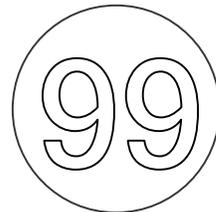




J. K. COTTON LIMITED

ANNUAL REPORT 2021-2022



J. K. COTTON LIMITED

BOARD OF DIRECTORS :

	DIN
SHRI ABHISHEK SINGHANIA (Chairman & Managing Director)	00087844
SHRI MAYANK KHANNA	00443170
SHRI SATISH CHANDRA GUPTA	01595040
SHRI ASHISH SINGH CHAUHAN	08145398
SHRI MANEESH MANSINGKA	00031476
DR. JAGANNATH GUPTA	00397952

CFO :

MS. SONALI AGARWAL (Resigned w.e.f 31.01.2022)
SHRI SUSHIL GOYAL (Appointed w.e.f 25.07.2022)

COMPANY SECRETARY:

SHRI HARSHIT GUNANI (Resigned w.e.f 12.05.2022)

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BANKERS : ALLAHABAD BANK

ICICI BANK LTD.

IDBI BANK LTD.

PUNJAB NATIONAL BANK

STATE BANK OF INDIA

HDFC BANK

AUDITORS :

MS. GUPTA VAISH & CO. Chartered Accountants

REGISTERED OFFICE:

KAMLA TOWER, KANPUR

J. K. COTTON LIMITED

CIN: U17111UP1924PLC000275

Registered Office: Kamla Tower, Kanpur-208001, U.P., India

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

E-mail: abhishek.pandey@jkorg.co.in

Website: www.jkcotton.com

NOTICE OF 99TH ANNUAL GENERAL MEETING

Notice is hereby given that the 99th Annual General Meeting of J. K. Cotton Limited will be held on Friday, 30th September 2022, at 02.00 P.M through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'), to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2022 together with the Reports of the Board of Directors and Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2022 together with Report of Auditors thereon.
3. To appoint a Director in place of Shri Abhishek Singhania (DIN- 00087844), who retires by rotation and being eligible, offers himself for re-appointment.
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 the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to recommendation of the Audit Committee and the Board of Directors M/s P.L. Tandon & Co., Chartered Accountants, Kanpur (ICAI Registration No. 000186C), be and are hereby appointed as Statutory Auditors of the Company, at such remuneration plus reimbursement of out-of pocket, travelling and living expenses etc., as may be mutually agreed between the Board of Directors of the Company and the said Auditors.

RESOLVED FURTHER THAT M/s P.L. Tandon & Co., Chartered Accountants, if appointed as the Statutory Auditors of the Company, shall hold office for a period of five years, from the conclusion of this Annual General Meeting till the conclusion of the 104th Annual General Meeting of the company.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and/or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

SPECIAL BUSINESS:

5. **Appointment of Shri Satish Chandra Gupta (DIN: 01595040), as a Director**

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

"RESOLVED THAT Shri Satish Chandra Gupta (DIN: 01595040), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 30.10.2021 in terms of Section 161(1) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing candidature of Shri Satish Chandra Gupta for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

J. K. Cotton Ltd.

RESOLVED FURTHER THAT any of the Director(s) of the Company and/or Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

6. Appointment of Shri Mayank Khanna (DIN: 00443170) as an Independent Director

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 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Mayank Khanna (DIN: 00443170), who was appointed as an Additional Director in the capacity of Independent Director of the Company by the Board of Directors in its meetings held on 30.10.2021 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting or the last date on which the Annual General Meeting for Financial Year 2021-22 should have been held, whichever is earlier and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, for the period of 5 years w.e.f 30.10.2021 and not liable to retire by rotation.

RESOLVED FURTHER THAT any of the Director(s) of the Company (including its committee thereof) and/or Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

7. Appointment of Shri Ashish Singh Chauhan (DIN: 08145398), as a Director

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

“RESOLVED THAT Shri Ashish Singh Chauhan (DIN: 08145398), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 12.05.2022 in terms of Section 161(1) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing candidature of Shri Ashish Singh Chauhan for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT any of the Director(s) of the Company and/or Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

8. Appointment of Shri Maneesh Mansingka (DIN: 00031476), as a Director

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

“RESOLVED THAT Shri Maneesh Mansingka (DIN: 00031476), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 30.08.2022 in terms of Section 161(1) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing candidature of Shri Maneesh Mansingka for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

RESOLVED FURTHER THAT any of the Director(s) of the Company and/or Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

9. To consider and if thought fit to pass the following Resolution whether with or without modification(s) as Special Resolution;

“RESOLVED THAT pursuant to section 42(5) and other applicable provisions of the Companies Act, 2013 if any and corresponding rules there to consent of the Company be and is hereby accorded to withdraw the Preferential Issue of 7,50,000 6% Non-Convertible Redeemable Preference Shares of Rs 100/- each approved by the Shareholders on Private Placement basis on 14th February, 2022.”

“RESOLVED FURTHER THAT any of the Director(s) of the Company is be and hereby authorized to take such further steps, acts, deeds, things to give effect to the aforesaid Resolution and file necessary e-form(s) with the Ministry of Corporate Affairs (MCA)”³

10. Approval of Related Party Transactions with Jaykay Enterprises Limited pursuant to Section 188 of Companies Act, 2013

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

“RESOLVED THAT pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded to provide Development Management services to M/s Jaykay Enterprises Limited, ‘a related party’ for developing its land situated at SPRC, Kota, Rajasthan-324003 admeasuring approx. 34 acres provided that the aforesaid services to be provided shall be at arm’s length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT Board of Directors of the Company may alter and vary the terms and conditions of the aforesaid providing of services to the Related Party including renewal thereof from time to time on such terms and conditions as may be deemed fit by the Board of Directors of the Company at its absolute discretion without being required to seek further approval of the members of the Company and the approval of the members shall be deemed to have been expressly accorded to the Board by the authority of this resolution.”

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

Place:Kanpur
Date: 06/09/2022

By Order of the Board of Directors
For J.K.Cotton Limited
Sd/-
(Abhishek Singhanian)
Managing Director

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NOTES:

1. Pursuant to the provisions of the Act, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, on a poll, to vote instead of himself/herself. Such proxy/proxies need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars on AGM through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
2. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, setting out the material fact annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, September 23, 2022 to Friday, September 30, 2022 (both days inclusive)** for the purpose of Annual General Meeting.
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be titled 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. The tenure of M/s Gupta Vaish & Co., Chartered Accountants, Kanpur (ICAI Registration No. 005087C), as the Statutory Auditors of the Company will expire on this Annual General Meeting. Accordingly, the Board of Directors, based on the proposal of the Management and the recommendations of the Audit Committee, in its meetings held on August 10, 2022 have considered and recommended the appointment of M/s P.L. Tandon & Co. Chartered Accountants (ICAI Registration No. 000186C), as Statutory Auditors of the Company for the term 5 years, subject to approval of members in this Annual General Meeting.
7. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 23 September, 2022 through email on abhishek.pandey@jkorg.co.in and investorservices@jaykayenterprises.com. The same will be replied by the Company suitably. Documents referred to in this Notice will be made available for inspection as per applicable statutory requirements.
8. With a view to serving the Members better and for administrative convenience, an attempt would be made to consolidate multiple folios. Members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the company to consolidate their holdings in one folio.
9. Members can avail of the nomination facility by filing Form SH-13, as prescribed under Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, with the company. Blank forms will be supplied on request.
10. Since the AGM will be held through VC/OAVM, the route map to the venue is not annexed to this Notice.
11. **Instructions for shareholders for Remote e-voting and e-voting during AGM are as under**
 1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 2/2022 dated May 5, 2022 read with Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and Circular No. 02/2022 dated May 05, 2022. (collectively referred to as "MCA Circulars"). The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
 2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and MCA Circulars dated May 5, 2022 read with Circular dated April 08, 2020, April 13, 2020, May 05, 2020 and May 05, 2022 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central

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Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The

facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding),

Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 2/2022 dated May 5, 2022 read with Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM along with the Annual Report has been uploaded on the website of the Company i.e. www.jkcotton.com The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 and MCA Circular No. 2/2022 dated May 5, 2022 read with Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In compliance with the aforementioned MCA Circulars, Notice of the AGM along with the Annual Report 2021-2022 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAV M ARE AS UNDER:

- (i) The voting period begins on **September 27, 2022 at 10:00 am** and ends on **September 29, 2022 at 5:00 pm**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. **September 23, 2022** 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) **All the demat account holders** have been provided the facility of e-voting **by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seam less authentication but also enhancing ease and convenience of participating in e-voting process.
- (iv) Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholder holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e voting is in progress as per the information provided by company. On clicking the e voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINK IN TIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com homepage. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option here the e voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDEAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDEAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDEAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDEAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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Individual Shareholders (holding securities in demat mode) log in through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be re directed to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Help desk for Individual Shareholders holding securities in demat mode for any technical issues related to log in through Depository i.e. CDSL and NSDL

Login type	Help desk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact: CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact: NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.:18001020990 and 1800224430

(v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

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

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6) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digital alpha numeric PAN issued by Income Tax Department(Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use their first two letters of their names followed by the Serial Number.
Dividend Bank Details OR Date of Birth(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. <ul style="list-style-type: none">If both the details are not recorded with the depository or company, please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction(v).

- (vi) After entering the said details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu where in they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolution so f any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name>on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) 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.
- (xvi) **Facility for Non-Individual Shareholders and Custodians-Remote Voting**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

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- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/

Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz abhishek.pandey@jkorg.co.in and investorservices@jaykayenterprises.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops/ iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at abhishek.pandey@jkorg.co.in and investorservices@jaykayenterprises.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email-id, mobile number at abhishek.pandey@jkorg.co.in and investorservices@jaykayenterprises.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

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10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the share holders attending the meeting.

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

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

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai-400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

11. 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 only shall be entitled to avail the facility of remote e-voting or voting at the meeting.
12. For abundant clarity, please note that the Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
13. The Scrutinizer shall submit his report to the Chairman. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company and on the website of CDSL immediately after declaration of the results by the Chairman or a person authorized by him in this behalf.

Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Annual General Meeting i.e. Friday, September 30, 2022.

14. 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. 23rd September, 2022.
15. The Company has appointed M/s. Banthia & Co., (Prop. G. K. Banthia) of Kanpur, Practicing Company Secretaries (C.P. No. 1405) as the Scrutinizer to scrutinize the remote e-voting and e-voting during the meeting in a fair and transparent manner.
16. The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolutions have been carried or not, and such report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.
17. In terms of the Rule 9A(3)(a) of Companies (Prospectus and Allotment of Securities) Rules, 2014, Every holder of securities of an unlisted public company, who intends to transfer such securities on or after 30th September, 2019, shall get such securities dematerialized before the transfer. In view of the above, Members are advised to dematerialized shares held by them in physical form.

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

ITEM NO. 5:-

Based upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its Meeting held on 30th October, 2021 appointed Shri Satish Chandra Gupta (DIN: 01595040) as Additional Director of the Company to hold office up to date of ensuing Annual General Meeting, which term may be extended by regularization of his appointment in the ensuing Annual General Meeting of the Company.

Shri Satish Chandra Gupta having rich and varied business experience and the Board considers that this appointment as an Additional Director of the Company would immensely benefit the Company.

Shri Satish Chandra Gupta is not disqualified from being appointed as Director in terms of Section 164 of the Act. The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Satish Chandra Gupta for the office of Director of the Company.

The Board of Directors recommends the resolution for your approval.

None of the Directors and / or Key Managerial Personnel except Shri Satish Chandra Gupta himself and their relatives may be deemed to be concerned or interested in the Resolution.

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

Name of the Director	Shri Satish Chandra Gupta
DIN	DIN: 01595040
Date of Birth	15/11/1944
Nationality	Indian
Date of Appointment on the Board	30.10.2021
Qualification	Satish is an IT industry veteran. With over 55 years of experience, he brings a wealth of knowledge and market perspective to the table.
Expertise in Specific functional area	Satish is an IT industry veteran. With over 55 years of experience, he brings a wealth of knowledge and market perspective to the table. He started his career with IBM World Trade Corporation in India in 1965. After spending 13 years in IBM, he moved to CMC Limited and spent another 12 years in CMC. He joined JK Technosoft Limited (JKT) in the year 1990 and since then he is continuing with JK Group. Currently, he is Executive Director of JKT and is also on the board of various public and private companies.
Terms and conditions of Appointment or re-appointment	Director
Number of shares held in the Company	NIL
List of the directorship held in other Companies*	1. Diensten Tech Limited 2. J K Techno soft Limited 3. Bala shree Property Consultants Private Limited 4. Manphul Trading And Finance Company Private Limited 5. J K Infrastructure Developers Private Limited
Number of Board Meeting attended during the year	5
Chairman/Member in the Committees of the Boards of Companies in which he is Director	Chairman of Corporate Social Responsibility Committee of J K Technosoft Limited

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ITEMNO.6: -

Based upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the company at its Meeting held on 30th October,2021 appointed Shri Mayank Khanna Gupta (DIN: 00443170) as Additional Director (Independent) of the Company to hold office upto date of ensuing Annual General Meeting, which term may be extended by regularization of his appointment in the ensuing Annual General Meeting of the Company.

Shri Mayank Khanna having rich and varied business experience and the Board considers that his appointment as an Additional Director of the Company would immensely benefit the Company.

Shri Mayank Khanna is not disqualified from being appointed as Director in terms of Section164 of the Act. The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Mayank Khanna for the office of Independent Director of the Company.

The Board of Directors recommends the resolution for your approval.

None of the Directors and / or Key Managerial Personnel except Shri Mayank Khanna himself and their relatives may be deemed to be concerned or interested in the Resolution.

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

Name of the Director	Shri Mayank Khanna
DIN	DIN-00443170
Date of Birth	31/05/1976
Nationality	Indian
Date of Appointment on the Board	30.10.2021
Qualification	MBA in Marketing from Swinburne University, Melbourne, Australia Diploma in European Marketing from ESC, Rouen, France B.Com from Sydenham College of Commerce & Economics, Bombay Schooling from the prestige boarding school The Scindia School, Gwalior
Expertise in Specific functional area	Has been engaged in manufacturing of biscuits for Parle for the last 21 years and is the leading contract manufacturer for M/s. Parle Products Pvt. Ltd.
Terms and conditions of Appointment or re-appointment	Non-Executive, Independent Director
Number of shares held in the Company	NIL
List of the directorship held in other Companies*	1. Annakut Biscuit Company Private Limited 2. Annapurna Baked Products Private Limited 3. Merchants Chamber of Uttar Pradesh 4. Annapurna Bakers (India) Private Limited 5. Zima Foods Private Limited
Number of Board Meeting attended during the year	5
Chairman/ Member in the Committees of the Boards of Companies in which he is Director	1. Zima Foods Private Limited 2. Annakut Biscuit Company Private Limited, 3. Annapurna Baked Products Private Limited 4. Annapurna Bakers (India) Private Limited 5. Merchants Chamber Of Uttar Pradesh. (Advisor – Young Entrepreneur Committee)

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ITEM NO 7: -

Based upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its Meeting held on 12th May, 2022 appointed Shri Ashish Singh Chauhan (DIN: 08145398) as Additional Director of the Company to hold office upto date of ensuing Annual General Meeting, which term may be extended by regularization of his appointment in the ensuing Annual General Meeting of the Company.

Shri Ashish Singh Chauhan having rich and varied business experience and the Board considers that his appointment as an Additional Director of the Company would immensely benefit the Company.

Shri Ashish Singh Chauhan is not disqualified from being appointed as Director in terms of Section 164 of the Act. The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Ashish Singh Chauhan for the office of Director of the Company.

The Board of Directors recommends the resolution for your approval.

None of the Directors and / or Key Managerial Personnel except Shri Ashish Singh Chauhan himself and their relatives may be deemed to be concerned or interested in the Resolution.

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

Name of the Director	Shri Ashish Singh Chauhan
DIN	DIN-08145398
Date of Birth	09/08/1981
Nationality	Indian
Date of Appointment on the Board	12.05.2022
Qualification	Bachelor of Science, Licentiate from IRDA (Life Insurance) and is DOEACC "A" level qualified
Expertise in Specific functional area	He has over 17 years vast experience in operations and has been associated with companies like TATA AIG Life Insurance Company Ltd., Bajaj Allianz Life Insurance Co. Ltd. and Shriram Group.
Terms and conditions of Appointment or re-appointment	Director
Number of shares held in the Company	NIL
List of the directorship held in other Companies*	1. JK Sporting Limited 2. Ujala Merchants And Traders Limited 3. Vijaystambh Traders Private Limited 4. Sarvashaktiman Traders Private Limited 5. Morning Glory Infra Limited 6. Favicon Consultancy Services Private Limited 7. Surya Commercials Limited 8. Shree Radhakrishna Mines & Minerals Company Private Limited 9. Quest Academics Private Limited
Number of Board Meeting attended during the year	Not Applicable
Chairman/ Member in the Committees of the Boards of Companies in which he is Director	Chairperson Audit Committee Morning Glory Infra Limited Chairperson Nomination and Remuneration Committee Morning Glory Infra Limited Chairperson Corporate Social Responsibility Committee Morning Glory Infra Limited

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ITEM NO 8: -

Based upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its Meeting held on 30th August, 2022 appointed Shri Maneesh Mansingka (DIN: 00031476), as Additional Director of the Company to hold office upto date of ensuing Annual General Meeting, which term may be extended by regularization of his appointment in the ensuing Annual General Meeting of the Company.

Shri Maneesh Mansingka, having rich and varied business experience and the Board considers that his appointment as an Additional Director of the Company would immensely benefit the Company.

Shri Maneesh Mansingka, is not disqualified from being appointed as Director in terms of Section 164 of the Act. The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Maneesh Mansingka for the office of Director of the Company.

The Board of Directors recommends the resolution for your approval.

None of the Directors and / or Key Managerial Personnel except Shri Maneesh Mansingka himself and their relatives may be deemed to be concerned or interested in the Resolution.

