10,07,03,943	56,48,43,040
(d) Short Term Provisions	9	48,85,000	56,98,565
		<u>1,76,36,03,946</u>	<u>1,28,21,41,395</u>
		<u>2,97,31,56,608</u>	<u>2,43,01,51,564</u>
II. ASSETS			
(1) Non Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		58,14,81,347	60,26,82,257
(ii) Intangible Assets		20,29,589	33,59,532
(iii) Capital Work-In-Progress		-	1,46,76,899
(b) Deferred Tax Asset	11	3,90,52,462	-
(c) Non Current Investments	12	9,00,114	9,12,255
(d) Long Term Loans and Advances	13	70,07,242	86,54,394
		<u>63,04,70,754</u>	<u>63,02,85,337</u>
(2) Current Assets			
(a) Inventories	14	1,71,14,79,660	1,67,74,03,173
(b) Trade Receivables	15	51,61,08,661	3,55,20,621
(c) Cash and Cash Equivalent	16	7,49,69,685	5,56,24,910
(d) Short Term Loans and Advances	17	3,84,81,183	2,94,87,996
(e) Other Current Assets	18	16,46,665	18,29,527
		<u>2,34,26,85,854</u>	<u>1,79,98,66,227</u>
		<u>2,97,31,56,608</u>	<u>2,43,01,51,564</u>
Significant Accounting Policies & Notes on Financial Statements	1-41		

As per our Report attached

For P. L. TANDON & CO.,
Chartered Accountants
GIRISH KUMAR MITTAL
Partner
Place : Kanpur
Dated : 23rd May, 2016

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, 2016

	Note No.	Year Ended 31.3.2016 (₹)	Year Ended 31.3.2015 (₹)
Revenue from operations	19	86,12,28,139	36,44,47,980
Other Income	20	3,78,91,362	19,68,03,628
Total Revenue		<u>89,91,19,501</u>	<u>56,12,51,608</u>
Expenses			
Cost of Materials Consumed	21	5,19,82,265	21,20,40,475
Purchases of Stock-In-Trade		9,57,114	1,76,69,145
Changes in Inventories of Finished Goods, Work-In-Progress and Stock In Trade	22	(3,15,40,906)	(13,90,43,778)
Employee Benefits Expense	23	8,27,80,058	11,14,46,250
Finance Costs	24	17,39,33,097	13,80,57,829
Depreciation and Amortization Expense		4,78,53,673	4,48,99,257
Other Expenses	25	45,66,50,992	38,83,96,876
Total Expenses		<u>78,26,16,293</u>	<u>77,34,66,054</u>
Profit/(Loss) Before Tax		11,65,03,208	(21,22,14,446)
Tax Expenses			
Deferred Tax (Refer Note No.11)		3,90,52,462	-
Profit/(Loss) for the Year		<u>15,55,55,670</u>	<u>(21,22,14,446)</u>
Earnings per Equity Share of face value of Rs. 10/- each			
Basic & Diluted.		6.60	(9.01)
Significant Accounting Policies & Notes on Financial Statements	1-41		

As per our Report attached

For P. L. TANDON & CO.,
Chartered Accountants
GIRISH KUMAR MITTAL
Partner
Place : Kanpur
Dated : 23rd May, 2016