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

Name of the Director	Shri Maneesh Mansingka
DIN	DIN-00031476
Date of Birth	24.07.1972
Nationality	Indian
Date of Appointment on the Board	30.08.2022
Qualification	Graduate In Commerce
Expertise in Specific functional area	Mr. Maneesh Mansingka started his career in the year 1993 and since then held various prestigious positions. Mr. Mansingka is currently Managing Director of Shree Shubham Logistics Limited. One of the largest warehouse service providers in the Agri commodities space in India managing over 11 million square feet. Recently SSL was recognized and has been awarded by the Economic Times as "Champion of Rural Market of 2019. Amongst other positions held in various Companies he is also President and Director at Kalpataru Urbanscape LLP, part of Kalpataru Group
Terms and conditions of Appointment or re-appointment	Director
Number of shares held in the Company	NIL
List of the directorship held in other Companies*	<ol style="list-style-type: none">1. Singer India Limited2. Jaykay Enterprises Limited3. Agri Warehousing Service Providers (India) Association4. Surya Commercial Limited5. Pioneer Projects Limited6. Shree Shubham Logistics Limited7. J K Technosoft Limited8. Punarvasu Financial Services Private Limited9. B.G.K. Infrastructure Developers Private Limited10. Agriculture Skill Council of India11. Indamer Mjets Airport Services Private Limited
Number of Board Meeting attended during the year	Not Applicable
Chairman/ Member in the Committees of the Boards of Companies in which he is Director	<ol style="list-style-type: none">1 Shri Shubham Logistics Limited- Executive Committee- Member Risk Management Committee- Member2 Punarvasu Financial Services Pvt. Ltd.- Credit Committee of board- Member

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ITEM NO 9

Section 42 of the Companies Act, 2013 and Rules thereto provide for private placement of securities subject to the Approval of the Shareholders, accordingly the Company decided to issue on private placement basis 7,50,000 6% Non-Convertible Redeemable Preference Shares of Rs 100/- each. The same was duly approved by the Shareholders of the Company on 14th February, 2022 as per requirement of Sec 42 of the aforesaid Act. The Company may either issue and allot the shares in terms of offer or invitation in this connection or it may withdraw or abandon such preferential issue in terms of sub-sec 5 of the sec 42 of the said Act.

The Board of Directors in its Meeting held on 6th September, 2022 decided to withdraw the said preferential issue subject to approval of the Shareholders in terms of said sub section 5.

Shri Abhishek Singhania, Chairman and Managing Director and Shri Ashish Singh Chauhan, Director may deemed to be concerned or interested directly or indirectly in the aforesaid Resolution.

Accordingly, Board recommends for Approval of Shareholders of the Company on Item No 9 .of the Notice calling Annual General Meeting of the Company by means of Special Resolution.

Item No. 10

Jaykay Enterprises Limited wants to develop its land at SPRC, Kota, Rajasthan-324003 admeasuring approx. 34 acres. Keeping in view of this it has approached J.K. Cotton Limited to avail 'development management services'. J.K. Cotton Limited being a related party falling within the definition of related party under section 2(76) of the Companies Act 2013. Shri Abhishek Singhania is the Chairman & Managing Director of your Company and he is also the Promoter as well as Chairman & Managing Director of Jaykay Enterprises Limited and Shri Maneesh Mansingka is Director of your company and he is also Director of Jaykay Enterprises Limited. Consequently, Jaykay Enterprises Limited falls within the ambit of related party transaction under the provisions of Section 188 of the Companies Act, 2013.

The value of proposed aggregate transactions with Jaykay Enterprises Limited during the financial year 2022-2023 is likely to exceed the said threshold limit, requiring Shareholders approval by means of Ordinary Resolution.

Hence, approval of the shareholders is being sought for the said Related Party Transaction(s) proposed to be entered into by your Company with Jaykay Enterprises Limited in the financial year 2022-23.

None of the Directors and Key Managerial Personnel of the Company, except Shri Abhishek Singhania Chairman & Managing Director and Shri Maneesh Mansingka are concerned or interested in the above transaction and therefore, they are not entitled to vote on the resolution as per provisions of Section 188 of the Companies Act, 2013.

The Board of Directors recommends resolution as set out in item No. 10 for approval of the members of the Company by way of passing an Ordinary Resolution.

Information pursuant to Sub-rule 15 (3) of the Companies (Meetings of Board and its Powers) Rules, 2014

1	Name of the Related Party	M/s JAYKAY ENTERPRISES LIMITED
2	Name of the director or key managerial personnel who is related, if any and nature of relationship.	1.Shri Abhishek Singhania is the Chairman and Managing Director of your Company and he is also the Promoter as well as the Chairman and Managing Director Jaykay Enterprises Limited 2. Shri Maneesh Mansingka Director of your Company and he is also the Director of Jaykay Enterprises Limited.
3	Nature, material terms, monetary value and particulars of the contract or arrangement.	Nature of Contract: It is proposed to provide development management services to Jaykay Enterprises Limited in respect of its property (ies) situated at SPRC premises, DCM Road, Kota, Rajasthan-324003 on such terms and conditions as may be agreed to between the parties which is likely to exceed the threshold limit set under sec 188 of the

		Companies Act 2013 and falling under the category of Material Related Party Transaction.
		Duration of the Agreement
		transaction is of a recurring nature
		Monthly Expenditure: To be finalized as per proposed agreement between the parties
4	Any other information relevant or important for the members to take a decision on the proposed resolution.	The transaction is proposed to be entered in to on arm's length basis and in ordinary course of business.

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DIRECTORS'REPORT

Your Directors have pleasure in presenting the Ninety Ninth (99th) Annual Report of the Company together with Audited Financial Statements for the Financial Year ended 31st March, 2022.

1. FINANCIAL RESULTS:

The summarized financial results of the Company for the year ended 31st March, 2022 as compared to the preceding year are as under:-

PARTICULARS	STANDALONE		CONSOLIDATED
	2021-22 (Rs./lacs)	2020-21 (Rs./ lacs)	2021-22 (Rs./lacs)
Sales	12305.38	6586.91	12510.64
Profit/(Loss) Before Finance Cost and Depreciation	4843.36	2476.35	5024.56
Finance Cost	(102.12)	(180.00)	(124.82)
Profit/(Loss) Before Depreciation	4741.24	2296.35	4899.74
Depreciation	(46.35)	(43.21)	(110.71)
Profit/(Loss) Before Tax	4694.89	2253.14	4789.03
Transfer from Capital Reserve	2221.21	1080.69	2221.21
Profit/(Loss)Before Tax	6916.10	3333.83	7010.24
Add: Tax Expense (Incl .Def. Tax & Tax Adjustment of earlier years)	(1053.95)	(819.46)	(1054.30)
Profit/(Loss) for the year from continuing operations	5862.15	2514.37	5955.94
Profit/(Loss)from discontinued operations	-	-	(0.07)
Profit/(Loss)for the year	5862.15	2514.37	5955.87
Other Comprehensive Income	9.55	1.30	10.03
Total Comprehensive Profit/(Loss)	5871.70	2515.67	5965.90

2. FINANCIAL AND OPERATIONAL PERFORMANCE

The standalone statements for the financial year ended 31st March, 2022 forming part of this Annual Report have been prepared in accordance with Accounting Standard as notified by the Ministry of Corporate Affairs, and as amended from time to time.

On Standalone basis the revenue from operations of the Company was Rs. 12305.68 Lacs as against Rs. 6586.91 lacs in the preceding year. During the current financial year the Net Profit of the Company was Rs. 5871.70 Lacs as against Rs. 2515.67 lacs in the preceding year.

The Board of Directors of your company has decided to transfer the amount of profits earned during the Financial Year 2021-22 to Retained Earnings for the year under review.

3. CONSOLIDATED FINANCIAL STATEMENTS

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

On Consolidated basis the revenue from operation of the Company was Rs. 12510.64 Lacs. and Net

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Profit of the Company was Rs. 5965.90 Lacs.

4. **DIVIDEND**

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

5. **SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANIES**

During the Financial year under review, B.G.K. INFRASTRUCTURE DEVELOPERS PRIVATE LIMITED (CIN: U70102DL2007PTC171915) became the Subsidiary Company of your Company i.e. J.K. Cotton Limited w.e.f 1st July, 2021 and w.e.f. 14th July, 2021 became the Wholly owned Subsidiary within the meaning of section 2(87) of Companies Act, 2013.

During the year J. K. Cotton Limited ceased to be an Associate of Jaykay Enterprises Limited.

However, your company has no Associate and Joint ventures companies during the year ended on 31st March, 2022.

A statement pursuant to the provisions of section 129(3) of the companies Act,2013 read with the rules framed there under in the prescribed form AOC-1 showing financial results of the Subsidiary Company is enclosed herewith as Annexure-A.

HIGHLIGHTS OF THE PERFORMANCE OF SUBSIDIARY COMPANY AND IT CONTRIBUTION TO THE OVERALL PERFORMANCE OF THE COMPANY

B.G.K. INFRASTRUCTURE DEVELOPERS PRIVATE LIMITED

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

The total income of the company decreased from Rs. 415.62 Lacs in the preceding year to Rs. 282.89 Lacs in the current year. However the Net Profit of the Company increased from Rs. 47.37 Lacs in the preceding year to Rs. 107.85 lacs in the current year.

6. **STATE OF AFFAIRS OF THE COMPANY**

A- EMERALD GULISTAN:-

For Phase-1, Layout plan consisting of 445 residential plots (and remaining land for future development) was sanctioned by Kanpur Development Authority and for which Completion Certificate has been issued by Kanpur Development Authority on 14.07.2016. In Phase-1 the Company, is selling 413 residential plots out of which Company had booked 390 plots, 90 Independent Floors (on 30 plots) out of which the Company had booked 88 Independent Floors, 2 Villas (on 2 Plots) out of which company had booked 2 Villa as on 31.03.2022. For Phase-1, the Company had to construct 45 LIG and 45 EWS units as per Government norms, which the Company had already constructed and got Completion Certificate for the same by Kanpur Development Authority on 10.03.2017. All 45 LIG and 45 EWS units were allotted by Kanpur Development Authority.

In phase-2, the Company had developed 216 plots and Completion Certificate has been obtained by Kanpur Development Authority on 28.02.2020, the Company had booked 210 plots in phase-2 till 31.03.2022.

In Phase-3, the Company had Developed 143 plots and Completion Certificate has been obtained

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by Kanpur Development Authority on 26.11.2021, the Company had booked 127 plots till 31.03.2022.

In phase-4, the Company had developed 64 plots and Completion Certificate has been obtained by Kanpur Development Authority on 20.04.2021, the Company had booked 55 plots till 31.03.2022.

B- NEW VENTURES:-

The Company wants to enter into a contract with Jaykay Enterprises Ltd. (JKEL), a related Company to provide development management services for JKEL's land situated at SPRC Kota, Rajasthan-324003 admeasuring approx. 34 acres. For which the company proposes to seek shareholder's approval in ensuing Annual General Meeting of the company.

7. SHARECAPITAL

The paid up Equity Share Capital as at March 31, 2022 stood at Rs. 48,33,43,880/-. During the Year under review, the Company had issued and allotted 2,47,56,638 partly paid-up equity shares of a face value of ₹10 each ("Rights Equity Shares") for cash at a price of ₹27/- per Rights Equity Share (including securities premium of ₹17/- per Rights Equity Share) on rights basis to the eligible equity shareholders of the Company. An amount of ₹18 per Rights Equity Share (comprising ₹9 towards face value and ₹9 towards securities premium) was paid on application & allotment and balance monies (comprising ₹1 towards face value and ₹8 towards securities premium) was payable in first and final call. The Board of Directors of the Company at its meeting held on December 23, 2021 decided to make the First and Final call of ₹9 per Rights Equity Share (comprising ₹1 towards face value and ₹8 towards securities premium), payable from Tuesday, December 28, 2021 to Monday, January 10, 2022, both days inclusive ("First and Final Call"). Subsequently, in accordance with the terms of issue of the various classes of Preference Share, 43,84,720 Preference Shares (of two classes) of Rs. 100/- each were redeemed on 24.09.2021.

8. AUDITORS

A. STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under M/s. Gupta Vaish & Co., Kanpur, Chartered Accountants, (ICAI Registration No 005087C) were appointed as the Statutory Auditors of the Company to hold office for five consecutive years starting from the conclusion of the 94th Annual General Meeting (AGM) until the conclusion of the 99th AGM of the Company to be held during the current year 2022.

Subject to the approval of the members of the Company, the Audit Committee and the Board of Directors during their respective meetings held on August 10, 2022 have considered and recommended the appointment of M/s. P.L. Tandon & Co., Kanpur, Chartered Accountants, (ICAI Registration No 000186C), as the Statutory Auditors of the Company, to hold office from the conclusion of the 99th Annual General Meeting until the conclusion of the 104th Annual General Meeting of the Company to be held in year 2027.

M/s. P.L. Tandon & Co. have confirmed their eligibility and qualification required under Sections 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules issued there under (including any statutory modification(s) or reenactment(s) thereof for the time being in force).

M/s. P.L. Tandon & Co., Kanpur, Chartered Accountants, (ICAI Registration No 000186C), have given their consent for the proposed appointment as Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting of the members of the Company.

They have further confirmed that the said appointment, if made, would be within the prescribed

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limits under Section 141(3) (g) of the Companies act, 2013 and that they are not disqualified for appointment.

The auditors Report for the financial year 2021-2022 does not contain any qualification, reservation or adverse remark.

b. INTERNAL AUDITOR

Pursuant to the provisions of Section 138 read with rule 13 of the Companies (Accounts) Rules, 2014 your company has engaged the services of M/s. O. P. BAGLA & CO., CHARTERED ACCOUNTANTS to conduct the internal audit of the functions and activities of the company for the financial year 2021-2022.

c. SECRETARIAL AUDITOR

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the rules made there under your company has engaged the services of secretarial Auditor i.e. M/S BANTHIA & CO., COMPANY SECRETARIES for the financial year 2021-2022. The secretarial Audit Report for the financial year ended 31st March, 2022 is annexed herewith as Annexure- D

9. REPORTING OF FRAUDS BY AUDITOR

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

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of the Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Shri ABHISHEK SINGHANIA, (DIN- 00087844), Director retire from the board by rotation at the ensuing Annual General Meeting of the Company and being eligible he has offered himself for re-appointment.

Pursuant to the provisions of the Companies Act, 2013, the Company here by confirms the Change in Designation of following person from Additional Director to Directors of the Company at the ensuing Annual General Meeting:

- a. Mayank khanna (DIN:00443170) who was appointed as Additional Independent Director of the company w.e.f. 30.10.2021
- b. Satish Chandra Gupta (DIN:01595040) who was appointed as Additional Director of the company w.e.f. 30.10.2021
- c. Ashish Singh Chauhan (DIN:08145398) who was appointed as Additional Director of the company w.e.f. 12.05.2022
- d. Maneesh Mansingka (DIN: 00031476) who was appointed as Additional Director of the company w.e.f. 30.08.2022

Shri Nidhipati Singhania (DIN:00171211) w.e.f. 23.06.2021, Shri Ashok Gupta (DIN: 00135288) w.e.f. 31.10.2021, Shri Krishna Das Gupta (DIN:00374379) w.e.f. 06.11.2021, Vedang Hari Singhania (DIN: 08948420) w.e.f. 26.04.2022 and Sanjay Kumar Jain (DIN: 01014176) w.e.f. 30.04.2022, ceased to be Director of the company due to their pre-occupations. The Board places on record its deep appreciation towards invaluable contribution, strategic support and guidance

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to the management during their tenure as the Director of the Company

Shri Vikas Garg (DIN:09365431) who was appointed as Additional Director of the company w.e.f. 30.10.2021 and he ceased to be Director of the company due to his pre-occupations w.e.f. 29.03.2022.

Shri Padam Kumar Jain (DIN: 00176945) Director of the Company left for his heavenly abode on 12.05.2021. Your directors express their profound grief and condolence.

Ms. Sonali Agarwal, Chief Financial Officer resigned during the year w.e.f. 31.01.2022

11. DECLARATION FROM INDEPENDENT DIRECTOR.

The Company has received declarations from all the Independent Directors of the Company under section 149(7) confirming that they meet the criteria of independence as prescribed under section 149(6) the Companies Act, 2013.

12. MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors duly met 9 (Nine) times respectively on 14th June, 2021, 29th June, 2021, 09th August, 2021, 23rd September, 2021, 30th October, 2021, 23rd December, 2021, 14th January, 2022, 10th February, 2022 and 28th February, 2022 During the financial year. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

13. ANNUAL RETURN

Annual Return of the Company as required under the Companies Act, 2013 will be available on the website of the Company at www.jkcotton.com.

14. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION BETWEEN THE END OF FINANCIAL YEAR AND DATE OF REPORT

No material changes and commitments affecting the financial position of the company occurred from the end of the financial year 2021-2022 till the date of this report. Further, there was no change in the nature of the business of the company.

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

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

16. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

During the year under review, all transactions entered into with related parties during the year were on

J. K. Cotton Ltd.

an arm's length pricing basis and were in the ordinary course of business. Moreover, there were no material related party transactions i.e. transactions exceeding the limits prescribed under Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014, as amended. Thus, disclosure in form AOC-2 is not required. Suitable disclosure has been made in the Annual Report.

17. PARTICULARS LOANS, GUARANTEES AND INVESTMENT MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

During the year under review the company has provided loans and advances, made investments in the securities of its wholly owned subsidiary Company i.e. B.G.K. INFRASTRUCTURE DEVELOPERS PRIVATE LIMITED but has not provided any Guarantee covered under the provisions of Section 186 of the Companies Act, 2013 which form part of the Notes to the financial Statement.

18. APPLICATION MADE PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During the FY 2021-2022, no proceedings are initiated/pending against the company under the Insolvency and Bankruptcy Code, 2016.

19. DETAILS OF ONE-TIME SETTLEMENT WITH BANKS OR FINANCIAL INSTITUTIONS

During the FY 2021-2022, there was no instance of one time settlement with any Bank or Financial Institution.

20. RISK MANAGEMENT

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

Audit Committee has been entrusted with the responsibility to assist the Board in:-

- (a) Overseeing implementation of Company's risk management policy,
- (b) Overseeing all the risks that the organization faces, identification and assessment of risks and maintaining adequate risk management infrastructure in place capable of addressing those risks and
- (c) Overseeing all the risks that the organization faces, identification and assessment of risks and maintaining adequate risk management infrastructure in place capable of addressing those risks.