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, 2016

	2015-2016 (₹)	2014-2015 (₹)
A. Cash flow from operating Activities		
Profit/(Loss) before Tax	11,65,03,208	(21,22,14,446)
Adjustments for:		
Depreciation	4,78,53,673	4,48,99,257
Profit on Sale of Assets	-	(15,85,89,264)
Dividend Received	(1,92,923)	(55,208)
Interest income	(79,97,167)	(61,28,358)
Interest expenses	16,93,89,585	13,52,48,829
Provision for diminuation in value of Stock	29,65,999	-
Provision for doubtful debts written back	(53,90,664)	(37,30,900)
Provision for diminuation in value of stock written back	(7,31,449)	-
Bad Debts written off	44,44,763	49,02,501
Provision for Doubtful Debts	11,76,595	1,63,80,571
Profit on sale of Investments	(50,208)	-
Loss on Sale of Fixed Assets	4,21,658	57,37,947
Operating Loss before Working Capital Changes	<u>32,54,27,071</u>	<u>(17,05,83,072)</u>
(Increase)/Decrease in Inventories	(3,16,22,527)	(13,31,11,022)
(Increase)/Decrease in Trade & Other Receivables	(48,72,78,536)	4,34,50,834
Increase/(Decrease) Trade Payable & Other liabilities	35,16,09,414	(9,45,76,878)
Net Cash Flow from Operations	<u>15,81,35,422</u>	<u>(35,48,20,138)</u>
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(1,13,76,685)	(5,90,12,536)
Interest Income	72,93,796	63,15,103
Sale of Investments	62,349	-
Sale of Fixed Assets	3,09,106	16,44,42,357
Net Cash Flow From Investing Activities	<u>(37,11,434)</u>	<u>11,17,44,924</u>
C. Cash Flow from Financing Activities		
Cash Credit Account	7,88,06,209	-
Proceeds/Repayment from Unsecured Loan	(11,69,25,000)	17,10,00,000
Dividend Received	1,92,923	55,208
Interest paid	(9,71,53,345)	(91,22,609)
Net Cash Flow From Financing Activities	<u>(13,50,79,213)</u>	<u>16,19,32,599</u>
Net Increase/(Decrease) in Cash & Cash equivalents	1,93,44,775	(8,11,42,615)
Opening Balance of Cash & Cash equivalents	5,56,24,910	13,67,67,525
Closing Balance of Cash & Cash equivalents	7,49,69,685	5,56,24,910

As per our Report attached

For P. L. TANDON & CO.,
Chartered Accountants
GIRISH KUMAR MITTAL
Partner
Place : Kanpur
Dated : 23rd May, 2016

YADUPATI SINGHANIA
Chairman & Managing Director
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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, 2016

	As at 31.3.2016 (₹)	As at 31.3.2015 (₹)
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	15,00,000
35000 8.5% Cumulative Redeemable Preference Shares of ₹ 100/- each	35,00,000	35,00,000
	<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	5,00,000
10720 8.5% Cumulative Redeemable Preference Shares of ₹ 100/- each	10,72,000	10,72,000
	<u>23,73,49,500</u>	<u>23,73,49,500</u>

The Preference Shareholders have accorded their consent/approval to variation of rights which inter-alia provided for change of nomenclature of preference shares from "Cumulative" to "Non-Cumulative" and to waive arrears of dividend on their holdings and approval of shareholders for consequent amendment in the Memorandum of Association of the Company is being sought in the ensuing Annual General Meeting.

	Equity No. of Shares	Preference No. of Shares
(a) The reconciliation of the number of shares outstanding is set out below -		
Shares at the beginning of the year	2,35,77,750	15,720
	(2,35,77,750)	(15,720)
Shares at the end of the year	2,35,77,750	15,720
	(2,35,77,750)	(15,720)

Figures in brackets are in respect of previous year

- (b) Preference shares of ₹ 15,72,000/- are due for redemption on 30.09.2016.
(c) Details of Shareholders holding more than 5% Shares of the Company -

	% of holding	31.3.2016 No. of Shares	% of holding	31.3.2015 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. Dr. Gaur Hari Singhania	-	-	8.33	19,63,246
4. Mrs. Kavita Singhania	9.97	23,50,000	9.97	23,50,000
5. Mr. Yadupati Singhania	26.74	63,04,427	17.28	40,75,000
6. 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	100.00	5,000
2. 8.5% Cumulative Redeemable Preference Shares of ₹ 100/- each				
(i) National Insurance Co. Ltd.	37.31	4,000	37.31	4,000
(ii) Surya Commercials Ltd.	17.49	1,875	17.49	1,875
(iii) Lala Kailashpat Singhania Sports Foundation	2.32	249	2.32	249
(iv) Shri Lakshmi Pat Singhania Education Foundation	3.70	397	3.70	397
(v) Surya Commercials Ltd.	33.02	3,540	33.02	3,540