21. COMMITTEES OF THE BOARD

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

a. AUDIT COMMITTEE

Name of Director	Designation
Jagannath Gupta	Independent Director
* Padam Kumar Jain	Independent Director
**Ashok Gupta	Director
***Krishna Behari Agarwal	Independent Director

J. K. Cotton Ltd.

****Ravindra Kumar Tandon	Independent Director
Mayank Khanna	Independent Director
Satish Chandra Gupta	Director

The members of Audit Committee duly met 5 (Five) times respectively on 29.06.2021, 09.08.2021, 30.10.2021, 14.01.2022 and 10.02.2022 during the financial year under review.

*Shri Padam Kumar Jain (DIN: 00176945) passed away on 12.05.2021

**Shri Ashok Gupta (DIN: 00135288) resigned w.e.f 31.10.2021

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

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

b. NOMINATION & REMUNERATION COMMITTEE

Name of Director	Designation
*Krishna Behari Agarwal	Independent Director
**Ravindra Kumar Tandon	Independent Director
Jagannath Gupta	Independent Director
***Krishna Das Gupta	Independent Director
****Nidhipati Singhania	Director
Mayank Khanna	Independent Director
Satish Chandra Gupta	Director

The members of Nomination and Remuneration Committee duly met 4 (Four) times respectively on 28.06.2021, 01.10.2021, 29.10.2021 and 09.02.2022 during the financial year under review.

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

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

*** Krishna Das Gupta (DIN: 00374379) resigned w.e.f 06.11.2021

****Shri Nidhipati Singhania (DIN: 00171211) resigned w.e.f 23.06.2021

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c. **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

Name of Director	Designation
Jagannath Gupta	Independent Director
*Krishna Behari Agarwal	Independent Director
**Ashok Gupta	Director
***Ravindra Kumar Tandon	Independent Director
Mayank Khanna	Independent Director
Ashish Singh Chauhan	Director

The members of Stakeholders' Relationship Committee duly met 4 (Four) times respectively on 29.06.2021, 09.08.2021, 30.10.2021 and 10.02.2022 during the financial year under review.

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

**Shri Ashok Gupta (DIN: 00135288) resigned w.e.f 31.10.2021

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

d. **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Name of Director	Designation
Jagannath Gupta	Independent Director
*Krishna Behari Agarwal	Independent Director
**Ashok Gupta	Director
***Ravindra Kumar Tandon	Independent Director
Satish Chandra Gupta	Director
Ashish Singh Chauhan	Director

The members of Corporate Social Responsibility Committee duly met 2 (Two) times respectively on 28.06.2021 and 09.02.2022 during the financial year under review.

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

**Shri Ashok Gupta (DIN: 00135288) resigned w.e.f 31.10.2021

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

22. NOMINATION AND REMUNERATION POLICY

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

The salient features of Company's Remuneration policy are:
Remuneration is based on the principles of:

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

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

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

23. CORPORATE SOCIAL RESPONSIBILITY

The Company has formulated and adopted a corporate social responsibility committee indicating therein the CSR Activities included in Schedule-VII of the Companies Act, 2013. Health, Education, and enhancement of employment opportunities specially among children, women, elderly and differently abled persons are the core areas for the company's overall corporate social responsibility mission.

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

24. PUBLIC DEPOSITS

Your Company has not accepted any deposits from public/shareholders in accordance with Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the financial year and as such, no amount on account of principal or interest on deposits from public as outstanding as on 31 March 2022.

25. INTERNAL FINANCIAL CONTROLS

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

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

26. WHISTLE BLOWER POLICY/VIGIL MECHANISM SYSTEM

J. K. Cotton Ltd.

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.

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

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 there under, the Company has implemented a policy on prevention, prohibition and redressal of sexual harassment at the workplace, which has been uploaded on the website of the Company i.e. www.jkcotton.com. All women employees are covered under the policy. An Internal Complaints Committee had been setup to redress complaints relating to sexual harassment.

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

28. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

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

29. MAINTENANCE OF COST RECORDS

The Company has maintained cost records during FY 2021-22 under sub-section (1) of Section 148 of the Companies Act, 2013 as its turnover during FY 2020-21 exceeds the threshold limit of Rs. 35 Crores prescribed under Rule 3 of the Companies (Cost Records and Audit) Rules, 2014.

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

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

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

31. STATUTORY INFORMATION

A. PARTICULARS OF EMPLOYEES

J. K. Cotton Ltd.

Pursuant to sub-rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the details of the employees of the company who are in receipt of remuneration in excess of the limits prescribed is attached as Annexure-B and form part of this report.

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

As there has been no manufacturing operation during the year, there is nothing to be reported with regard to conservation of energy and technology absorption. Moreover, there were no foreign exchange earnings and outgo during the year under review and hence, no information is reported in this regard in the Annual Report.

C. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of section 134(5) of companies, 2013 the Board of Directors to the best of their Knowledge and ability, in respect of the financial year ended 31st March, 2022 confirms that :-

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

32. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting: Date /Time: Friday, 30th September, 2022 at 02.00 P.M.

Venue: through VC/OAVM.

Date of Book Closure: Friday, the 23rd September, 2022 to Friday, the 30th September, 2022.

(Both Days Inclusive)

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

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

Address for Correspondence:

ALANKIT ASSIGNMENT LIMITED
205-208 ANARKALI COMPLEX JHANDEWALAN
EXTENSION NEW DELHI DL 110055 IN
Phone +91-11-42541234/23541234
director@alankit.com

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

33. 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: 06th September, 2022

For and on behalf of the Board

**Sd/-
(Abhishek Singhania)
Chairman & Managing Director**

J. K. Cotton Ltd.

ANNEXURE-A

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies
(Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Rs.in Lakhs)

Sl. No.	Particulars	Details
1.	Sl. No.	1
2.	Name of the subsidiary	B.G.K. INFRASTRUCTURE DEVELOPERS PRIVATE LIMITED
3.	The date since when subsidiary was acquired	01.07.2021- Subsidiary 14.07.2021-Wholly owned Subsidiary
4.	Reporting period for the subsidiary concerned ,if different from the Holding Company's reporting period.	Same Reporting period for the Subsidiary and holding Company i.e. year ended 31 st March,2022
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
6.	Share capital	Authorized Capital: Rs. 15,00,00,000/- Paid up Capital :Rs.13,97,23,000/-
7.	Reserves & surplus	NIL
8.	Total assets	Rs. 220226000/-
9.	Total Liabilities	Rs. 6,00,21,000/-
10.	Investments	NIL
11.	Turnover	Rs. 2,82,89,000/-
12.	Profit before taxation	Rs. 1,07,81,000/-
13.	Provision for taxation	Rs. 35,000/-
14.	Profit after taxation(Net of Tax)	Rs. 1,07,85,000/-
15.	Proposed dividend	

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16.	% of shareholding	100%
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Notes:

1. The reporting period for subsidiaries mentioned above is from 1st July 2021 to 31st March 2022
2. The above subsidiary have not declared dividend during the financial year 2021-22
3. The company has no subsidiary which are yet to commence operation or which has been liquidated or sold during the year.

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Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:

(Rs. In Lakhs)

Name of associates/Joint Ventures	NIL
1. Latest audited Balance Sheet Date	NIL
2. Number of Shares of Associate/Joint Ventures held by the company on the year end	NIL
3. Amount of Investment in Associates/Joint Venture	NIL
4. Extent of Holding%	NIL
	NIL
5. Description of how there is significant influence	NIL
	NIL
6. Reason why the associate/joint venture is not consolidated	NIL
	NIL
7. Net worth attributable to shareholding as per latest audited Balance Sheet	NIL
	NIL
8. Profit/Loss for the year:	NIL
i.-Considered in Consolidation	NIL
ii-Not Considered in Consolidation	NIL

Note - 1: Names of associates or joint ventures which are yet to commence operations:- NA

Note - 2 Names of associates or joint ventures which have been liquidated or sold during the year:- NA

J. K. COTTON LIMITED
CIN: U17111UP1924PLC000275
Regd. ADD: KAMLA TOWER KANPUR UP 208001 IN
E-mail ID: abhishek.pandey@jkorg.co.in

Particulars of employees as required under sub rule (2) of rule 5 of the companies (appointment and remuneration of managerial personnel) rules,2014

A. Employees employed throughout the financial year and who were in receipt of the remuneration of the Financial Year 2021-2022 in the aggregate of not less than Rs.1,02,00,000/-

SI. NO.	NAME	DESIGNATION/NATURE OF DUTIES	REMUNERATION RECEIVED	QUALIFICATIONS	EXPERIENCE	DATE OF COMMENCEMENT OF EMPLOYMENT	AGE	PARTICULARS OF LAST EMPLOYMENT	% OF EQUITY SHARES HELD	RELATIONSHIP WITH DIRECTOR OR MANAGER OF THE COMPANY
1.	ABHISHEK SINGHANIA	MANAGING DIRECTOR	1,74,60,000	B.Com	Over 25 Years	25.03.2021	49	RAVINDRA KUMAR TANDON-NA JAGANNATH GUPTA- NA MAYANK KHANNA-NA SATISH CHANDRA GUPTA- NA ASHISH SINGH CHAUHAN-NA

J. K. COTTON LIMITED
CIN: U17111UP1924PLC000275
Regd. ADD: KAMLA TOWER KANPUR UP 208001 IN
E-mail ID: abhishek.pandey@jkorg.co.in

- B. Employees employed for part of the financial year and who were in receipt of the remuneration for any part of that year at a rate which in the aggregate was not less than Rs. 8,50,000/- per month-NIL

- C. if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company- NIL

J. K. Cotton Ltd.

ANNEXURE C

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company.

Your Company is committed to spend a minimum of 2% of the average net profits for the immediately preceding three financial years on CSR activities. The Board of Directors of the Company through its CSR Committee will plan and monitor the expenditure of CSR activities. The Company's commitment to CSR will be manifested by investing resources in any of the areas enumerated in Schedule VII of the Companies Act, 2013.

The Company under took the following projects during the year:

1. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Jagannath Gupta	Independent Director. Chairman	2	2
2	* Shri Ravindra Kumar Tandon	Independent, Non-Executive, Director. Member.	2	1
3	**Ashok Gupta	Non Independent Director-Member		
4	***Shri Krishna Behari Agarwal	Independent Director	2	2
5	Ashish Singh Chauhan	Non Independent Director-Member	2	Not Applicable
6	Satish Chandra Gupta	Non Independent Director-Member	2	1

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

**Shri Ashok Gupta (DIN: 00135288) resigned w.e.f 31.10.2021

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

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

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

J. K. Cotton Ltd.

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

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):

Not Applicable for the Financial Year 2021-22.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - *NIL*

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1			
2			
3			
Total			

6. **Average net profit of the company as per section 135(5):** The average Net Profit as per section 135(5) is Rs. 10.11 Crores.

7. **(a) Two percent of average net profit of the company as per section 135(5):**
Prescribed CSR Expenditure is two percent of the amount as in item 6 above i.e.Rs. 20,23,604/-. Hence, Rs. 20,23,604/-. Was required to be spent during the Financial Year 2021-22.

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: *NIL*

(c) Amount required to be set off for the financial year, if any: *NIL*

(d) Total CSR obligation for the financial year (7a+7b-7c): *NIL*

8. **(a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
21,80,000	Nil	Not Applicable	Not Applicable	Nil	Not Applicable

J. K. Cotton Ltd.

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

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

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

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent in the current financial Year (in Rs.).	(7) Mode of Implementation - Direct (Yes/No).	(8) Mode of Implementation - Through Implementing Agency	
				State.	District.			Name	CSR Registration number.
1.	Establishment of Medical Oxygen Plant.	promotion of health care, including preventive health care, and, disaster management	YES	Uttar Pradesh	Kanpur Nagar	11,80,000/-	Yes	N/A	N/A
2	Grant of Financial Assistance to Dr. Gaur Hari Singhania Institute of Management	Promoting education, including special education and employment	Yes	Uttar Pradesh	Kanpur Nagar	10,00,000/-	Yes	N/A	N/A

J. K. Cotton Ltd.

	and Research, for promoting education, especially employment oriented Professional programmes like PGDM in Kanpur.	enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.							
TOTAL									

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 21,80,000/-

(g) Excess amount for set off, if any: Not Applicable

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.							
2.							
3.							
	Total						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

J. K. Cotton Ltd.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
1								
2								
3								
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **NOT APPLICABLE**

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): *Not Applicable*

Sd/-
Abhishek Singhania
Chairman and Managing Director
(DIN: 00087844)

Sd/-
Shri Jagannath Gupta
Chairman, CSR Committee
(DIN: 00397952)

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST March, 2022

[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 Ltd.

Kamla Tower, Kanpur.

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the Management and considering the relaxations granted by the Ministry Of Corporate Affairs/other Authorities warranted due to spread of Covid-19 pandemic, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and

compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have relied upon the accuracy of the documents and information as shared by the Company with me through appropriate Information Technology tools to assist us in completing the secretarial audit work during lock down period due to pandemic Covid-19 partially continuing in 2021-2022 and the same is subject to physical verification by me post normalization of the situation.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by J.K. Cotton Ltd. for the financial year ended on 31ST March, 2022 according to the provisions of:

(1)The Companies Act, 2013 (the Act) and the rules made there under;

(2)The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; (NA)

(3)The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(4)Foreign Exchange Management Act, 1999 and the rules and regulations made there under.

(5)The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')(NA)

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

(b)The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;(NA)

c)The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d)The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 2014 (NA)

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;(NA)

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;(NA)

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (NA)

(Note: The shares listed on the UPSE and DSE Exchanges ceased to be recognized Stock Exchanges during F.Y 2015-16 and SEBI (Listing Obligations And Disclosure Requirements) Regulations 2015 also ceased to be effective. The shares of the Company have been removed from the Dissemination Board of BSE and NSE.)

(6) I further report that reliance has been placed on the management representation on compliance with other laws and specific Law; the Real Estate (Regulation And Development) Act 2016 and Uttar Pradesh Real Estate Regulatory Authority (General) Regulations 2019 as amended from time to time is 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, including revised SS1 & SS2 w.e.f. 01.10.2017

(ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (N.A.)

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

We have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, and Regulations to the Company.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Director and Independent Directors. An executive director will have to retire by rotation at the ensuing annual general meeting to be held for F.Y.2021-2022 for compliance of the provisions under the Act relating to directors liable to retire by rotation. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days/as per applicable provisions in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

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

- (a) Lock down owing to Covid-19 continued partially even in 2021-2022 and then from time to time in different parts of the Country, the same has impacted the economy and spending by consumer/customer in general and real estate industry with no exception.
- (b) The Company is engaged in Real Estate activities only.
- (c) Company has undertaken project under Affordable Housing (EWS) under revised UP Govt. Notification No. 2/2018/1132/Aath-1-18-106 Vividh /2018 dated 12.07.2018 under Pradhan Mantri Aawas Yojana and submitted bid with KDA in this connection. Application is pending for approval.
- (d) The Company has filed appeal against Order passed in 2018 in Hon'ble High Court of Delhi against long pending suit of 1990 for recovery of claim in favour of a private ltd. company amounting to Rs.41.27 lacs plus 18% interest and cost of suit. Hon'ble High Court has issued stay in the said matter and directed for deposit of 2/3rd of the decretal amount with Registrar General, Delhi High Court.
- (e) J K Cotton Limited ceased to be an associate of Jaykay Enterprises Limited during the year.
- (f) BKG Infrastructure Developers (P) Limited became wholly owned subsidiary of the Company during the year.

- (g) Jaykay Enterprises Limited ceased to be RTA of the Company and Alankit Assignments was appointed as RTA of the Company during the year.

Signature

Place : Kanpur

Date : 06.09.2022

UDIN : A004933D000921057

Banthia and Company

Company Secretaries

(G.K.Banthia)

(Proprietor)

ACS No. : 4933; C.P. No. :1405

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

Annexure A

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

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

1. It is the responsibility of the management of the company to maintain secretarial record, devise proper systems to ensure compliance with the provisions of all the applicable laws and to ensure that the systems are adequate and operate effectively.
2. Our responsibility is to express an opinion on the secretarial records based on our audit.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

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

Disclaimer:

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Signature:

Signature

Place : Kanpur

Date : 06.09.2022

UDIN : A004933D000921057

Banthia and Company

Company Secretaries

(G.K.Banthia)

(Proprietor)

ACS No. : 4933; C.P. No.:1405

INDEPENDENT AUDITOR'S REPORT

To The Members of JK COTTON LTD

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the standalone financial statements of J K COTTON LTD("the Company"), which comprise the balance sheet as at 31st March 2022, and the statement of Profit and Loss including Other Comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements , including a summary of significant accounting policies and other explanatory information .

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act , read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ,("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and the Profit, Total Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other Information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, Total Comprehensive Income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the financial statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, statement of changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

(h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements -Refer Note No 49 to the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The management has represented that, to the best of it’s knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”}, with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities Identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented, that, to the best of it’s knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any

guarantee, security or the like on behalf of the Ultimate Beneficiaries;
and

(c) Based on such audit procedures we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

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

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

**Date: 30-08-2022
Place: KANPUR**

**Rajendra Gupta

(PARTNER)
Membership Number: 073250
UDIN NO 22073250AQLKGL4451**

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

Re: J K COTTON LTD

The Annexure referred to in our Independent Auditors’ Report to the members of the Company on the standalone financial statements for the year ended 31st March, 2022, We report that:

- i. In respect of its Property ,Plant and Equipment and Intangible Assets :**
 - (a) (A) The Company has maintained proper records showing full particulars, including Quantitative details and situation of fixed assets other than furniture and fixtures and office equipments.
(B) The company has maintained proper records showing full particulars of intangible assets.
 - (b) The 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 Company is holding all title deeds in the name of Juggilal Kamlapat Cotton Spg. and Wvg. Mills Company Limited. However, subsequently name of the company change as J.K. Cotton Limited on 19th August, 2013.
 - (d) According to the information and explanations given to us , the company has not revalued its property ,plant and equipments (including right of use assets) or intangible assets or both during the year .
 - (e) According to the information and explanations given to us , the company does not hold any benami property under the Benami Transactions (Prohibition) Act 1988 (45 of 1988) and rules made thereunder . Therefore provisions of paragraph 3(i) (e) of the Companies (Auditor’s Report) Order, 2020 are not applicable to the company.
- ii. In respect of its Inventories:**
 - (a)The Company has stock in trade of Land and Building only and, therefore, the provisions of clause 3(ii) of the Companies (Auditor’s Report) Order, 2016 are not applicable to the Company.
 - (b) During any point of time of the year, the company has not been sanctioned any working capital limits, from banks or financial institutions on the basis of security of current assets; Therefore provisions of paragraph 3(ii)(b) of Companies (Auditor’s Report) Order, 2020 are not applicable to company .