J. K. Cotton Ltd.

	As at 31.3.2016 (₹)	As at 31.3.2015 (₹)
7. TRADE PAYABLES		
a) Micro, Small and Medium Enterprises	–	–
b) Others	4,51,33,794	6,05,99,790
	4,51,33,794	6,05,99,790
8. OTHER CURRENT LIABILITIES		
a) Current Maturity of Long Term Debts – Unsecured	32,57,14,287	23,71,42,858
b) Other Payables	22,09,63,445	6,21,12,589
c) Interest accrued and due on borrowings	33,73,25,844	26,33,67,093
d) Deposits	21,67,00,367	22,20,500
	1,10,07,03,943	56,48,43,040
Other payables include employees liabilities, advance from customers.		
9. SHORT TERM PROVISIONS		
a) Gratuity	43,90,000	52,12,565
b) Leave Encashment	4,95,000	4,86,000
	48,85,000	56,98,565

10. FIXED ASSETS

Description of Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 1.04.2015	Addi- tions	Sales/ Adjust- ments	As at 31.3.2016	As at 1.4.2015	Sales/ Adjust- ments	For the year	Upto 31.3.2016	As at 31.3.2016	As at 31.3.2015
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
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	3,69,87,432	–	19,22,893	3,89,10,325	4,54,00,891	4,73,23,784
Plant & Machinery	91,75,80,951	2,11,09,833	31,946	93,86,58,838	41,07,71,229	5,134	3,94,24,051	45,01,90,146	48,84,68,692	50,68,09,722
Furniture & Fittings	75,60,724	19,87,750	48,480	94,99,994	16,50,628	2,967	37,22,746	53,70,407	41,29,587	59,10,096
Office Equipments.	28,61,162	7,29,288	36,190	35,54,260	17,59,466	19,294	6,61,011	24,01,183	11,53,077	11,01,696
Vehicles	50,32,323	22,26,713	9,63,797	62,95,239	15,63,120	3,22,254	7,93,029	20,33,895	42,61,344	34,69,203
	1,05,54,14,132	2,60,53,584	10,80,413	1,08,03,87,303	45,27,31,875	3,49,649	4,65,23,730	49,89,05,956	58,14,81,347	60,26,82,257
Intangible Assets										
Computer Software	51,45,774	–	–	51,45,774	17,86,242	–	13,29,943	31,16,185	20,29,589	33,59,532
	51,45,774	–	–	51,45,774	17,86,242	–	13,29,943	31,16,185	20,29,589	33,59,532
Total	1,06,05,59,906	2,60,53,584	10,80,413	1,08,55,33,077	45,45,18,117	3,49,649	4,78,53,673	50,20,22,141	58,35,10,936	60,60,41,789
Capital Work In Progress	1,46,76,899	35,93,997	1,82,70,896	–	–	–	–	–	–	1,46,76,899
Previous Year	1,04,40,93,058	4,43,35,637	2,78,68,789	1,06,05,59,906	42,58,91,557	1,62,77,750	4,49,04,310	45,45,18,117	–	–

J. K. Cotton Ltd.

	As at 31.3.2016 (₹)	As at 31.3.2015 (₹)
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	(9,64,21,868)	—
Deferred Tax Asset		
Items under The Income Tax Act which will be allowed on actual payment	2,00,73,188	—
Unabsorbed Losses	11,54,01,142	—
	<u>3,90,52,462</u>	<u>—</u>

In view of reasonable certainty that assets will be adjusted in future, the Company has recognised Deferred Tax Asset for the 1st time

12. NON CURRENT INVESTMENTS	Nominal Value of each Share (₹)	As at 31.03.2016		As at 31.03.2015	
		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
J.K.Lakshmi Cement Ltd.	5/-	—	—	102	2,541
In Equity Shares - Unquoted fully paid up					
Accurate Finman Services Ltd.	10/-	2,070	—	2,070	—
In Equity Shares of Associate Companies					
Quoted fully paid up					
Jaykay Enterprises Ltd.	1/-	—	—	240	9,600
J.K.Cement Ltd.	10/-	—	—	48	—
			<u>9,00,114</u>		<u>9,12,255</u>
Aggregate Market Value of Quoted Investments.			49,17,760		51,10,366

* Investments have been valued at or below cost.

J. K. Cotton Ltd.

	As at 31.3.2016 (₹)	As at 31.3.2015 (₹)
13. LONG TERM LOANS AND ADVANCES (Unsecured Considered Good)		
a) Capital Advances		
Considered Good	20,73,729	27,42,770
Doubtful	<u>4,41,609</u>	<u>15,42,116</u>
	25,15,338	42,84,886
Less : Provision for Doubtful Advances	<u>4,41,609</u>	<u>15,42,116</u>
	20,73,729	27,42,770
b) Deposits	<u>49,33,513</u>	<u>59,11,624</u>
	<u>70,07,242</u>	<u>86,54,394</u>
14. INVENTORIES		
a) Raw Materials	1,65,65,896	1,27,08,444
Less : Provision of Diminution in Value of Stock of Yarn	<u>19,96,903</u>	<u>26,12,336</u>
	1,43,85,582	1,64,38,902
b) Stores & Spare Parts	1,43,85,582	1,64,38,902
Less : Provision of Diminution in Value of Stock of Dye & Chemical	<u>2,37,647</u>	<u>3,53,663</u>
	1,41,47,935	1,60,85,239
c) Finished goods	7,54,69,584	6,32,00,824
d) Goods In Process - Textiles	5,01,23,615	6,63,66,005
e) Work In Progress - Real Estate	<u>1,55,71,69,533</u>	<u>1,52,16,54,997</u>
	<u>1,71,14,79,660</u>	<u>1,67,74,03,173</u>
15. TRADE RECEIVABLES Unsecured		
a) Outstanding for more than six months		
Considered Good	61,19,730	23,76,738
Doubtful	1,16,76,943	1,29,44,791
b) Others - Considered Good*	<u>50,99,88,931</u>	<u>3,31,43,883</u>
	52,77,85,604	4,84,65,412
Less : Provision for Doubtful Receivables	<u>1,16,76,943</u>	<u>1,29,44,791</u>
	<u>51,61,08,661</u>	<u>3,55,20,621</u>
* Includes Unbilled Revenue of Rs. 47,57,10,495/-		
16. CASH AND CASH EQUIVALENT		
a) Cash on Hand	3,11,223	1,27,076
b) Balances with Banks	1,72,86,283	2,83,71,711
c) Fixed Deposits with Banks *	<u>5,73,72,179</u>	<u>2,71,26,123</u>
	<u>7,49,69,685</u>	<u>5,56,24,910</u>
* Fixed Deposits with Banks includes		
i) Deposits of Rs. 29,00,132 (Rs. 80,65,332/-) with maturity more than 12 months		
ii) Rs.1,14,58,479/- (Rs. 1,18,10,011/-) tied up against Bank Guarantee and Other Commitments		
17. SHORT TERM LOANS AND ADVANCES (Unsecured Considered Good)		
a) Advance Tax & TDS	71,32,287	48,02,186
b) Prepaid Expenses	14,75,385	15,94,867
c) Claim Receivables	36,46,839	36,46,839
d) Others Loans & Advances		
Considered Good	2,62,26,672	1,94,44,104
Doubtful	<u>47,950</u>	<u>18,93,664</u>
	2,62,74,622	2,13,37,768
Less : Provision for Doubtful Advances	<u>47,950</u>	<u>2,62,26,672</u>
	2,62,26,672	1,94,44,104
	<u>3,84,81,183</u>	<u>2,94,87,996</u>
18. OTHER CURRENT ASSETS		
a) Interest accrued on FDR with Banks	13,63,895	6,60,524
b) Others	<u>2,82,770</u>	<u>11,69,003</u>
	<u>16,46,665</u>	<u>18,29,527</u>