- iii. In respect of loans secured or unsecured , investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability partnerships or any other parties , according to the information and explanations given to us :
- a. The company has made investments in and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties as under:

(Rs. In lacs)

	Investment	Security/ Guarantees	Loans	Advances in nature of loans
Aggregate amount granted/ provided during the year				
- Subsidiaries	2249.54		300	
- Joint Ventures	-			
- Associates	-			
- Others				
Balance outstanding as at balance sheet date in respect of above cases				
- Subsidiaries	2249.54		300	
- Joint Ventures				
- Associates				
- Others				

- b. The investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.
- c. There are no stipulations for the repayment of loan.
- d. There is no amount overdue for more than ninety days
- e. There is no loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdoes of existing loans given to the same parties.
- f. The company has not granted loans to promoters, related parties as defined in clause(76) of section 2 of the companies act2013 which are repayable on demand or without specifying any terms or period of repayments . Therefore provisions of paragraph 3 (iii)(f) of Companies (Auditor's Report) Order, 2020 are not applicable to 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 Companies 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 and the rules made thereunder. Therefore, the provisions of paragraph 3 (v) of the Companies (Auditor's Report) order, 2020, are not applicable to the company.
- vi. We have broadly reviewed the books of account maintained by the company, pursuant to the rules made by the Central Government, for maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 and we are of the opinion that prima-facie the prescribed accounts and records have been maintained.
- vii. According to the information and explanations given to us, in respect of statutory and other dues:
- (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, goods and service tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues applicable to it.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, goods and service tax, Duty of Custom, Duty of Excise, Value Added Tax, GST, Cess and other material Statutory dues were in arrear as at 31st March, 2022 for a period more than six months from the date they became payable.
- (b) According to the records of the company, there are no cases of income tax, goods and services tax, service tax, duty of custom, duty of excise or value added tax which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us, there is no transactions which have not been recorded in the books of account but have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix.
- a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any loan or other borrowings or any interest due thereon to any lender.
- b) In our opinion and according to the information and explanations given to us, the company has not been a declared wilful defaulter by any bank or financial institution or other lender;
- c) In our opinion and according to the information and explanations given to us, the loans were applied for the purpose for which the loans were obtained.

- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) In our opinion and according to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) In our opinion and according to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies;
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
(b) In our opinion and according to the information and explanations given to us, the company has not made preferential allotment or private placement of shares during the year and the requirements of section 42 and section 62 of the Companies Act, 2013, therefore, the provisions of paragraph 3 (x)b of the Companies (Auditor's Report) order, 2020, are not applicable to the company.
- xi. (a) According to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of our audit.
(b) No report under sub-section (12) of section 143 of the Companies Act, has been filed by auditors in Form ADT- 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government .
(c) As represented to us by the management, there are no Whistle blower complaints received by the company during the year.
- xii. In our opinion and according to the information and explanations given to us , the company is not a Nidhi Company. Therefore, the provisions of Clause (xii) of paragraph 3 of the order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable, and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards;
- xiv. (a) In our opinion and based on the examination, the company has an internal audit system commensurate with the size and nature of its business.
(c) We have considered the internal audit reports issued till date, for the period under audit.
- xv. According to the information and explanations given to us , in our opinion during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.
- xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934;

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

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

Date: 30-08-2022
Place: KANPUR

Rajendra Gupta
(PARTNER)
Membership Number: 073250

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

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

We have audited the internal financial controls over financial reporting of J K COTTON LTD (“the Company”) as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Date: 30-08-2022
Place: KANPUR**

**Rajendra Gupta
(PARTNER)
Membership Number: 073250**

J.K.COTTON LIMITED
CIN: U17111UP1924PLC000275
Regd. Office- Kamla Tower, Kanpur-208001
Balance Sheet as at 31st March, 2022

Amount in Lakhs

	Note No.	As At 31st Mar'22	As At 31st Mar'21
ASSETS			
Non-Current Assets:			
(a) Property, Plant and Equipment	1 (A)	1,060.17	871.39
(b) Other Intangible Assets	1 (B)	0.43	1.92
(c) Capital Work in Progress	1 (C)	162.89	-
(d) Financial Assets			
(i) Investments	2	2,249.55	-
(ii) Other Financial Assets	3	117.32	98.92
(e) Deferred Tax Assets	4	5.99	304.85
Current Assets:			
(a) Inventories	5	16,564.60	19,887.81
(b) Financial Assets			
(i) Cash and Cash Equivalents	6	2,769.94	633.06
(ii) Bank Balances	7	3,667.70	4,948.47
(iii) Loans & Advances	8	300.00	-
(iv) Other Financial Assets	9	1,042.86	1,247.07
(c) Current Tax Assets (Net)	10	16.22	-
(d) Other Current Assets	11	1,413.21	244.52
TOTAL ASEETS		29,370.88	28,238.01
EQUITY AND LIABILITIES			
Equity:			
(a) Equity Share Capital	12	4,833.44	2,357.78
(b) Other Equity	13	11,804.32	3,945.20
Liabilities:			
Non-Current Liabilities:			
(a) Financial Liabilities			
(i) Borrowings	14	31.21	4,381.72
(ii) Deferred Tax Liabilities	15	37.72	34.53
(b) Provisions	16	32.14	75.99
Current Liabilities:			
(a) Financial Liabilities			
(i) Borrowings	17	7.50	-
(ii) Trade Payables	18	1,071.57	1,608.67
(iii) Other Financial Liabilities	19	594.24	521.19
(b) Other Current Liabilities	20	10,927.83	15,108.89
(c) Provisions	21	30.91	2.66
Current Tax Liability (Net)	22	-	201.38
TOTAL EQUITY AND LIABILITIES		29,370.88	28,238.01

The accompanying notes to the financial statements 1-52
This is the Balance Sheet referred to in our report of even date.

For Gupta Vaish & Co.
Chartered Accountants

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

Partner
Place : Kanpur
Date : 30.08.2022

Sushil Goyal
Chief Financial Officer

Abhishek Singhania
Managing Director
DIN: 00087844

Ashish Singh Chauhan
Director
DIN: 08145398

J.K.COTTON LIMITED
CIN: U17111UP1924PLC000275
Regd. Office- Kamla Tower, Kanpur-208001
Profit & Loss Statement for the year ended 31st March, 2022 as per Ind AS-115

Amount in Lakhs

	Note No.	For the year ended 31st Mar'2022	For the year ended 31st Mar'2021
INCOME:			
Revenue from Operations	23	12,305.38	6,586.91
Other Income	24	1,000.07	469.50
Total Income		13,305.45	7,056.41
EXPENSES:			
Cost Of Construction And Development Expenses	25	2,701.74	1,773.44
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	26	3,323.21	1,457.99
Employee Benefits Expense	27	397.74	143.93
Finance Costs	28	102.12	180.00
Depreciation and Amortisation Expense	29	46.35	43.21
Other Expenses	30	2,039.40	1,204.70
Total Expenses		8,610.56	4,803.27
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS:		4,694.89	2,253.14
Exceptional items (Transfer from capital reserve)		2,221.21	1,080.69
PROFIT BEFORE TAX:		6,916.10	3,333.83
Tax Expense:			
Current tax		982.00	343.00
Less: MAT Credit Entitlement		-	(255.00)
Deferred Tax		6.99	731.46
Income Tax of Earlier Years		64.96	-
PROFIT FOR THE YEAR		5,862.15	2,514.37
OTHER COMPREHENSIVE INCOME:			
A Items that will not be reclassified to Profit or Loss:			
Fair Value change on Equity Instrument through other comprehensive Income(Net of Tax)		-	-
B Items that will be reclassified to Profit or Loss:			
Re- measurement of defined benefits plan		9.55	1.30
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		5,871.70	2,515.67
Earning per Equity Share of Rs.10/- each :			
- Basic - Before Comprehensive Income		16.41	10.66
- Diluted - Before Comprehensive Income		16.41	10.66
- Basic - After Comprehensive Income		16.44	10.67
- Diluted - After Comprehensive Income		16.44	10.67

The accompanying notes to the financial statements 1-52
This is the Balance Sheet referred to in our report of even date.

For Gupta Vaish & Co.
Chartered Accountants

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

Partner

Abhishek Singhania
Managing Director
DIN: 00087844

Ashish Singh Chauhan
Director
DIN: 08145398

Place : Kanpur
Date : 30.08.2022

Sushil Goyal
Chief Financial Officer

J.K.COTTON LIMITED
CIN: U17111UP1924PLC000275

Regd. Office- Kamla Tower, Kanpur-208001

Cash Flow Statement for the year ended 31st March, 2022

		2021-22	Amount in Lakhs 2020-21
A.	Cash flow from operating Activities		
	Profit/(Loss) before Tax incl. loss from discontinued operations	6,916.10	3,333.83
	Adjustments for:		
	Provision for Taxation Made	-	(819.46)
	Adjustment of Capital Reserve	(2,221.21)	(1,080.69)
	Depreciation	46.35	43.21
	OCI adjustment	9.55	1.30
	Loss on Sale of Fixed Assets	0.08	0.01
	Interest expenses	102.12	180.00
	Profit on Sale of Assets	(459.33)	-
	Profit on sale of Investments	-	(16.47)
	Interest income	(160.39)	(214.30)
	Operating Profit before Working Capital Changes	4,233.27	1,427.43
	(Increase)/Decrease in Inventories	3,323.21	1,457.99
	(Increase)/Decrease in Other financial assets	(8.64)	(1.75)
	(Increase)/Decrease in Other assets	(1,168.69)	590.25
	Increase/(Decrease) in Trade Payables	(537.10)	(226.21)
	Increase/(Decrease) in Other financial liabilities	73.04	(5.63)
	Increase/(Decrease) in Other liabilities	(4,272.50)	305.43
	Increase/(Decrease) in provisions	(15.60)	1.83
	Net Cash Flow from Operations	1,626.99	3,549.34
	Refund/ (Taxes Paid)	(969.49)	-
	Net Cash From Operating Activities (A)	657.50	3,549.34
B.	Cash Flow from Investing Activities		
	Movement in Fixed Deposit	1,262.37	(3,220.75)
	Movement in NBFCs Deposit	157.44	(221.40)
	Purchase of Fixed Assets	(233.86)	(8.72)
	Increase in CWIP	(162.89)	-
	Purchase of Investments	(2,249.55)	(125.00)
	Interest Income	215.80	182.87
	Loan to Subsidiary Company	(300.00)	-
	Sale of Investments	-	141.46
	Sale of Fixed Assets	459.47	0.48
	Net Cash From Investing Activities (B)	(851.22)	(3,251.06)
C.	Cash Flow from Financing Activities		
	Proceeds from issue of Share Capital (including premium)	6,684.29	-
	Redemption of Preference Share Capital	(4,381.72)	-
	Proceeds from Long term borrowings (Net)	38.71	-
	Proceeds/(Repayment) of Unsecured Loan	-	-
	Interest paid	(10.68)	(13.50)
	Net Cash Used in Financing Activities (C)	2,330.60	(13.50)
	Net Increase/(Decrease) in Cash &Cash equivalents (A+B+C)	2,136.88	284.78
	Opening Balance of Cash & Cash equivalents	633.06	348.28
	Closing Balance of Cash & Cash equivalents	2,769.94	633.06

Note: 1. Cash and Cash Equivalents consist of cheques, drafts, balances with banks and deposits with original maturity of upto 3 months.

2. Reconciliation of cash and cash equivalents

Cash and cash equivalent as per Note No. 6	2,769.94	633.06
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As per our Report attached
For GUPTA VAISH & CO.,
Chartered Accountants

Abhishek Singhania
Managing Director
DIN: 00087844

Ashish Singh Chauhan
Director
DIN: 08145398

Partner
Place : Kanpur
Date: 30.08.2022

Sushil Goyal
Chief Financial Officer

J.K.COTTON LIMITED
STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31st MARCH,2022

A EQUITY SHARE CAPITAL

(Amount in Lakhs)

Balance at the beginning of the Reporting Period i.e. 1st April, 2020	Changes in equity share capital during the year 2020-21	Balance at the end of the Reporting Period i.e. 31st March, 2021	Changes in equity share capital during the year 2021-22	Balance at the end of the Reporting Period i.e. 31st March, 2022
2,357.78	-	2,357.78	2,475.66	4,833.44

B OTHER EQUITY

(Amount in Lakhs)

	Reserve and Surplus					Total
	Capital Reserve	Securities Premium Reserve	Retained Earnings	Equity Instrument through Other Comprehensive Income	Capital Redemption Reserve	
As ON 31 MARCH 2021						
Balance at the beginning of the reporting period i.e., 1st April, 2020	11,582.02	209.99	(9,313.66)	-	31.87	2,510.22
Adjustment for Ind AS 115	(1,080.69)					
Profit/(Loss) for the year			2,514.37			
Transfer to profit and loss						
Other comprehensive income for the year				1.30		
Balance at the end of the reporting period i.e., 31st March, 2021	10,501.33	209.99	(6,799.29)	1.30	31.87	3,945.20

	Reserve and Surplus					Total
	Capital Reserve	Securities Premium Reserve	Retained Earnings	Equity Instrument through Other Comprehensive Income	Capital Redemption Reserve	
As ON 31 MARCH 2022						
Balance at the beginning of the reporting period i.e., 1st April, 2021	10,501.33	209.99	(6,799.29)	1.30	31.87	3,945.20
Adjustment for Ind AS 115	(2,221.21)					
Profit/(Loss) for the year			5,862.15			
Transfer to profit and loss						
Other comprehensive income for the year				9.55		
Received during the year		4,208.63				
Balance at the end of the reporting period i.e., 31st March, 2022	8,280.12	4,418.62	(937.14)	10.85	31.87	11,804.32

J.K.COTTON LIMITED

Amount in Lakhs

Note No. 1A() Property, Plant & Equipment

Description of Assets	AT COST OR BOOK VALUE				DEPRECIATION				NET BLOCK	
	As at 01.04.2021	Additional/ Adjustment	Deductions/ Adjustments	As at 31.03.2022	Upto 01.04.2021	Provided during the	Deduc- tions	Upto 31.03.2022	As at 31.03.2022	As at 31.3.2021
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<u>Tangible Assets</u>										
Land	380.68	-	0.01	380.67	-	-	-	-	380.67	380.68
Buildings	843.11	84.72	-	927.83	473.45	16.20	-	489.65	438.18	369.66
Plant & Machinery	334.86	17.77	0.80	351.83	267.74	12.87	0.76	279.85	71.98	67.12
Furniture & Fittings	98.48	0.88	-	99.36	86.00	2.79	-	88.79	10.57	12.48
Office Equipments	49.70	4.32	-	54.02	39.55	2.14	-	41.69	12.33	10.15
Vehicles	62.84	126.17	3.43	185.58	31.54	10.86	3.26	39.14	146.44	31.30
Total	1,769.67	233.86	4.24	1,999.29	898.28	44.86	4.02	939.12	1,060.17	871.39
Previous Year	1,761.76	8.72	0.81	1,769.67	857.13	41.46	0.32	898.28	871.39	904.62

Note: The Company is holding all title deeds in the name of Juggilal Kamapat Cotton Spg. and Wvg. Mills Company Limited. However, subsequently name of the company change as J.K. Cotton Limited on 19th August, 2013.

Note No. 1(B) Intangible Assets

Computer Software	59.21	-	-	59.21	57.29	1.49	-	58.78	0.43	1.92
Previous Year	59.21	-	-	59.21	55.53	1.76	-	57.29	1.92	3.68

Note No. 1(C) Capital Work in Progress

Building under Construction (Refer note below)	-	162.89	-	162.89
Previous Year	-	-	-	-

Note 1(C)(i)

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

J.K.COTTON LIMITED
CIN: U17111UP1924PLC000275
Regd. Office- Kamla Tower, Kanpur-208001
Notes to the Financial Statements for the year ended 31st March 2022

Amount in Lakhs

Particulars	As At 31st Mar'22	As At 31st Mar'21
NON CURRENT ASSETS		
2 Non Current Investments		
<u>In Equity Shares - Quoted fully paidup</u>		
5 No. of (P.Y. NIL) Equity shares of Tata Power Co. Ltd.	0.01	-
<u>In Equity Shares - Unquoted fully paidup</u>		
2070 No. of (P.Y. 2070) Equity shares of Accurate Finman Services Ltd.- Bonus Shares	-	-
1,39,72,300 No. of (P.Y. NIL) BGK Infrastructure Developers Pvt Ltd	2,249.54	-
Total	2,249.55	-
Aggregate amount of quoted investment	0.01	-
Market value of quoted Investment	0.01	-
Aggregate amount of unquoted investment	2,249.54	-
Category-wise Non Current Investment		
Investment carried at amortised cost	-	-
Investment carried at cost	2,249.55	-
Investment measured at FVOCI	-	-
3 Other Non Current Financial Assets		
Fixed Deposits (More than one year)- Pledged	117.32	98.92
Total	117.32	98.92
3.1 Fixed Deposits Rs. 117.32 Lacs (Previous Year Rs. 98.92 Lacs) pledged with Banks towards Bank Guarantee for EPCG License.		
4 Deferred Tax Assets		
Item Under The Income Tax Act Which Will Be Allowed On Actual Payment	5.99	9.79
	5.99	9.79
MAT credit entitlement	-	295.06
Total	5.99	304.85
CURRENT ASSETS		
5 Inventories		
Opening Stock	19,887.81	21,345.80
Change in stock-Increase	(3,323.21)	(1,457.99)
Total	16,564.60	19,887.81
6 Cash and Cash Equivalent		
Balance With Banks:		
In current account	2,766.30	628.99
Cash in Hand	3.64	4.07
Total	2,769.94	633.06
7 Balances with bank		
In Fixed Deposits With Bank	3,667.70	4,948.47
Total	3,667.70	4,948.47
7.1 Fixed Deposits Rs. 15.03 Lacs (Previous Year Rs. 15.03 Lacs) pledged with Banks towards Bank Guarantee to Pollution Control Board		

8 Loans**Unsecured Considered Good**

Related Party

	300.00	-
Total	300.00	-

As on 31.03.2022

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

As on 31.03.2021

Type of Borrower	Amt. of loan/advance in the nature of loan outstanding	Percentage to the total Loans & Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	-	-
Total	-	-

9 Other Current Financial Assets

Interest accrued on FDR with Bank	63.84	119.25
Fixed deposits in NBFC	653.96	811.40
Security Deposits	325.06	316.42
Total	1,042.86	1,247.07

10 Current Tax Assets (Net):

Advance Tax & TDS (Net of provision)	16.22	-
Total	16.22	-

11 Other Current Assets

Prepaid Expenses	12.52	3.30
Other Receivable	33.92	6.54
Balance with Government Authorities: GST Input Tax Credit (Net)	92.29	167.77
Others Loans & Advances: Considered Good	1,274.48	66.91
Total	1,413.21	244.52

12 Share Capital:**Authorised:**

5,00,00,000 (P.Y. 2,45,00,000) Equity shares of Rs. 10/- each	5,000.00	2,450.00
45,25,000 6% Non Cumulative Redeemable Preference Shares of Rs. 100/- each	4,525.00	4,525.00
25,000 8.5% Non Cumulative Redeemable Preference Shares of Rs. 100/- each	25.00	25.00
Total	9,550.00	7,000.00

Issued, Subscribed & Paid up:

4,83,34,388 (P.Y. 2,35,77,750) Equity shares of ₹ 10/- each	4,833.44	2,357.78
Total	4,833.44	2,357.78

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

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

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

Name of Shareholder	As At 31 - March - 2022		As At 31 - March - 2021	
	No. of Shares Held	% of Shares Held	No. of Shares Held	% of Shares Held
Yadu International Ltd.	17,20,000	3.56	17,20,000	7.30
Sushila Devi Singhania	18,95,000	3.92	18,95,000	8.04
Kavita Singhania	23,50,000	4.86	23,50,000	9.97
Abhishek Singhania	2,40,39,099	49.73	67,48,484	28.62
Jaykay Enterprises Ltd.	95,10,360	19.68	95,10,360	40.34
Ujala Merchants & Traders Ltd.	39,20,000	8.11	-	-
Sarvashaktiman Traders Pvt. Ltd.	32,80,000	6.79	-	-

12.3 Details of Shareholding of Promoters as at 31.03.2022

Details of Shareholding of Promoters as at 31.03.2022			
Name of the Promoter	No. of Shares	% Shares Held	Change in % holding during the year
Abhishek Singhania	2,40,39,099	49.73%	21.11%
Kavita Singhania	23,50,000	4.86%	0.00%
Sushila Devi Singhania	18,95,000	3.92%	0.00%
Ramapati Singhania	11,547	0.02%	0.00%
Jaykay Enterprises Ltd.	95,10,360	19.68%	0.00%
J.K. Traders Ltd.	1,85,868	0.38%	0.00%
Total	3,79,91,874	78.60%	21.11%

Details of Shareholding of Promoters as at 31.03.2021			
Name of the Promoter	No. of Shares	% Shares Held	Change in % holding during the year
Abhishek Singhania	67,48,484	28.62%	28.62%
Kavita Singhania	23,50,000	9.97%	0.00%
Sushila Devi Singhania	18,95,000	8.04%	0.00%
Ramapati Singhania	11,547	0.05%	0.00%
Jaykay Enterprises Ltd.	95,10,360	40.34%	0.00%
J.K. Traders Ltd.	1,85,868	0.79%	0.00%
Total	2,07,01,259	87.80%	28.62%

13 Other Equity:

Capital Reserve		
Balance at the beginning of the year	10,501.33	11,582.02
Less - Transfer to P&L (Capital Reserve)	2,221.21 *	1,080.69 *
Balance at the end of the year	8,280.12	10,501.33
Capital Redemption Reserve		
Balance at the beginning of the year	31.87	31.87
Balance at the end of the year	31.87	31.87
Share Premium Account		
Balance at the beginning of the year	209.99	209.99
Add:- Received during the year	4,208.63	-
Balance at the end of the year	4,418.62	209.99
Retained Earnings		
Balance at the beginning of the year	(6,797.99)	(9,313.66)
Add:- Net Profit for the year	5,862.15	2,514.37
Less: OCI	9.55	1.30
Balance at the end of the year	(926.29)	(6,797.99)
Total	11,804.32	3,945.20

*Transfer pertains to the area for which sale deed executed during the year.

Notes to Other Equity :-

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

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

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

13.4) Retained Earnings represents the cumulative Profit/(loss) of the Company and effect of re-measurement of defined obligations.

13.5) Other Comprehensive Income (OCI), represents the fair value changes of specified items which will be reclassified to Profit and Loss Account in future years.

NON CURRENT LIABILITIES		
14 Long Term Borrowings		
Secured		
Vehicle Loan	31.21	-
(Secured by hypothecation of vehicle)		
NIL (P.Y. 43,81,720) 6% Non Cumulative Redeemable		4,381.72
Preference Shares of ₹ 100/- each	-	
Total	31.21	4,381.72

14.1 Repayment Schedule:	Within 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Vehicle Loan	7.50	7.47	8.06	15.68	38.71

15 Deferred Tax Liabilities		
Difference between Net Book Value of Depreciable Capital Assets As per Books vis-à-vis Written Down Value As Per Income Tax		
	37.72	34.53
Total	37.72	34.53

16 Long Term Provisions		
Provision of Gratuity	17.97	54.30
Provision of Leave Encashment	14.17	21.69
Total	32.14	75.99

CURRENT LIABILITIES

Financial Liabilities

17 Short Term Borrowings		
Secured		
Current Maturity of Long Term Borrowings	7.50	-
Total	7.50	-
18 Trade Payables		
i. Micro Enterprises & Small Enterprises	-	-
ii. Others	1,071.57	1,608.67
Total	1,071.57	1,608.67

Trade Payable Aging Schedule as on 31.03.2022

Particulars	Outstanding for following periods from due date of payments				Total
	less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-
Others	882.22	6.45	131.01	51.89	1,071.57
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-

Trade Payable Aging Schedule as on 31.03.2021

Particulars	Outstanding for following periods from due date of payments				Total
	less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-
Others	751.20	374.36	117.29	365.82	1,608.67
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-

19 Other Current Financial Liabilities		
Other Payables*	594.03	520.98
Unclaimed Preference Shares (Redemption Money)	0.21	0.21
Total	594.24	521.19

*Other payables includes employees liabilities & expenses payable etc.

20 Other Current Liabilities		
Advance from Customers	7,578.45	11,872.95
Deposits	3,294.52	3,187.43
Statutory Dues Payable	54.86	48.51
Total	10,927.83	15,108.89

21 Short Term Provision		
Provision of Gratuity	22.79	-
Provision of Leave Encashment	8.12	2.66
Total	30.91	2.66

22 Current Tax Liability (Net)		
Current Tax Liability (Net of tax paid)	-	201.38
Total	-	201.38

J.K.COTTON LIMITED
CIN: U17111UP1924PLC000275
Regd. Office- Kamla Tower, Kanpur-208001
Notes to the Financial Statements for the year ended 31st March, 2022

	Amount in Lakhs	
Particulars	For the year ended 31st Mar'2022	For the year ended 31st Mar'2021
23 Revenue from Operations:		
Revenue from Real Estate	12,305.38	6,586.91
Total	12,305.38	6,586.91
24 Other Income:		
Interest Income	160.39	214.30
Rental Income	308.27	166.23
Profit on sale of Investment	-	16.47
Liability/Advance written back	0.64	30.00
Maintenance Charges Recovered	8.25	4.90
Insurance Claim Received	-	29.29
Profit on Sale of Fixed Assets	459.33	-
Interest on Income tax refund	3.76	-
Sundry Sales	59.43	8.31
Total	1,000.07	469.50
25 Land Development and Construction Expenses:		
Purchases		
Power Charges(DG Sets)	-	8.67
Severage and Pipes	-	22.72
Employee Cost		
Salaries & Wages	116.20	80.20
Other Expense		
Building Construction Misc. Expenses	35.46	-
Building Construction Welfare Cess	24.40	-
Electric Consumption	4.48	50.86
Generator Running Expenses	1.42	3.08
Gardening & Horticulture Expenses	6.45	17.89
Contractor charges	992.69	866.59
Professional Charges	921.58	296.51
Sample & Model Expenses	-	(0.81)
Power Substation Expenses	1.41	-
Site Electrification Expenses	1.03	-
Map Sanction expenses	0.00	22.12
EWS/LIG Exp	-	1.58
Registartion RERA Exp	1.28	0.38
Telephone Expenses	-	0.31
Architectural Consultancy Services	-	179.31
Engineering Consultancy	-	12.73
Establishmnet Exps	19.31	21.11
Landscape Design (Registered)	-	7.79
MEP consultancy services	-	31.94
Park Development Exp Phase-2	1.51	-
Testing charges	0.06	-
Project Consultancy Management	574.46	150.46
Total	2,701.74	1,773.44

26 Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade:

Inventories at the beginning of the year

Work-in-Progress	19,887.81	21,345.80
Total (A)	19,887.81	21,345.80

Inventories at the end of the year

Work-in-Progress	16,564.60	19,887.81
Total (B)	16,564.60	19,887.81

Net Changes in Inventories (A-B)

3,323.21	1,457.99
-----------------	-----------------

27 Employee Benefits Expense:

Salaries And Wages	363.22	123.77
Contribution To Provident And Other Funds	15.03	10.93
Staff Welfare Expenses	9.94	7.93
Add: OCI Adjustment	9.55	1.30
Total	397.74	143.93

28 Finance Cost:

Interest on Security Deposits	101.59	180.00
Interest on borrowings	0.53	-
Total	102.12	180.00

29 Depreciation & Amortisation Expense:

Depreciation on Tangible assets	44.86	41.45
Amortisation on Intangible assets	1.49	1.76
Total	46.35	43.21

30 Other Expenses:

Administrative Expenses:

Rent	25.85	3.29
Rates & Taxes	118.21	50.14
Insurance	14.61	9.57
Travelling & Conveyance	19.30	14.26
Directors' Fee	4.82	3.86
Remuneration to Auditor's		
-As Audit Fee	2.36	2.36
-As Tax Audit Fee	0.59	0.59
-As other Services	1.12	-
CSR Expenditure	21.80	2.50
Donation	2.00	125.00
Consultancy & Professional Fee	182.67	36.94
Security Expenses	133.62	88.74
Repairs & Maintenance	146.16	55.97
Other Expenses	403.28	288.81
Total (A)	1,076.39	682.03

Selling and Distribution Expenses:

Advertisement & Publicity Expenses	101.58	91.93
Commision on sale	854.57	427.73
Other Selling Expenses	6.86	3.01
Total (B)	963.01	522.67
Grand Total (A+B)	2,039.40	1,204.70

J. K. COTTON LIMITED

31. Balances of personal accounts of Trade Payables, Other Current Financial Liabilities, Deposits, Other Loans and Advances are subject to confirmation and reconciliation.

32. 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.

33. Impairment losses, as per Ind AS 36 issued by the Institute of Chartered Accountants of India have been accounted for to the extent possible of identification.

<u>34. Earnings per share (EPS)</u>	<u>2021-22</u> (₹) in lakhs	<u>2020-21</u> (₹) in lakhs
(a) Net Profit/ (Loss) before Other Comprehensive Income	5862.15	2514.37
(b) Net Profit/ (Loss) after Other Comprehensive Income	5871.70	2515.67
(c) Weighted average number of equity shares Used as denominator for calculation of EPS	3,57,25,459	2,35,77,750
(d) Basic and diluted earning per share of Rs. 10/- each before OCI	16.41	10.66
(e) Basic and diluted earnings per share of Rs. 10/- each after OCI	16.44	10.67

35. Disclosure in terms of Ind AS-19 are as follows:

a) Defined contribution plan

Contribution to defined contribution plan recognized as expenses for the year 2021-22 are as under:

Employer's contribution to provident fund	10.83 Lakhs	7.58 Lakhs
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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.

A Profit & Loss (P&L)	Gratuity unfunded		₹ in Lakhs		
	2021-22	2020-21	Leave Encashment unfunded	2021-22	2020-21
1. Current service cost	7.82	3.63	10.30	2.78	
2. Past Service Cost – plan amendments	0.00	0.00	0.00	0.00	
3. Curtailment Cost / (credit)	0.00	0.00	0.00	0.00	
4. Service Cost	7.82	3.63	10.30	2.78	
5. Net Interest on net defined benefit liability / (asset)	13.89	3.33	1.77	1.43	
6. Immediate recognition of (gains)/losses	0.00	0.00	-10.22	0.22	
7. Cost recognized in P&L	21.71	6.96	1.85	4.43	

B Other Comprehensive Income (OCI)	Gratuity unfunded		Leave Encashment unfunded	
	2021-22	2020-21	2021-22	2020-21
1. Actuarial (gain)/loss arise during period	(9.55)	(1.30)	(10.22)	0.22
2. Actuarial (gains)/losses recognized in OCI	(9.55)	(1.30)	0.00	0.00
+				
C Defined Benefit Cost				
1. Service Cost	7.82	3.63	10.30	2.78
2. Net Interest on net defined benefit liability / (asset)	13.89	3.33	1.77	1.43
3. Actuarial (gains)/losses recognized in OCI	(9.55)	(1.3)	0.00	0.00
4. Immediate recognition of (gains)/losses	0.00	0.00	(10.22)	0.22
5. Defined Benefit Cost	12.16	5.66	1.85	4.43
D Development of Net Balance Sheet Position				
1. Defined Benefit Obligation (DBO)	(40.76)	(191.64)	(22.30)	(24.35)
2. Fair Value of Plan Assets (FVA)	0.00	0.00	0.00	0.00
3. Funded Status [Surplus/(deficit)]	(40.76)	(191.64)	(22.30)	(24.35)
4. Net Defined Benefit Asset/(Liability)	(40.76)	(191.64)	(22.30)	(24.35)
E Change in Defined Benefit Obligation (DBO)				
1. DBO at end of prior period	191.64	191.90	24.35	23.30
2. Current Service Cost	13.89	3.33	10.30	2.78
3. Interest cost on the DBO	7.82	3.63	1.77	1.43
4. Curtailment (credit)/ cost	0.00	0.00	(10.22)	0.22
5. Past Service cost – plan amendments	0.00	0.00	0.00	0.00
6. Actuarial (gain)/loss – financial assumptions	(9.55)	(1.30)	(10.22)	0.22
7. Benefits paid directly by the Company	(25.70)	(5.93)	(3.90)	(3.38)
8. Adjustment for terminal dues included in DBO	(137.34)	0.00	0.00	0.00
8. DBO at end of current period	40.76	191.64	22.30	24.35
E Actuarial Assumptions				
1. Discount rate	7.25%	6.50%	7.25%	6.50%
2. Expected rate of return on plan assets	N/A	N/A	N/A	N/A
3. Salary Escalator	5%	5%	5%	5%
4. Maximum Limit	₹ 20 lakhs	₹ 20 lakhs		
5. Mortality	Indian Mortality (modified) Ult	Assured Lives (2012-14)	Indian Mortality (modified) Ult	Assured Lives (2006-08)
6. Turnover	5% of all ages		1% of all ages	

36. Related Party Disclosures:

1 Subsidiary Company

- a) BGK Infrastructure Developer Pvt. Ltd. (w.e.f. 01/07/2021)

2 Key management personnel and their Relatives

- a) Abhishek Singhanian- Chairman & Managing Director
b) Sanjay Kumar Jain- Wholetime Director (ceased from 30/04/2022)
c) Sonali Agarwal- Chief Financial Officer (ceased from 31/01/2022)
d) Harshit Gunani- Company Secretary (ceased from 12/05/2022)
e) Manorama Devi Singhanian- Relative of MD

3 Other Director's

- a) Krishna Behari Agarwal- Director (ceased from 12/05/2022)
b) Ashok Gupta- Director (ceased from 30/10/2021)
c) Jagannath Gupta- Director
d) Krishna Das Gupta- Director (ceased from 6/11/2021)
e) Nidhipati Singhanian- Director (ceased from 23/06/2021)
f) Padam Kumar Jain- Director (ceased from 12/05/2021)
g) Ravindra Kumar Tandon- Director
h) Vedang Hari Singhanian- Director (appointed on 29/06/2021 and ceased from 26/04/2022)
i) Mayank Khanna- Additional Director (appointed on 30/10/2021)
j) Satish Chandra Gupta- Additional Director (appointed on 30/10/2021)
k) Vikas Garg- Additional Director (appointed on 30/10/2021 ceased from 29/03/2022)

4 Promoters other than KMP & Directors

- a) Sushila Devi Singhanian
b) Ramapati Singhanian
c) Kavita Singhanian

5 Entities significantly influenced by Key Management Personnel, Directors/ Promoters or their Relatives

- a) Jaykay Enterprises Ltd.
b) J K Technosoft Ltd.
c) J.K. Conusltancy and Services Pvt. Ltd.
d) Dr. Gaur Hari Singhanian Institute of Management & Research
e) KMG & Co.
f) Uttar Pradesh Cricket Association
g) Merchant Chamber of Uttar Pradesh

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

Following are the transactions with related parties:

	Amount in Lakhs	
	2021-22	2020-21
i) Subsidiary Company:		
a. BGK Infrastructure Developer Pvt. Ltd.		
Loans Given:		
Opening Balanace	-	-
Add: Given during the year	300.00	-
Less: Recovered during the year	-	-
Closing Balance	300.00	-
Interest Income on Loan	4.68	-

ii) Key Management Personnel & their Relatives:

a. Shri Abhishek Singhania:		
Rent Paid	14.03	0.40
Remuneration Paid	174.60	-
Amount paid on Pref. Shares Redemption	3,084.72	-
Allotment of Equity Shares (including premium)	4,668.47	-
Application money refunded during the year	12.75	-
b. Shri Sanjay Kumar Jain:		
Remuneration Paid	27.70	-
c. Ms. Sonali Agarwal		
Remuneration including Provident Fund	9.30	9.84
d. Mr. Harshit Gunani		
Remuneration including Provident Fund	8.28	7.69
e. Smt. Manorama Devi Singhania		
Rent Paid	0.76	-

iii) Other Director's:

a. Shri Ashok Gupta		
Remuneration Paid	8.00	-
b. Shri Nidhipati Singhania		
Rent Paid	-	0.20
c. Sitting Fees paid to Directors (including GST)	4.81	3.86

iv) Promoters other than KMP & Directors:

a. Smt. Sushila Devi Singhania		
Rent Paid	1.14	0.47
b. Shri Ramapati Singhania		
Rent Paid	0.90	0.20

v) Entities significantly influenced by Key Management Personnel, Directors or their Relatives:

a. <u>Jaykay Enterprises Ltd.</u>		
Rent Paid	3.75	1.49
Registrar & Transfer agent Fee (including GST)	0.15	0.30
b. <u>J K Technosoft Ltd.</u>		
Purchase of Fixed Assets	1.98	-
c. <u>J.K. Conusltancy and Services Pvt. Ltd.</u>		
Consultancy Charges (including GST)	5.78	-
d. <u>Dr. Gaur Hari Singhania Institute of Management & Research</u>		
Corporate Social Responsibility Expense	10.00	-
e. <u>KMG & Co.</u>		
Consultancy Charges (including GST)	28.32	-
Re-imbusement of Expenses	-	-
f. <u>Uttar Pradesh Cricket Association</u>		
Rent & Maintenance Charges Received (incl. GST)	79.72	72.79
g. <u>Merchants Chamber of Uttar Pradesh</u>		
Annual Membership Fees	0.19	-

37. Approval of Financial Statements:

The financial statements were approved for issue by the Board of Directors on 30th August, 2022.