J. K. Cotton Ltd.

	Year Ended 31.03.2016		Year Ended 31.03.2015	
	(₹)	(₹)	(₹)	(₹)
19. REVENUE FROM OPERATIONS				
Cloth Sales		12,86,11,992		36,27,98,062
Revenue from Real Estate		73,15,17,825		-
Duty Drawback		10,98,322		16,49,918
		<u>86,12,28,139</u>		<u>36,44,47,980</u>
20. OTHER INCOME				
a) Interest	79,97,167		61,28,358	
b) Dividend received	1,92,923		55,208	
c) Rent	94,83,897		96,16,634	
d) Miscellaneous Receipt	87,79,499	2,64,53,486	74,53,630	2,32,53,830
Other Non Operating Income				
a) Profit on Sale of Fixed Assets	-		15,85,89,264	
b) Sundry Sales	10,93,038		54,75,426	
c) Profit from Trading Business	1,03,44,838	1,14,37,876	94,85,108	17,35,49,798
		<u>3,78,91,362</u>		<u>19,68,03,628</u>
21. COST OF MATERIALS CONSUMED				
Raw Material Consumed (Yarn)		5,19,82,265		21,20,40,475
22. CHANGES IN INVENTORIES OF FINISHED Goods, Work-In-Progress and Stock in Trade				
a) Real Estate				
Opening Stock of WIP	1,52,16,54,997		1,36,99,33,062	
Less: Closing Stock of WIP	<u>1,55,71,69,533</u>		<u>1,52,16,54,997</u>	
Changes in WIP		(3,55,14,536)		(15,17,21,935)
b) Textile Unit				
Opening Stock of Finished Goods	6,32,00,824		5,31,24,237	
Less : Closing Stock of Finished Goods	<u>7,54,69,584</u>		<u>6,32,00,824</u>	
Changes in Finished Goods		(1,22,68,760)		(1,00,76,587)
Opening Stock of WIP	6,63,66,005		8,91,20,749	
Less : Closing Stock of WIP	<u>5,01,23,615</u>		<u>6,63,66,005</u>	
Changes in WIP		1,62,42,390		2,27,54,744
Net Changes in Inventories of Finished Goods & WIP		<u>(3,15,40,906)</u>		<u>(13,90,43,778)</u>
23. EMPLOYEE BENEFITS EXPENSE				
a) Salaries and Wages		7,26,77,036		9,70,46,385
b) Contribution to Provident and other Funds		75,09,340		1,00,40,210
c) Staff welfare expenses		25,93,682		43,59,655
		<u>8,27,80,058</u>		<u>11,14,46,250</u>
24. FINANCE COST				
a) Interest Expenses (Gross)	17,11,12,096		14,02,11,116	
Less : Interest capitalised	<u>17,22,511</u>	16,93,89,585	49,62,287	13,52,48,829
b) Other borrowing costs		45,43,512		28,09,000
		<u>17,39,33,097</u>		<u>13,80,57,829</u>