38. The Government of India on September 20, 2019, vide the Taxation Law (Amendment) Ordinance 2019, inserted a new section 115BAA in the Income Tax Act, 1961, which provides domestic companies a non-reversible option to pay corporate tax at reduced rate effective, April 1 2019, subject to certain conditions. The company has opted to provide for income tax as per Section 115BAA from F.Y. 2020-21.
39. Previous year figures have been regrouped/rearranged/restated wherever necessary.
40. The company did not enter any transaction with companies struck off under section 24B of the Companies Act, 2013 or section 560 of Companies Act, 1956. There are no outstanding balances (payable to / receivable from) with struck off companies.
41. There are no charges or satisfaction yet to be registered with ROC beyond the statutory period as no loan/guarantee have been taken by the company.
42. The company has complied with number of layers of companies.
43. The company has not entered in any Scheme of Arrangements and no Scheme of Arrangements has been approved by the Competent Authority in terms of section 230 to 237 of the Companies Act 2013.
44. The company did not held any Benami Properties and no proceedings has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
45. The company is not declared willful defaulter by any bank or financial institution or any other lender.
46. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
47. No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

48. Corporate Social Responsibility Expenses:

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

(Amount in Lakhs)
F.Y. 2021-22

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

F.Y. 2020-21

Item from the list of activities in schedule VII to the Act.	Amount spent for the project (in Rs.).	Related Party (Yes/No).
Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	2.50	No
Total Spend during the F.Y. 2020-21	2.50	
Amount required to be spend during the F.Y. 2020-21	2.48	
Excess Amount spend during the F.Y. 2020-21	0.02	

49. Contingent Liabilities

- (i) Claims against the company not acknowledged as debts - Amount unascertainable.
- (ii) A Recovery suit being Civil Suit No. 613850/16 was filed by Mr. Rakesh Bhasin, Director of M/s. Hitads Pvt. Ltd. against the Company for recovery of outstanding amount of Rs. 74,59,021/- and the same was inter-alia contested on the ground that JK Cotton is sick company. The matter was pending for a long time and was only recently decided vide Judgement dated 24.12.18 in favour of the Plaintiff i.e. M/s Hitads Pvt. Ltd. and it was held entitled to recover a sum of Rs. 41.27 Lakhs Approx. with interest (pending litigation and future) @ 18% p.a. + cost of litigation. But we filed a appeal before the Hon'ble High Court Delhi and the matter was taken up for admission of the appeal on 7.5.2019 before the Hon'ble Justice Mr. V. Kameswar Rao. After Hearing both the parties the Court was pleased to stay the order of trial court dated 24.12.2018 and ordered us to deposit 2/3rd of the

decretal amount i.e. Rs. 1,69,19,580/- with Registrar General, Delhi High Court in Demand Draft which is shown under Other Current Financial Assets.

50. Disclosure pursuant to Ind AS 115 “Revenue from contracts with customers”

(A) For the Financial Year 2021-22

(Amount in Lakhs)

Particulars	For the year 2021-22		
	as per Ind AS 11 and Ind AS 18	Impact of application of Ind AS 115 increase/(decrease)	After application of Ind AS 115
Revenue from operations	10821.91	1483.47	12305.38
Change in inventory	24,94.74	828.47	3323.21
Profit before tax	6261.10	655.00	6916.10
Tax expenses			
Current Tax	-	-	982.00
Deferred Tax	-	-	6.99
Income Tax of Earlier Years	-	-	64.96
Profit after tax	5207.15	655.00	5862.15
Basic earnings per share	14.58	1.83	16.41
diluted earnings per share	14.58	1.83	16.41

- (i) Under Ind AS 115, revenue from realty business is recognized upon delivery of units as against percentage of completion method followed under Ind AS 11.
- (ii) Impact for the year: Profit after tax during the year is higher by Rs. 655.00 lakhs increase in inventory by Rs. 828.47 lakhs and increase in Revenue from Operations of Rs. 1483.47 lakhs.

(B) For the Financial Year 2020-21

(Amount in Lakhs)

Particulars	For the year 2020-21		
	as per Ind AS 11 and Ind AS 18	Impact of application of Ind AS 115 increase/(decrease)	After application of Ind AS 115
Revenue from operations	6455.37	131.54	6586.91
Change in inventory	1241.58	216.41	1457.99
Profit before tax	3418.70	(84.87)	3333.83
Tax expenses			
Current Tax	-	-	343.00
Less: MAT Credit Entitlement	-	-	(255.00)
Deferred Tax	-	-	731.46
Profit after tax after discontinuing operations	2599.24	(84.87)	2514.37
Basic earnings per share	11.02	0.36	10.66
diluted earnings per share	11.02	0.36	10.66

- (i) Under Ind AS 115, revenue from realty business is recognized upon delivery of units as against percentage of completion method followed under Ind AS 11.
- Impact for the year: Profit after tax during the year is lower by Rs. 84.87 lakhs increase in inventory by Rs. 216.41 lakhs and increase in Revenue from Operations of Rs

Note No. 51 Financial Ratios

S.No.	Ratio	Ratio Formula	Computed Ratio	Computed Ratio	Reason for change where change is more than 25%
			FY 21-22	FY 20-21	
1	Current Ratio	Current Assets/ Current Liabilities	2.04	1.55	Refer Note A
2	Debt Equity Ratio	Total Debt/ Total Equity	-	0.70	Refer Note B
3	Debt Service Coverage Ratio	Earning available for debt service/ Interest expenses+Lease payment+Principal repayments made during the year	1.09	14.97	Refer Note C
4	Return on equity ratio	PAT- Preference dividend/ Average Shareholder equity	0.13	0.23	Refer Note D
5	Inventory Turnover Ratio	Cost of Goods sold or Sales/Average Inventory	0.68	0.32	Refer Note E
6	Trade Receivable Turnover Ratio	Net Credit sale/ Avg. Trade Receivable	N.A.	N.A.	
7	Trade Payable Turnover Ratio	Net Credit Purchase/ Average Trade Payable	N.A.	N.A.	
8	Net Capital Turnover Ratio	Net Annual Sale/ Working Capital	0.94	0.69	Refer Note F
9	Net Profit Ratio	Profit After Tax/ Value of sales and Services	0.48	0.38	
10	Return on Capital Employed	Earning before tax & interest/ Capital Employed	0.42	0.33	Refer Note G
11	Return on Investment	Net Income/ Cost of Investment	-	0.13	Refer Note H

Note A Current Ratio has increased during the year since the advance from customers under other current liabilities is reduced as sales deed against such advances have been executed/made.

Note B Debt equity ratio has reduced during the year due to redemption of preference shares.

Note C Debt service coverage ratio has decreased during the year due to repayment of interest bearing deposits and redemption of preference shares during the year.

Note D Return on equity has reduced during the year due to increase in share capital through right issue.

Note E Inventory turnover ratio has increased during the year due to significant increase in sales of real estates.

Note F Net Capital Turnover ratio has increased during the year due to significant increase in sales of real estates.

Note G Return on Capital Employed is higher than previous year due to significant increase in sales of real estates.

Note H Return on Investment was higher in previous year due to occurrence of sale of investment and profit earned thereon whereas no such sale occurred during the current year.

J. K. COTTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note 52: COMPANY INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

J.K. Cotton Limited is a company domiciled in India and limited by shares. (U171111UP1924PLC000275). The address of the company's registered office is Kamla Tower, Kanpur-208001. The company is engaged in the business of the Real Estate Activities.

52.1 Basis of preparation

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

52.2 Current and non-current Classification

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

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

An entity shall classify a liability as current when:

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

All other liabilities are classified as non-current.

52.3 Revenue recognition

52.3.1 Sales revenue

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

- (a) The entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) The amount of revenue can be measured reliably;

J. K. COTTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

- (d) It is probable that the economic benefits associated with the transaction will flow to the entity; and
- (e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

2 Revenue from Sale of Real Estate

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

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

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

52.3.2 Interest

Interest income is recognised using the Effective Interest Method.

52.3.3 Dividend

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

52.3.4 Other Claims

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

52.4 Leases

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

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

52.4.1 Company as a lessor

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

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

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

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

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

52.5 Property, Plant and Equipment (PPE)

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

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

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

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

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

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

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

Subsequent Measurement

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

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carrying amount of those parts that are replaced is derecognised in accordance with the de recognition policy mentioned below.

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

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

Depreciation

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

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

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

Impairment of Assets

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Transition to Ind AS

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

Intangible Assets

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

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

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

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

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

52.6 Investment Property

Property (land or a building or part of a building or both) held to earn rentals or for capital appreciation or both, rather than for, use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of businesses are classified as investment property.

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

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

52.7 Financial Instruments

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

52.7.1 Financial assets

52.7.1 Initial recognition and measurement

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

52.7.2 Subsequent measurement

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

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

52.7.2.1 Equity investments in associates

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

52.7.2.2 Other Equity Investment

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

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

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

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

52.7.2.3 De recognition of Financial Assets

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

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

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

52.7.2.4 Impairment of financial assets

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

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

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

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of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

52.7.3 Financial liabilities

52.7.3.1 Initial recognition and measurement

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

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

52.7.3.2 Subsequent measurement

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

52.7.3.3 Financial liabilities at fair value through profit or loss

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

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

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

52.7.4 Offsetting of financial instruments

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

52.8 Borrowing Costs

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

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52.9 Taxation

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

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

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

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

52.10 Employee Benefits

(i) Short term employee benefits

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

(ii) Defined contribution plans

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

- a) Provident fund
- b) Superannuation scheme

(iii) Defined benefit plans

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

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

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

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

The company has following defined benefit plans:

a) Gratuity

The company provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary and contributes to the gratuity fund. The contributions made are recognized as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognized in the Balance Sheet. Re-measurements are recognized in the Other Comprehensive Income, net of tax in the year in which they arise.

b) Leave Encashment

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

52.11 Foreign Currency Transactions

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

52.12 Inventories

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

52.13 Cash and Cash Equivalents

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

52.14 Provisions, Contingent Liabilities &Contingent Assets

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

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

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

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

52.15 Earnings per share

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

52.16 Judgements, Estimates and Assumptions

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

52.16.1 Judgements

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

52.16.1.1 Formulation of Accounting Policies

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

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

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

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

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

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

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52.16.1.2 Materiality

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

52.16.1.3 Operating lease

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

52.16.2 Estimates and assumptions

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

52.16.2.1 Impairment of non-financial assets

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

52.16.2.2 Taxes

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

52.16.2.3 Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates.

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

52.16.2.4 Fair value measurement of financial instruments

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

52.17 Abbreviation used:

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF J K COTTON LTD

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of J K COTTON LTD (“hereinafter referred to as the “Holding Company”), and its Subsidiary, (“hereinafter referred to as “the Group”) which comprise the consolidated Balance Sheet as at March 31, 2022, and the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the “Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2022, of consolidated Profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Information Other than the Consolidated Financial Statements and Auditor’s Report thereon

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other Information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

Other Matters

We did not audit the financial statements of One Subsidiary included in the financial statement results whose financial statement reflects total assets of Rs.2202.26 Lacs and net assets of Rs.1902.05 lacs as at 31st March,2022, total revenue of Rs.205.06 Lacs ,total net profit after tax of Rs.98.88 lacs is included in the consolidated financial results for the year ended 31st March 2022 . The financial statement of the subsidiary have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amount and disclosure included in respect, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

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

Report on Other Legal and Regulatory Requirements

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Company as on 31st March, 2022 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of Subsidiary Company, none of the directors of the Company and Subsidiary Company incorporated in India is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Company and Subsidiary Company the operating effectiveness of such controls, refer to our separate report in “Annexure-C”

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

(h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- I. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 45 to the consolidated financial statements.
- II. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
- IV. (a) The respective Managements of the Company and its subsidiary, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(b) The respective Managements of the Company and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in

other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiary ,whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

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

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

Date: 30-08-2022

Place: KANPUR

**Rajendra Gupta
(PARTNER)
Membership Number: 073250
UDIN NO: 22073250AQNWAF6625**

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

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

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended 31st March, 2022 , we have audited the internal financial controls over financial reporting of J K COTTON LTD (“hereinafter referred to as the “ Company”) as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company have , in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022 , based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Date: 30-08-2022
Place: KANPUR**

**Rajendra Gupta
(PARTNER)
Membership Number: 073250**

J.K.COTTON LIMITED
CIN: U17111UP1924PLC000275
Regd. Office- Kamla Tower, Kanpur-208001
Consolidated Balance Sheet as at 31st March, 2022

		Consolidated	Amount in Lakhs Standalone (Refer Note No. 48)
	Note No.	As At 31st Mar'22	As At 31st Mar'21
ASSETS			
Non-Current Assets:			
(a) Property, Plant and Equipment	1 (A)	3,061.36	871.39
(b) Other Intangible Assets	1 (B)	0.59	1.92
(c) Capital Work in Progress	1 (C)	224.69	-
(d) Goodwill on Consolidation		741.69	-
(e) Financial Assets			
(i) Investments	2	0.01	-
(ii) Other Financial Assets	3	119.56	98.92
(f) Deferred Tax Assets	4	5.99	304.85
Current Assets:			
(a) Inventories	5	16,564.60	19,887.81
(b) Financial Assets			
(i) Trade Receivables	6	50.29	-
(ii) Cash and Cash Equivalents	7	2,790.84	633.06
(iii) Bank Balances	8	3,667.70	4,948.47
(iv) Other Financial Assets	9	1,048.40	1,247.07
(c) Current Tax Assets (Net)	10	42.58	-
(d) Other Current Assets	11	1,446.99	244.52
TOTAL ASSETS		29,765.29	28,238.01
EQUITY AND LIABILITIES			
Equity:			
(a) Equity Share Capital	12	4,833.44	2,357.78
(b) Other Equity	13	11,898.52	3,945.20
Liabilities:			
Non-Current Liabilities:			
(a) Financial Liabilities			
(i) Borrowings	14	31.21	4,381.72
(ii) Deferred Tax Liabilities	15	37.72	34.53
(b) Other Non Current Liabilities	16	218.84	-
(c) Provisions	17	39.80	75.99
Current Liabilities:			
(a) Financial Liabilities			
(i) Borrowings	18	7.50	-
(ii) Trade Payables	19	1,076.44	1,608.67
(iii) Other Financial Liabilities	20	614.93	521.19
(b) Other Current Liabilities	21	10,975.88	15,108.89
(c) Provisions	22	31.01	2.66
Current Tax Liability (Net)	23	-	201.38
TOTAL EQUITY AND LIABILITIES		29,765.29	28,238.01

The accompanying notes to the Consolidated financial statements 1-48

This is the Balance Sheet referred to in our report of even date.

For Gupta Vaish & Co.
Chartered Accountants

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

Partner
Place : Kanpur
Date : 30.08.2022

Sushil Goyal
Chief Financial Officer

Abhishek Singhania
Managing Director
DIN: 00087844

Ashish Singh Chauhan
Director
DIN: 08145398

J.K.COTTON LIMITED
Consolidated Profit & Loss Statement for the year ended 31st March, 2022
CIN: U17111UP1924PLC000275
Regd. Office- Kamla Tower, Kanpur-208001

	Consolidated	Amount in Lakhs Standalone (Refer Note No. 48)
	Note No.	For the year ended 31st Mar'2022
		For the year ended 31st Mar'2021
INCOME:		
Revenue from Operations	24	12,510.64
Other Income	25	1,050.14
Total Income		13,560.78
EXPENSES:		
Cost Of Construction And Development Expenses	26	2,701.74
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	27	3,323.21
Employee Benefits Expense	28	423.78
Finance Costs	29	124.82
Depreciation and Amortisation Expense	30	110.71
Other Expenses	31	2,087.49
Total Expenses		8,771.75
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS:		4,789.03
Exceptional items (Transfer from capital reserve)		2,221.21
PROFIT BEFORE TAX:		7,010.24
Tax Expense:		
Current tax		982.35
Less: MAT Credit Entitlement		-
Deferred Tax		6.99
Income Tax of Earlier Years		64.96
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		5,955.94
Loss for the year from Discontinued Operations		(0.07)
PROFIT FOR THE YEAR		5,955.87
OTHER COMPREHENSIVE INCOME:		
A Items that will not be reclassified to Profit or Loss:		
Fair Value change on Equity Instrument through other comprehensive Income(Net of Tax)		0.48
B Items that will be reclassified to Profit or Loss:		
Re- measurement of defined benefits plan		9.55
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		5,965.90
Earning per Equity Share of Rs.10/- each (for continuing operations)		
- Basic - Before Comprehensive Income		16.67
- Diluted - Before Comprehensive Income		16.67
- Basic - After Comprehensive Income		16.70
- Diluted - After Comprehensive Income		16.70
Earning per Equity Share of Rs.10/- each (for discontinued operations)		
- Basic - Before Comprehensive Income		-
- Diluted - Before Comprehensive Income		-
- Basic - After Comprehensive Income		-
- Diluted - After Comprehensive Income		-
Earning per Equity Share of Rs.10/- each (for continuing and discontinued operations)		
- Basic - Before Comprehensive Income		16.67
- Diluted - Before Comprehensive Income		16.67
- Basic - After Comprehensive Income		16.70
- Diluted - After Comprehensive Income		16.70

The accompanying notes to the Consolidated financial statements 1-48
This is the Balance Sheet referred to in our report of even date.