J. K. Cotton Ltd.

		Year Ended 31.03.2016		Year Ended 31.03.2015
25. OTHER EXPENSES	(₹)	(₹)	(₹)	(₹)
a) Consumption of Stores & Spares		1,93,27,828		5,18,94,405
b) Power & Fuel				
Power Consumption	2,26,38,243		3,64,18,497	
Coal Consumption	–		9,66,201	
Husk Consumption	81,30,130	3,07,68,373	<u>2,81,30,908</u>	6,55,15,606
c) Sundry Manufacturing Expenses		39,12,840		53,38,614
d) Repairs & Maintenance				
Buildings	13,04,284		35,89,698	
Machinery	1,43,36,834	1,56,41,118	<u>2,11,89,722</u>	2,47,79,420
e) Administration & Sundry Expenses				
Rent	37,09,594		56,32,091	
Rates & Taxes	28,82,784		46,21,731	
Insurance	16,31,962		18,50,453	
Travelling & Conveyance	21,60,568		40,43,146	
Directors' Fees (including Service tax)	3,30,962		4,22,813	
Remuneration to Auditors:				
As Audit Fee (Including Service Tax)	2,29,000		2,24,720	
As Tax Audit Fee (Including Service Tax)	63,320		56,180	
For other services	11,400		16,854	
Provision for Doubtful Debts & Advances	11,76,595		1,63,80,571	
Bad Debts/Advances Write off	44,44,763		49,02,501	
Provision of Diminution in Value of Stock	–		29,65,999	
Expenses relating to previous years	1,94,978		10,69,872	
Loss on sale of Fixed Assets	4,21,658		57,37,947	
Other Expenses	<u>2,29,53,036</u>	4,02,10,620	<u>3,10,25,195</u>	7,89,50,073
f) Selling & Distribution Expenses				
Advertisement & Publicity	70,75,950		15,09,880	
Commission on Sale	21,00,713		64,45,045	
Selling Expenses	35,36,882	1,27,13,545	<u>22,41,898</u>	1,01,96,823
g) Land Development Expenses (Refer Note No.26)		33,40,76,668		15,17,21,935
		<u>45,66,50,992</u>		<u>38,83,96,876</u>

J. K. Cotton Ltd.

26. Land Development Expenses Includes:

	2015-16 (₹)	2014-15 (₹)
Salaries & Wages & Bonus	12,46,134.00	17,45,083.00
Contribution to PF & Other Funds	1,10,901.00	1,37,444.00
Welfare Expenses	1,99,499.00	32,895.00
Cement	1,50,56,219.00	-
Steel	1,67,28,052.00	-
Sewage & pipes	49,60,606.00	-
Ganga Sand	41,278.00	-
Water Severage & Plant	7,49,709.00	-
Payment to Contractor	12,83,59,599.00	-
Electric Sub Station Expenses	5,05,66,486.00	5,76,710.00
Site electrification expenses	3,72,68,983.00	-
Electricity consump. & electric install. charges	22,93,824.00	-
EWS/LIG construction expenses	2,82,32,064.00	-
Service Tax	74,87,321.00	1,81,479.00
Repairs & Maintenance	11,87,053.00	16,55,768.00
Sample & Model Expenses	21,13,875.00	-
Professional charges	50,39,352.00	-
Project Consultancy Management	2,05,32,900.00	-
Paid to KDA & Jalkal Vibhag	9,22,364.00	13,91,67,780.00
Interest	17,22,511.00	49,62,287.00
Freight	12,86,964.00	-
STP Expenses	2,25,000.00	-
Rates & Taxes	10,000.00	1,47,489.00
Insurance	20,302.00	-
Gardening & Horticulture Expenses	13,34,276.00	-
Security Expenses	42,45,689.00	7,20,144.00
Park equipment & Developments	1,76,531.00	-
Architectural services	18,12,500.00	13,24,725.00
Other Expenses	1,46,676.00	10,70,131.00
TOTAL	<u>33,40,76,668.00</u>	<u>15,17,21,935.00</u>

J. K. Cotton Ltd.

27. Balances of personal accounts of Trade Receivable, Creditors, Deposits, Loans & Advances and dues of secured lenders from others 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)

	2015-16 ₹ in lacs	2014-15 ₹ in lacs
(a) Net Profit/(Loss)	1,555.56	(2,122.14)
(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	6.60	(9.01)

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 2015-16 are as under :