For Gupta Vaish & Co.
Chartered Accountants

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

Partner

Abhishek Singhania
Managing Director
DIN: 00087844

Ashish Singh Chauhan
Director
DIN: 08145398

Place : Kanpur
Date : 30.08.2022

Sushil Goyal
Chief Financial Officer

J.K.COTTON LIMITED

CIN: U17111UP1924PLC000275

Regd. Office- Kamla Tower, Kanpur-208001

Consolidated Cash Flow Statement for the year ended 31st March, 2022

	Consolidated	Amount in Lakhs Standalone (Refer Note No. 48)
	<u>2021-22</u>	<u>2020-21</u>
A. Cash flow from operating Activities		
Profit/(Loss) before Tax incl. loss from discontinued operations	7,010.17	3,333.83
Adjustments for:		
Provision for Taxation Made	-	(819.46)
Adjustment of Capital Reserve	(2,221.21)	(1,080.69)
Depreciation	110.71	43.21
OCI adjustment	10.03	1.30
Loss on Sale of Fixed Assets	1.33	0.01
Interest expenses	124.82	180.00
Profit on Sale of Assets	(500.82)	-
Profit on sale of Investments	-	(16.47)
Interest income	(155.91)	(214.30)
Operating Profit before Working Capital Changes	4,379.12	1,427.43
(Increase)/Decrease in Inventories	1,865.23	1,457.99
(Increase)/Decrease in Trade receivables	-	-
(Increase)/Decrease in Other financial assets	137.74	(1.75)
(Increase)/Decrease in Other assets	-	590.25
Increase/(Decrease) in Trade Payables	(532.34)	(226.21)
Increase/(Decrease) in Other financial liabilities	-	(5.63)
Increase/(Decrease) in Other liabilities	(79.35)	305.43
Increase/(Decrease) in provisions	(0.78)	1.83
Net Cash Flow from Operations	5,769.60	3,549.34
Refund/ (Taxes Paid)	(1,047.31)	-
Net Cash From Operating Activities (A)	4,722.29	3,549.34
B. Cash Flow from Investing Activities		
Movement in Fixed Deposits	-	(3,220.75)
Movement in NBFCs Deposits	55.41	(221.40)
Purchase of Fixed Assets during the year	(236.62)	(8.72)
Investment in CWIP during the year	(162.89)	-
Adjustment on account of first time consolidation of Subsidiary	(2,125.99)	-
Purchase of Investments	-	(125.00)
Goodwill on consolidation	(224.69)	-
Interest Income	155.91	182.87
Sale of Investments	-	141.46
Sale of Fixed Assets	500.95	0.48
Net Cash Used in Investing Activities (B)	(2,037.92)	(3,251.06)
C. Cash Flow from Financing Activities		
Proceeds from issue of Share Capital (including premium)	2,475.66	-
Redemption of Preference Share Capital	-	-
Proceeds from Long term borrowings (Net)	-	-
Proceeds/(Repayment) of Unsecured Loan	-	-
Interest paid	(33.38)	(13.50)
Net Cash From Financing Activities (C)	2,442.29	(13.50)
Net Increase/(Decrease) in Cash & Cash equivalents (A+B+C)	5,126.65	284.78
Opening Balance of Cash & Cash equivalents	4.07	348.28
Closing Balance of Cash & Cash equivalents	5,130.72	633.06

Note: 1. Cash and Cash Equivalents consist of cheques, drafts, balances with banks and deposits with original maturity of upto 3 months.

2. Reconciliation of cash and cash equivalents

Cash and cash equivalent as per Note No. 7	3.92	4.07
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As per our Report attached
For GUPTA VAISH & CO.,
Chartered Accountants

Abhishek Singhania
Managing Director
DIN: 00087844

Ashish Singh Chauhan
Director
DIN: 08145398

Partner
Place : Kanpur
Date: 30.08.2022

Sushil Goyal
Chief Financial Officer

J.K.COTTON LIMITED
STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31st MARCH,2022

A EQUITY SHARE CAPITAL

(Amount in Lakhs)

Balance at the beginning of the Reporting Period i.e. 1st April, 2020	Changes in equity share capital during the year 2020-21	Balance at the end of the Reporting Period i.e. 31st March, 2021	Changes in equity share capital during the year 2021-22	Balance at the end of the Reporting Period i.e. 31st March, 2022
2,357.78	-	2,357.78	2,475.66	4,833.44

B OTHER EQUITY

(Amount in Lakhs)

	Reserve and Surplus					Total
	Capital Reserve	Securities Premium Reserve	Retained Earnings	Equity Instrument through Other Comprehensive Income	Capital Redemption Reserve	
As ON 31 MARCH 2021						
Balance at the beginning of the reporting period i.e., 1st April, 2020	11,582.02	209.99	(9,313.66)	-	31.87	2,510.22
Adjustment for Ind AS 115	(1,080.69)					
Profit/(Loss) for the year			2,514.37			
Transfer to profit and loss						
Other comprehensive income for the year				1.30		
Balance at the end of the reporting period i.e., 31st March, 2021	10,501.33	209.99	(6,799.29)	1.30	31.87	3,945.20

	Reserve and Surplus					Total
	Capital Reserve	Securities Premium Reserve	Retained Earnings	Equity Instrument through Other Comprehensive Income	Capital Redemption Reserve	
As ON 31 MARCH 2022						
Balance at the beginning of the reporting period i.e., 1st April, 2021	10,501.33	209.99	(6,799.29)	1.30	31.87	3,945.20
Adjustment for Ind AS 115	(2,221.21)					
Profit/(Loss) for the year			5,955.87			
Transfer to profit and loss						
Other comprehensive income for the year				10.03		
Received during the year		209.99				
Balance at the end of the reporting period i.e., 31st March, 2022	8,280.12	419.98	(843.42)	11.33	31.87	7,899.88

J.K.COTTON LIMITED

Amount in Lakhs

Note No. 1 (A) Property, Plant & Equipment

Description of Assets	AT COST OR BOOK VALUE				DEPRECIATION				NET BLOCK	
	As at 01.04.2021	Additional/ Adjustment	Deductions/ Adjustments	As at 31.03.2022	Upto 01.04.2021	Provided during the	Deduc- tions	Upto 31.03.2022	As at 31.03.2022	As at 31.3.2021
<u>Tangible Assets</u>										
Land Leasehold	290.82	-	-	290.82	33.41	3.06	-	36.47	254.35	257.41
Land	380.68	-	0.01	380.67	-	-	-	-	380.67	380.68
Buildings	2,938.90	84.72	-	3,023.62	889.28	81.05	-	970.33	2,053.29	2,049.62
Roads	159.93	-	-	159.93	151.93	-	-	151.93	8.00	8.00
Plant & Machinery	483.72	19.73	0.80	502.65	336.02	23.65	0.76	358.91	143.74	147.70
Furniture & Fittings	100.54	1.00	1.44	100.10	86.74	2.99	0.55	89.18	10.92	13.80
Office Equipments	149.65	5.00	1.76	152.89	81.97	8.53	1.41	89.09	63.80	67.68
Vehicles	63.39	126.17	3.43	186.13	31.89	10.91	3.26	39.54	146.59	31.50
Total	4,567.63	236.62	7.44	4,796.81	1,611.24	130.19	5.98	1,735.45	3,061.36	2,956.39
Previous Year	4,566.07	8.99	7.43	4,567.63	1,490.72	126.45	5.94	1,611.24	2,956.39	3,075.34

Note: The Company is holding all title deeds in the name of Juggilal Kamlapat Cotton Spg. and Wvg. Mills Company Limited. However, subsequently name of the company change as J.K. Cotton Limited on 19th August, 2013.

Note No. 1 (B) Intangible Assets

Computer Software	62.48	-	-	62.48	59.95	1.94	-	61.89	0.59	2.53
Previous Year	105.22	-	42.74	62.48	76.30	8.73	25.08	59.95	2.53	28.92

Note No. 1 (C) Capital Work in Progress

Building under Construction (Refer note below)	52.75	162.89	-	215.64
Preoperative Expenses (Refer note below)	9.05	-	-	9.05
Total	61.80	162.89	-	224.69
Previous Year	63.12	-	1.32	61.80

Note 1 (C) .1- CWIP Ageing Schedule as on 31.03.2022

CWIP	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	162.89	-	-	-	162.89
Projects temporarily suspended	-	-	-	61.80	61.80
Total	162.89	-	-	61.80	224.69

J.K.COTTON LIMITED
CIN: U17111UP1924PLC000275
Regd. Office- Kamla Tower, Kanpur-208001
Notes to the Consolidated Financial Statements for the year ended 31st March 2022

Particulars	Amount in Lakhs			
	Consolidated As At 31st Mar'22	Standalone (Refer Note No. 48) As At 31st Mar'21		
NON CURRENT ASSETS				
2 Non Current Investments				
<u>In Equity Shares - Quoted fully paidup</u>				
5 No. of (P.Y. NIL) Equity shares of Tata Power Co. Ltd.	0.01	-		
<u>In Equity Shares - Unquoted fully paidup</u>				
2070 No. of (P.Y. 2070) Equity shares of Accurate Finman Services Ltd.- Bonus Shares	-	-		
Total	0.01	-		
Aggregate amount of quoted investment	0.01	-		
Market value of quoted Investment	0.01	-		
Aggregate amount of unquoted investment	-	-		
Category-wise Non Current Investment				
Investment carried at amortised cost	-	-		
Investment carried at cost	0.01	-		
Investment measured at FVOCI	-	-		
3 Other Non Current Financial Assets				
Fixed Deposits (More than one year)- Pledged	118.62	98.92		
Security Deposits	0.94	-		
Total	119.56	98.92		
3.1 Fixed Deposits Rs. 117.32 Lacs (Previous Year Rs. 98.92 Lacs) pledged with Banks towards Bank Guarantee for EPCG License.				
3.2 Fixed Deposits Rs. 1.30 Lacs (Previous Year Rs. Nil) with Banks under lien with Government Authorities.				
4 Deferred Tax Assets				
Item Under The Income Tax Act Which Will Be Allowed On Actual Payment	5.99	9.79		
	5.99	9.79		
MAT credit entitlement	-	295.06		
Total	5.99	304.85		
CURRENT ASSETS				
5 Inventories				
Opening Stock	19,887.81	21,345.80		
Change in stock-Increase	(3,323.21)	(1,457.99)		
Total	16,564.60	19,887.81		
6 Trade Receivables				
Trade Receivables considered good- Unsecured	50.29	-		
Total	50.29	-		
6.1 Trade Receivables due from entities in which director is a partner, a direct or a member are as under:				
Shree Shubham Logistics Ltd.	3.33	-		
Trade Receivable Aging Schedule as on 31.03.2022				
Particulars	Outstanding for following periods from due date of payments			Total
	Not Due	Less Than 6 months	6 months-1 Year	
Trade receivables considered good - Secured				
Undisputed Trade Receivable Considered Good	2.41	47.88	-	50.29
Trade Receivables which have significant increase in credit risk	-	-	-	-
Trade Receivables - Credit impaired	-	-	-	-
Trade receivables (Gross)	2.41	47.88	-	50.29
Less: Impairment allowance for trade receivables considered doubtful	-	-	-	-
Trade receivables (Net)	2.41	47.88	-	50.29
7 Cash and Cash Equivalent				
Balance With Banks:				
In current account	2,786.92			628.99
Cash in Hand	3.92			4.07
Total	2,790.84			633.06
8 Balances with bank				
In Fixed Deposits With Bank	3,667.70			4,948.47
Total	3,667.70			4,948.47
8.1 Fixed Deposits Rs. 15.03 Lacs (Previous Year Rs. 15.03 Lacs) pledged with Banks towards Bank Guarantee to Pollution Control Board				

9 Other Current Financial Assets		
Interest accrued on FDR with Bank	63.84	119.25
Fixed deposits in NBFC	653.96	811.40
Security Deposits	330.60	316.42
Total	1,048.40	1,247.07

10 Current Tax Assets (Net):		
Advance Tax & TDS (Net of provision)	42.58	-
Total	42.58	-

11 Other Current Assets		
Prepaid Expenses	14.40	3.30
Other Receivable	33.92	6.54
Income tax refund due	22.44	
Balance with Government Authorities:		
GST Input Tax Credit (Net)	99.73	167.77
Others Loans & Advances:		
Considered Good	1,276.50	66.91
Total	1,446.99	244.52

12 Share Capital:

Authorised:

5,00,00,000 (P.Y. 2,45,00,000) Equity shares of Rs. 10/- each	5,000.00	2,450.00
45,25,000 6% Non Cumulative Redeemable Preference Shares of Rs. 100/- each	4,525.00	4,525.00
25,000 8.5% Non Cumulative Redeemable Preference Shares of Rs. 100/- each	25.00	25.00
Total	9,550.00	7,000.00

Issued, Subscribed & Paid up:

4,83,34,388 (P.Y. 2,35,77,750) Equity shares of ₹ 10/- each	4,833.44	2,357.78
Total	4,833.44	2,357.78

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

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

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

Name of Shareholder	As At 31 - March - 2022		As At 31 - March - 2021	
	No. of Shares Held	% of Shares Held	No. of Shares Held	% of Shares Held
Yadu International Ltd.	17,20,000	3.56	17,20,000	7.30
Sushila Devi Singhania	18,95,000	3.92	18,95,000	8.04
Kavita Singhania	23,50,000	4.86	23,50,000	9.97
Abhishek Singhania	2,40,39,099	49.73	67,48,484	28.62
Jaykay Enterprises Ltd.	95,10,360	19.68	95,10,360	40.34
Ujala Merchants & Traders Ltd.	39,20,000	8.11	-	-
Sarvashaktiman Traders Pvt. Ltd.	32,80,000	6.79	-	-

12.3 Details of Shareholding of Promoters as at 31.03.2022

Details of Shareholding of Promoters as at 31.03.2022

Name of the Promoter	No. of Shares	% Shares Held	Change in % holding during the year
Abhishek Singhania *	2,40,39,099	0.50	0.21
Kavita Singhania	23,50,000	0.05	-
Sushila Devi Singhania	18,95,000	0.04	-
Ramapati Singhania	11,547	0.00	-
Jaykay Enterprises Ltd.	95,10,360	0.20	-
J.K. Traders Ltd.	1,85,868	0.00	-
Total	3,79,91,874	0.79	0.21

Details of Shareholding of Promoters as at 31.03.2021

Name of the Promoter	No. of Shares	% Shares Held	Change in % holding during the year
Abhishek Singhania	67,48,484	0.29	0.29
Kavita Singhania	23,50,000	0.10	-
Sushila Devi Singhania	18,95,000	0.08	-
Ramapati Singhania	11,547	0.00	-
Jaykay Enterprises Ltd.	95,10,360	0.40	-
J.K. Traders Ltd.	1,85,868	0.01	-
Total	2,07,01,259	0.88	0.29

*Change in shareholding of Mr. Abhishek Singhania during F.Y. 2021-22 is due to acquisition of shares in right issue.

13 Other Equity:

Capital Reserve		
Balance at the beginning of the year	10,501.33	11,582.02
Less - Transfer to P&L (Capital Reserve)	2,221.21 *	1,080.69
Balance at the end of the year	8,280.12	10,501.33
Capital Redemption Reserve		
Balance at the beginning of the year	31.87	31.87
Balance at the end of the year	31.87	31.87
Share Premium Account		
Balance at the beginning of the year	209.99	209.99
Add:- Received during the year	4,208.63	-
Balance at the end of the year	4,418.62	209.99
Retained Earnings		
Balance at the beginning of the year	(6,797.99)	(9,313.66)
Add:- Net Profit for the year	5,955.87	2,514.37
Add:- OCI	10.03	1.30
Balance at the end of the year	(832.09)	(6,797.99)
Total	11,898.52	3,945.20

*Transfer pertains to the area for which sale deed executed during the year.

Notes to Other Equity :-

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

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

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

13.4) Retained Earnings represents the cumulative Profit/(loss) of the Company and effect of re-measurement of defined obligations.

13.5) Other Comprehensive Income (OCI), represents the fair value changes of specified items which will be reclassified to Profit and Loss Account in future years.

NON CURRENT LIABILITIES**14 Long Term Borrowings**

Secured		
Vehicle Loan	31.21	-
(Secured by hypothecation of vehicle)		
NIL (P.Y. 43,81,720) 6% Non Cumulative Redeemable Preference Shares of ₹ 100/- each		4,381.72
Total	31.21	4,381.72

14.1 Repayment Schedule:

	Within 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Vehicle Loan	7.50	7.47	8.06	15.68	38.71

15 Deferred Tax Liabilities

Difference between Net Book Value of Depreciable Capital Assets As per Books vis-à-vis Written Down Value As Per Income Tax		37.72	34.53
Total		37.72	34.53

16 Other Non Current Liabilities

Deferred Income		218.84	-
Total		218.84	-

17 Long Term Provisions

Provision of Gratuity		24.38	54.30
Provision of Leave Encashment		15.42	21.69
Total		39.80	75.99

CURRENT LIABILITIES**Financial Liabilities****18 Short Term Borrowings**

Secured		
Current Maturities of Long Term Borrowings	7.50	-
Total	7.50	-

19 Trade Payables

i. Micro Enterprises & Small Enterprises *		0.11	-
ii. Others		1,076.33	1,608.67
Total		1,076.44	1,608.67

(i) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2022 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:				
-Principal		0.11	-	-
-Interest		-	-	-
The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.		-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.		-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.		-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006		-	-	-

ii) The information in respect of party determined under the MSMED Act 2006, has been identified on the basis of information available with the Company.

iii) The total dues of Micro and Small Enterprises which were outstanding for more than stipulated period are Rs.Nil (P.Y. Rs.Nil)

Trade Payable Aging Schedule as on 31.03.2022

	Outstanding for following periods from due date of payments					Total
	less than 1 year	1-2 years	2-3 years	More than 3 years		
MSME	-	-	-	-	-	-
Others	885.68	6.50	131.01	51.89		1,075.08
Disputed dues- MSME	0.11	-	-	-		0.11
Disputed dues- Others	-	-	-	1.25		1.25
Total						1,076.44

Trade Payable Aging Schedule as on 31.03.2021

Particulars	Outstanding for following periods from due date of payments					Total
	less than 1 year	1-2 years	2-3 years	More than 3 years		
MSME	-	-	-	-	-	-
Others	751.20	374.36	117.29	365.82		1,608.67
Disputed dues- MSME	-	-	-	-		-
Disputed dues- Others	-	-	-	-		-
Total						1,608.67

20 Other Current Financial Liabilities

Other Payables*		614.72	520.98
Unclaimed Preference Shares (Redemption Money)		0.21	0.21
Total		614.93	521.19

*Other payables includes employees liabilities & expenses payable etc.

21 Other Current Liabilities

Advance from Customers		7,578.45	11,872.95
Deposits		3,325.92	3,187.43
Deferred Income		10.92	
Statutory Dues Payable		60.59	48.51
Total		10,975.88	15,108.89

22 Short Term Provision

Provision of Gratuity		22.87	-
Provision of Leave Encashment		8.14	2.66
Total		31.01	2.66

23 Current Tax Liability (Net)

Current Tax Liability (Net of tax paid)		-	201.38
Total		-	201.38

J.K.COTTON LIMITED

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022

	Amount in Lakhs	
Particulars	Consolidated	Standalone (Refer Note No. 48)
	For the year ended 31st Mar'2022	For the year ended 31st Mar'2021
24 Revenue from Operations:		
Revenue from Real Estate	12,305.38	6,586.91
Sale of Services	205.26	-
Total	12,510.64	6,586.91
25 Other Income:		
Interest Income	155.91	214.30
Rental Income	308.27	166.23
Profit on sale of Investment	-	16.47
Liability/Advance written back	0.64	30.00
Maintenance Charges Recovered	8.25	4.90
Insurance Claim Received	-	29.29
Profit on Sale of Fixed Assets	500.82	-
Interest on Income tax refund	8.60	-
Sundry Income	59.46	8.31
Subsidy Income	8.19	-
Total	1,050.14	469.50
26 Land Development and Construction Expenses:		
Purchases		
Power Charges(DG Sets)	-	8.67
Severage and Pipes	-	22.72
Employee Cost		
Salaries & Wages	116.20	80.20
Other Expense		
Building Construction Misc. Expenses	35.46	-
Building Construction Welfare Cess	24.40	-
Electric Consumption	4.48	50.86
Generator Running Expenses	1.42	3.08
Gardening & Horticulture Expenses	6.45	17.89
Contractor charges	992.69	866.59
Professional Charges	921.58	296.51
Sample & Model Expenses	-	(0.81)
Power Substation Expenses	1.41	-
Site Electrification Expenses	1.03	-
Map Sanction expenses	0.00	22.12
EWS/LIG Exp	-	1.58
Registartion RERA Exp	1.28	0.38
Telephone Expenses	-	0.31
Architectural Consultancy Services	-	179.31
Engineering Consultancy	-	12.73
Establishmnet Exps	19.31	21.11
Landscape Design (Registered)	-	7.79
MEP consultancy services	-	31.94
Park Development Exp Phase-2	1.51	-
Testing charges	0.06	-
Project Consultancy Management	574.46	150.46
Total	2,701.74	1,773.44

27 Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade:

Inventories at the beginning of the year

Work-in-Progress	19,887.81	21,345.80
Total (A)	19,887.81	21,345.80

Inventories at the end of the year

Work-in-Progress	16,564.60	19,887.81
Total (B)	16,564.60	19,887.81

Net Changes in Inventories (A-B)	3,323.21	1,457.99
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28 Employee Benefits Expense:

Salaries And Wages	387.10	123.77
Contribution To Provident And Other Funds	16.68	10.93
Staff Welfare Expenses	10.45	7.93
Add: OCI Adjustment	9.55	1.30
Total	423.78	143.93

29 Finance Cost:

Interest on Security Deposits	101.59	180.00
Interest on borrowings	23.23	-
Total	124.82	180.00

30 Depreciation & Amortisation Expense:

Depreciation on Tangible assets	108.97	41.45
Amortisation on Intangible assets	1.74	1.76
Total	110.71	43.21

31 Other Expenses:

Administrative Expenses:

Rent	38.28	3.29
Rates & Taxes	121.56	50.14
Insurance	16.85	9.57
Travelling & Conveyance	22.55	14.26
Directors' Fee	4.82	3.86
Remuneration to Auditor's		
-As Audit Fee	3.01	2.36
-As Tax Audit Fee	0.59	0.59
-As other Services	1.52	-
CSR Expenditure	21.80	2.50
Donation	2.00	125.00
Consultancy & Professional Fee	186.24	36.94
Security Expenses	138.10	88.74
Repairs & Maintenance	146.16	55.97
Other Expenses	421.00	288.81
Total (A)	1,124.48	682.03

Selling and Distribution Expenses:

Advertisement & Publicity Expenses	101.58	91.93
Commision on sale	854.57	427.73
Other Selling Expenses	6.86	3.01
Total (B)	963.01	522.67
Grand Total (A+B)	2,087.49	1,204.70

J. K. COTTON LIMITED

32. Balances of personal accounts of Trade Payables, Other Current Financial Liabilities, Deposits, Other Loans and Advances are subject to confirmation and reconciliation.

33. Impairment losses, as per Ind AS 36 issued by the Institute of Chartered Accountants of India have been accounted for to the extent possible of identification.

34. <u>Earnings per share (EPS)</u>	<u>2021-22</u>	<u>2020-21</u>
	(₹) in lakhs	(₹) in lakhs
(a) Net Profit/ (Loss) before Other Comprehensive Income from continuing operations	5955.94	2514.37
(b) Net Profit/ (Loss) before Other Comprehensive Income from discontinued operations	(0.07)	-
(c) Net Profit/ (Loss) before Other Comprehensive Income from continuing & discontinued operations	5955.87	2514.37
(d) Net Profit/ (Loss) after Other Comprehensive Income from continuing operations	5965.97	2515.67
(e) Net Profit/ (Loss) after Other Comprehensive Income from discontinued operations	(0.07)	-
(f) Net Profit/ (Loss) after Other Comprehensive Income from continuing & discontinued operations	5965.90	2515.67
(g) Weighted average number of equity shares Used as denominator for calculation of EPS	3,57,25,459	2,35,77,750
(h) Basic and diluted earning per share of Rs. 10/- each before OCI from continuing operations	16.67	10.66
(i) Basic and diluted earning per share of Rs. 10/- each before OCI from discontinued operations	-	-
(j) Basic and diluted earning per share of Rs. 10/- each before OCI from continuing & discontinued operations	16.67	10.66
(k) Basic and diluted earnings per share of Rs. 10/- each after OCI from continuing operations	16.70	10.67
(l) Basic and diluted earnings per share of Rs. 10/- each after OCI from discontinued operations	-	-
(m) Basic and diluted earnings per share of Rs. 10/- each after OCI from Continuing & discontinued operations	16.70	10.67

35. Approval of Financial Statements:

The Consolidated financial statements were approved for issue by the Board of Directors on 30th August, 2022.

36. Previous year figures have been regrouped/rearranged/restated wherever necessary.
37. The company did not enter any transaction with companies struck off under section 24B of the Companies Act, 2013 or section 560 of Companies Act, 1956. There are no outstanding balances (payable to / receivable from) with struck off companies.
38. There are no charges or satisfaction yet to be registered with ROC beyond the statutory period as no loan/guarantee have been taken by the company.
39. The company has complied with number of layers of companies.
40. The company has not entered in any Scheme of Arrangements and no Scheme of Arrangements has been approved by the Competent Authority in terms of section 230 to 237 of the Companies Act 2013.
41. The company did not held any Benami Properties and no proceedings has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
42. The company is not declared willful defaulter by any bank or financial institution or any other lender.
43. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
44. No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

45. Contingent Liabilities

- (i) Claims against the company not acknowledged as debts - Amount unascertainable.
- (ii) A Recovery suit being Civil Suit No. 613850/16 was filed by Mr. Rakesh Bhasin, Director of M/s. Hitads Pvt. Ltd. against the Company for recovery of outstanding amount of Rs. 74,59,021/- and the same was inter-alia contested on the ground that JK Cotton is sick company. The matter was pending for a long time and was only recently decided vide Judgement dated 24.12.18 in favour of the Plaintiff i.e. M/s Hitads Pvt. Ltd. and it was held entitled to recover a sum of Rs. 41.27 Lakhs Approx. with interest (pending litigation and future) @ 18% p.a. + cost of litigation. But we filed a appeal before the Hon'ble High Court Delhi and the matter was taken up for admission of the appeal on 7.5.2019 before the Hon'ble Justice Mr. V. Kameswar Rao. After Hearing both the parties the Court was pleased to stay the order of trial court dated 24.12.2018 and ordered us to deposit 2/3rd of the decretal amount i.e. Rs. 1,69,19,580/- with Registrar General, Delhi High Court in Demand Draft which is shown under Other Current Financial Assets.

46. Related Party Disclosures:

1 Subsidiary Company

- a) BGK Infrastructure Developer Pvt. Ltd. (w.e.f. 01/07/2021)

2 Key management personnel and their Relatives

- a) Abhishek Singhania- Chairman & Managing Director
b) Sanjay Kumar Jain- Wholetime Director (ceased from 30/04/2022)
c) Sonali Agarwal- Chief Financial Officer (ceased from 31/01/2022)
d) Harshit Gunani- Company Secretary (ceased from 12/05/2022)
e) Manorama Devi Singhania- Relative of MD

3 Other Director's

- a) Krishna Behari Agarwal- Director (ceased from 12/05/2022)
b) Ashok Gupta- Director (ceased from 30/10/2021)
c) Jagannath Gupta- Director
d) Krishna Das Gupta- Director (ceased from 6/11/2021)
e) Nidhipati Singhania- Director (ceased from 23/06/2021)
f) Padam Kumar Jain- Director (ceased from 12/05/2021)
g) Ravindra Kumar Tandon- Director
h) Vedang Hari Singhania- Director (appointed on 29/06/2021 and ceased from 26/04/2022)
i) Mayank Khanna- Additional Director (appointed on 30/10/2021)
j) Satish Chandra Gupta- Additional Director (appointed on 30/10/2021)
k) Vikas Garg- Additional Director (appointed on 30/10/2021 ceased from 29/03/2022)

4 Promoters other than KMP & Directors

- a) Sushila Devi Singhania
b) Ramapati Singhania
c) Kavita Singhania

5 Entities significantly influenced by Key Management Personnel, Directors/ Promoters or their Relatives

- a) Jaykay Enterprises Ltd.
b) J K Technosoft Ltd.
c) J.K. Conusltancy and Services Pvt. Ltd.
d) Dr. Gaur Hari Singhania Institute of Management & Research
e) KMG & Co.
f) Uttar Pradesh Cricket Association
g) Merchant Chamber of Uttar Pradesh

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

Following are the transactions with related parties:

	Amount in Lakhs	
	2021-22	2020-21
i) Subsidiary Company:		
a. BGK Infrastructure Developer Pvt. Ltd.		
Loans Given:		
Opening Balanace	-	-
Add: Given during the year	300.00	-
Less: Recovered during the year	-	-
Closing Balance	300.00	-
Interest Income on Loan	4.68	-

ii) <u>Key Management Personnel & their Relatives:</u>		
a. Shri Abhishek Singhania:		
Rent Paid	14.03	0.40
Remuneration Paid	174.60	-
Amount paid on Pref. Shares Redemption	3,084.72	-
Allotment of Equity Shares (including premium)	4,668.47	-
Application money refunded during the year	12.75	-
b. Shri Sanjay Kumar Jain:		
Remuneration Paid	27.70	-
c. Ms. Sonali Agarwal		
Remuneration including Provident Fund	9.30	9.84
d. Mr. Harshit Gunani		
Remuneration including Provident Fund	8.28	7.69
e. Smt. Manorama Devi Singhania		
Rent Paid	0.76	-
iii) <u>Other Director's:</u>		
a. Shri Ashok Gupta		
Remuneration Paid	8.00	-
b. Shri Nidhipati Singhania		
Rent Paid	-	0.20
c. Sitting Fees paid to Directors (including GST)	4.81	3.86
iv) <u>Promoters other than KMP & Directors:</u>		
a. Smt. Sushila Devi Singhania		
Rent Paid	1.14	0.47
b. Shri Ramapati Singhania		
Rent Paid	0.90	0.20
v) <u>Entities significantly influenced by Key Management Personnel, Directors or their Relatives:</u>		
a. <u>Jaykay Enterprises Ltd.</u>		
Rent Paid	3.75	1.49
Registrar & Transfer agent Fee (including GST)	0.15	0.30
b. <u>J K Technosoft Ltd.</u>		
Purchase of Fixed Assets	1.98	-
c. <u>J.K. Conusltancy and Services Pvt. Ltd.</u>		
Consultancy Charges (including GST)	5.78	-
d. <u>Dr. Gaur Hari Singhania Institute of Management & Research</u>		
Corporate Social Responsibility Expense	10.00	-
e. <u>KMG & Co.</u>		
Consultancy Charges (including GST)	28.32	-
Re-imbursement of Expenses	-	-
f. <u>Uttar Pradesh Cricket Association</u>		
Rent & Maintenance Charges Received (incl. GST)	79.72	72.79

g. Merchants Chamber of Uttar Pradesh
Annual Membership Fees

0.19

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Note No. 47 Financial Ratios

S.No.	Ratio	Ratio Formula	Computed Ratio (Consolidated)	Computed Ratio (Standalone-Refer Note No. 48)	Reason for change where change is more than 25%
			FY 21-22	FY 20-21	
1	Current Ratio	Current Assets/ Current Liabilities	1.90	1.55	Refer Note A
2	Debt Equity Ratio	Total Debt/ Total Equity	-	-	Refer Note B
3	Debt Service Coverage Ratio	Earning available for debt service/ Interest expenses+Lease payment+Principal repayments made during the year	#VALUE!	1.00	Refer Note C
4	Return on equity ratio	PAT- Preference dividend/ Average Shareholder equity	-0.00	-	Refer Note D
5	Inventory Turnover Ratio	Cost of Goods sold or Sales/Average Inventory	#DIV/0!	-	Refer Note E
6	Trade Receivable Turnover Ratio	Net Credit sale/ Avg. Trade Receivable	6.39	3.19	Refer Note F
7	Trade Payable Turnover Ratio	Net Credit Purchase/ Average Trade Payable	N.A.	N.A.	
8	Net Capital Turnover Ratio	Net Annual Sale/ Working Capital	-	-	Refer Note G
9	Net Profit Ratio	Profit After Tax/ Value of sales and Services	#DIV/0!	#DIV/0!	
10	Return on Capital Employed	Earning before tax & interest/ Capital Employed	1.31	0.02	Refer Note H
11	Return on Investment	Net Income/ Cost of Investment	-	1.71	Refer Note I

Note A Current Ratio has increased during the year since the advance from customers under other current liabilities is reduced as sales deed against this have been executed/made.

Note B Debt equity ratio has reduced during the year due to redemption of preference shares and other borrowings.

Note C Debt service coverage ratio has decreased during the year due to repayment of interest bearing deposits, repayment of term loans and redemption of preference shares during the year.

Note D Return on equity has reduced during the year due to increase in share capital through right issue.

Note E Inventory turnover ratio has increased during the year due to significant increase in sales of real estates.

Note F Trade Receivable Turnover Ratio has increased during the year due to reduction in sales and average trade receivables.

Note G Net Capital Turnover ratio has increased during the year due to significant increase in sales of real estates.

Note H Return on Capital Employed is higher than previous year due to significant increase in sales of real estates.

Note I Return on Investment was higher in previous year due to occurrence of sale of investment and profit earned thereon whereas no such sale occurred during the current year.

48. SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

PRINCIPLES OF CONSOLIDATION

- i. The consolidated financial statements have been prepared on the following basis :
 - a. The consolidated financial statements are prepared in accordance with " Indian Accounting Standard (Ind AS's) notified under the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of ther Act as mentioned from time to time.
 - b. The Financial statements of the Company and its Subsidiary have been consolidated on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
 - c. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.
 - d. Financial Year as accounting year is adopted by the subsidiary and the books are being prepared for the year ending 31st March, 2022.
 - e. B.G. K. infrastructure Developers Private Limited became subsidiary of J.K. Cotton Limited w.e.f. 1st July, 2021. Therefore, Consolidated Financial Statements have been prepared for the first time and previous year figures are shown as per Standalone Financial Statements. Further, income and expenses have been considered in Consolidated Profit & Loss Statement w.e.f. 1st July, 2021 i.e. the acquisition date.

ii. Other Significant Accounting Policies:

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

iii. Additional information as required under Schedule III to the Companies Act, 2013 of Companies Consolidated as subsidiary:

	Name of Company	Net Assets i.e. Total Assets less Total Liabilities		Share in Profit or Loss After tax		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated	Amount (in Lakhs)	As % of Consolidated	Amount (in Lakhs)	As % of Consolidated	Amount (in Lakhs)	As % of Consolidated	Amount (in Lakhs)
	Parent:								
	J.K. Cotton Limited	344.22%	16,637.76	-8374500.00%	5,862.15	#DIV/0!	9.55	61472.94%	5,871.70
	Subsidiary:								
	B.G.K. Infrastructure Developers Private Limited	-244.22%	-11,804.32	8374600.00%	-5,862.22	#DIV/0!	-9.55	-61372.94%	-5,862.15