Employer's contribution to provident fund	₹ 20,33,884/-	₹ 30,11,336/-
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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 2015-16	₹ in Lacs Leave Encashment unfunded 2015-16
I. EXPENSES RECOGNIZED IN THE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED		
1. Current service cost	36.92	21.30
2. Interest cost	30.86	3.27
3. Expected Return on plan assets	0.00	0.00
4. Past Service Cost	0.00	0.00
5. Net Actuarial(Gains)/losses	(49.33)	(12.62)
Total Expenses	18.45	11.95
II. NET ASSETS/(LIABILITIES) RECOGNIZED IN THE BALANCE SHEET AS AT 31.03.2016		
1. Present value of defined benefit obligation	380.51	39.43
2. Fair value of plan assets	0.00	0.00
3. Funded status[Surplus/(Deficit)]	(380.51)	(39.43)
4. Net Asset/(Liability)	(380.51)	(39.43)

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	429.19	56.30
2. Current Service Cost	36.92	21.30
3. Interest Cost	30.86	3.27
4. Plan Amendment Cost	0.00	0.00
5. Actuarial Gains/(Losses)	(49.33)	(12.62)
6. Benefits Payments	(67.13)	(28.82)
7. Present Value of Defined Benefit Obligation at the end of the year	380.51	39.43

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	7.60%	7.60%
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	10%	10%
6. Maximum Limit	₹ 10 lacs	

32. RELATED PARTY DISCLOSURES:

- (a) Key management personnel
- i) Shri Yadupati Singhania – Chairman & Managing Director
 - ii) Shri Abhishek Singhania – Chief Executive Officer
 - iii) Ms. Sonali Agarwal – Chief Financial Officer
 - iv) 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.

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	2015-16	2014-15
	₹	₹
i) Jaykay Enterprises Ltd.		
a) Rent received	6,00,000	12,00,000
b) Rent paid	12,48,000	12,69,000
c) Others	5,11,480	7,84,752
ii) J.K. Cement Ltd.		
a) Rent received(including Service Tax)	45,01,976	44,41,368
b) Cloth sales	1,80,740	5,80,120
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	8,32,97,862	7,45,95,729
c) Finance charges paid	28,62,500	28,09,000
iv) 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
b) Shri Abhishek Singhania		
Remuneration including PF	6,65,000	6,60,000
c) Ms. Sonali Agarwal		
Remuneration including PF	4,78,350	-
d) Shri Harshit Gunani		
Remuneration including PF	2,18,199	-
e) Sitting Fees to Directors	3,30,962	4,22,813
Including Service tax		
	2015-16	2014-15
33. VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS		
Raw Material	Nil	44,50,610
Components and Spare parts	82,171	89,440
Capital Goods	Nil	3,14,32,502

J. K. Cotton Ltd.

34. VALUE OF RAW MATERIALS CONSUMED

	2015-16		2014-15	
	Amount ₹	Percentage of total Consumption	Amount ₹	Percentage of total Consumption
i) Imported	Nil	Nil	44,50,610	2.10%
ii) Indigenous	5,19,82,265	100%	20,75,89,865	97.90%

35. VALUE OF STORES AND SPARE CONSUMED

i) Imported	Nil	Nil	Nil	Nil
ii) Indigenous	1,93,27,828	100%	5,18,94,405	100%

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

	2015-16 (₹)	2014-15 (₹)
36. EXPENDITURE IN FOREIGN CURRENCY		
i) Travelling expenses	Nil	92,572
ii) Commission on Export Sale	7,71,837	10,42,163
iii) Others	Nil	27,474
37. EARNINGS IN FOREIGN CURRENCY	2,53,26,291	3,18,50,162

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

39. (A) Contingent Liabilities

- Claims against the company not acknowledged as debts - Amount unascertainable.
- As per Notification of the Payment of Bonus (Amendment) Act, 2015 dt.31.12.15, minimum Bonus payment has been increased with retrospective effect from 1st April, 2014. No provision has been made by the Company for differential amount of Bonus amounting to ₹ 19,21,013/- for the Financial year 2014-15 as Hon'ble High Court stayed the notification from its retrospective effects.
- Bonds executed with commissioner of custom, Mumbai along with counter indemnity provided in respect of bank guarantee for importing machinery at a concessional rate of duty under EPCG scheme ₹ 4,12,58,722/- (Previous Year ₹ 4,67,09,597/-)

(B) Commitments.

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ Nil (Previous year ₹ 21,12,344/-)

J. K. Cotton Ltd.

40. 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.

(Amount in Rs.)

Particulars	Business Segment		
	Textile Segment	Real Estate Segment	Total
Year ended March 31, 2016			
Sales to External Customers	13,91,61,356	73,18,89,112	87,10,50,468
Inter Segment sales	–	–	–
Total Segment Revenue	13,91,61,356	73,18,89,112	87,10,50,468
Other Unallocable Income	–	–	2,80,69,033
Total Revenue	–	–	89,91,19,501
Year ended March 31, 2016			
Segment Result	(13,94,62,295)	41,61,26,320	27,66,64,025
Unallocable Income– unallocable Expense (Net)	–	–	(16,01,60,817)
Profit/(loss) before tax	–	–	11,65,03,208
Provision for Current Tax	–	–	–
Defererd Tax	–	–	3,90,52,462
Profit/(loss) After tax	–	–	15,55,55,670
As at March 31, 2016			
Segment Assets	76,89,75,319	2,06,35,98,673	2,83,25,73,992
Unallocable Assets	–	–	14,05,82,616
Total Assets	–	–	2,97,31,56,608
As at March 31, 2016			
Segment Liabilities	13,46,89,546	18,24,43,554	31,71,33,100
Unallocable Liabilities	–	–	1,64,39,24,560
Total Liabilities	–	–	1,96,10,57,660
Year ended March 31, 2016			
Other Information			
Capital Expenditure	1,87,79,713	72,73,871	2,60,53,584
Depreciation & Amortisation	4,71,55,088	6,98,585	4,78,53,673
Other Significant Non–Cash Expense	63,25,419	–	63,25,419

J. K. Cotton Ltd.

41. 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. Fixed Assets

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 93rd Annual General Meeting of the Company to be held at the Merchants' Chamber of Uttar Pradesh, 14/76, Civil Lines, Kanpur-208 001 on Friday, the 12th August, 2016 at 11.00 A.M. and at any adjournment thereof in respect of such resolutions are indicated below :

RESOLUTION No.

Ordinary Business

1. Adoption of Financial Statements for the year ended 31st March, 2016.
2. Re-appointment of Shri Ashok Gupta as a Director who retires by rotation.
3. Appointment of M/s P.L.Tandon & Company, Chartered Accountants as Auditors and fixing their remuneration.

Special Business/Ordinary Resolution

4. Ratification/Confirmation of remuneration of Cost Auditor for the FY 2016-17.
5. Reclassification of Preference Shares.
6. Alteration of Capital Clause of Memorandum of Association of the Company.
7. Issue of Fresh Preference Share for the purpose of discharging of liability of existing Preference Shares.

Signed this.....day of, 2016.

Signature of shareholder.....

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

Affix Revenue Stamp of Rs. 1/-

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 93rd 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

93rd ANNUAL GENERAL MEETING

2016

I/We hereby record my/our presence at the 93rd Annual General Meeting of the Company at the Merchants' Chamber of Uttar Pradesh, 14/76, Civil Lines, Kanpur-208 001 on Friday, the 12th August, 2016 at 11.00 A.M.

TEAR HERE

.....
Member's Folio No.

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

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

Note:

1. Please complete the Folio No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. Physical copy of the Annual Report for 2015-16 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.

J. K. Cotton Ltd.

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

solarknp@gmail.com